Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

1 Legal status and principal activities

Takaful Oman Insurance SAOG (the Company or the Group) is incorporated as a public joint stock company in the Sultanate of Oman. The principal activity of the Company is to manage the General and Family takaful activities by adopting Hybrid model by applying Wakala and Mudaraba arrangements. The Company conducts its business in accordance with Shari'ah principles under the supervision of its Shari'ah Supervisory Board.

The Company was registered on 3 February 2014 and was granted a license from the Financial Services Authority (FSA) on 5 April 2014 to commence operations. The Company has agents and branches across Sultanate of Oman to distribute its products. Oman International Development and Investment Company SAOG is the ultimate parent company of the Company.

The consolidated financial statement of the Company for the year ended 31 December 2025 comprise the Company and Takaful Sukuk SPC ("subsidiary") (together "the Group"). Additionally, within these financial statements, the general and family takaful fund are considered distinct reporting entities from the takaful operator.

Participants' (General / Family) Takaful Fund (PTF) – is constituted from participants' contributions and is dedicated to underwriting risk, paying claims and retakaful costs, and accumulating/distributing any surplus attributable to participants. Participants enter into the Takaful arrangement on the basis of mutual cooperation and risk sharing. The retakaful activities are organized on an underwriting year basis with the participants' pooling their contributions to compensate for losses suffered in the pool on occurrence of a defined event. Their key responsibilities include:

Contribution on Tabarru' basis: Each participant contributes to the PTF as a donation (Tabarru') to collectively indemnify members against specified risks. These contributions do not create any ownership or profit entitlement for the participant.

Compliance with fund rules: Participants agree to abide by the terms of the Takaful contract, including claims procedures, surplus distribution policy, and any adjustments required to maintain the solvency and sustainability of the PTF, as approved by the Shari'ah Supervisory Board.

Surplus entitlement and treatment: After meeting all obligations and reserves, any surplus in the PTF is attributable to participants. Surplus may be distributed or retained in accordance with Shari'ah principles and regulatory guidelines.

No recourse to shareholders' equity: Participants have no legal or beneficial interest in the Shareholders' Fund and bear no liability for its obligations. Their rights are limited to the PTF and governed by the Takaful contract.

Takaful Operator – records the operator's income (e.g., Wakala fees), expenses, and shareholders' equity and is separate from the PTF. Their key responsibilities include:

Fiduciary & operational role: Shareholders, through the operator, manage Takaful operations under the Wakala/Mudaraba agency terms, applying Shari'ah and AAOIFI standards, and charging a Wakala fee and Mudaraba share.

Segregation of funds: The operator ensures strict segregation between the PTF and Shareholders' Fund, including separate books, bank accounts where applicable, and financial statements/notes.

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1 Legal status and principal activities (continued)

Qard Hasan support: If the PTF has Cash or Accounting deficit, the operator provides an interest-free loan (Qard Hasan) from the Shareholders' Fund to the PTF and is recoverable from future PTF surpluses.

No claim on participants' surplus: Shareholders are not entitled to participants' surplus; any surplus allocation follows the PTF surplus policy and Shari'ah governance.

2 Basis of Presentation

2.1 New and amended standards and interpretations

The following new standards are mandatory for the first time and have been adopted in the preparation of these financial statement for the year ended 31 December 2025.

FAS 1 - "General Presentation and Disclosures in the Financial Statement"
The standard describes and improves the overall presentation and disclosure requirements prescribed in line with modifications made to the "AAOIFI Conceptual Framework for Financial Reporting".

The adoption of the standard did not have any significant impact on the presentation and disclosure of the financial statements for the year ended 31 December 2025.

FAS 42 - "Presentation and Disclosures in the Financial Statements of Takaful Institutions"

FAS 42 supersedes FAS 12 "General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies" and establishes the principles for how Takaful institutions should present and disclose their financial statements. Its purpose is to ensure that financial reporting accurately reflects the contractual relationships, business model, and Shari'ah-compliant nature of Takaful operations.

Changes to presentation and disclosure

For presentation in the consolidated statement of financial position, the Company will aggregate takaful and re-Takaful arrangements issued, and re-Takaful arrangements held, respectively and present separately:

- Portfolios of takaful and re-Takaful arrangements issued that are assets.
- Portfolios of takaful and re-Takaful arrangements issued that are liabilities.
- Portfolios of re-Takaful arrangements held that are assets.
- Portfolios of re-Takaful arrangements held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the FAS 43 requirements.

Portfolios of Takaful arrangements issued include any assets for takaful acquisition cash flows.

The line-item descriptions in the consolidated statement of profit or loss have been changed significantly compared with last year. Previously, the Company reported the following line items:

- Gross contributions
- Contribution ceded to re-takaful operator.
- Net contributions
- Movement in unexpired risk reserve Gross claims paid.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

2 Basis of Presentation (continued)

2.1 New and amended standards and interpretations

Changes to presentation and disclosure (continued)

- re-Takaful recoveries
- Movement in outstanding claims Net commission
- Net underwriting result

Instead, FAS 43 requires separate presentation of:

- Takaful revenue.
- Takaful service expenses.
- Net income or expense from re-Takaful arrangements held.
- Net amortisation of deferred profit or cost from Takaful and re-Takaful arrangements.

FAS 43 - "Accounting for Takaful: Recognition and Measurement"

The standard defines how Takaful institutions should recognise, measure, and report Takaful arrangements and related transactions, ensuring information is faithfully presented in line with Shari'ah and international insurance-sector reporting practices. It outlines key financial reporting requirements for the Participants' Takaful Fund (PTF) and the Participants' Investment Fund (PIF), and provides principles for handling inter-fund and operator-related transactions. The standard forms part of a broader Takaful accounting framework and must be read together with FAS 42 on presentation and disclosures. It also replaces three earlier standards FAS 13 , FAS 15 and FAS 19.

Remeasurement impact on the statement of financial position on adoption of FAS 43

	As at 01 January 2024
Impact on equity on transition to FAS 43	
Impact of Initial application of FAS 43	(2,265,704)
	(2,265,704)
Shareholder's fund	
Impact of Initial application of FAS 43	(1,246,255)
Tax Impact of Initial application of FAS 43	237,832
Total impact on equity - Shareholders'	**(1,008,423)**
Impact on takaful arrangement asset and liabilitites - participants'	
Drivers of change	
- Discounting	78,486
- Risk adjustment	(225,779)
- GA impact	(801,267)
- Other drivers	(308,721)
	(1,257,281)

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
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2 Basis of Presentation (continued)

2.1 New and amended standards and interpretations

FAS 30 - "Impairment, Credit losses and Onerous Commitments"

This standard aims at setting out the accounting rules and principles for impairment and credit losses, covering current and expected losses, in line with global best practices, taking into account the ever-changing requirements and the genuine requirements of the Islamic finance industry across the globe. It also sets out classification of assets and exposures in view of the credit risk and other risks involved.

Transition disclosure for FAS 30 - Impairment

FAS 30 was issued in November 2017. The requirements relating to impairment and credit losses of FAS 30 represent a significant change from FAS 11 "Provisions and Reserves". As permitted by FAS 30, the standard will be modified retrospective approach and accordingly the comparative amounts will not be restated. FAS 30 replaces the 'incurred loss' model in FAS 11 with Expected Credit Loss (ECL) model. The new impairment model also applies to certain financing commitments and financial guarantee contracts but not to equity investments.

FAS 30 was introduced in order to overcome the delay in recognition of impairment and thus moves from an incurred loss model to an expected loss model. This model accounts for increasing credit risk to assess and compute loss allowances. The amount of expected credit loss (ECL) recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition.

'Under the general approach, there are two measurement basis:

- 12-month ECLs (Stage 1), which applies to all exposures (from initial recognition) as long as there is no significant deterioration in credit quality; and
- Lifetime ECLs (Stage 2 and Stage 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

12-month ECLs will be calculated for all Stage 1 exposures and lifetime ECLs will be calculated for all Stage 2 and Stage 3 exposures.

An alternative to this approach is the simplified approach, which is required for receivables that do not contain a significant financing component. For trade and other receivables, it is an accounting policy choice to follow the simplified approach. Under the simplified approach, loss is calculated on lifetime ECLs rather than the two-stage process under the general approach. Tracking of credit risk is not required; instead the approach requires a loss allowance based on lifetime ECL at each reporting date, right from origination.

The Company's portfolio is made up of the following asset classes:

- Cash and balances with banks
- Investments - Debt and equity type
- Other receivables

'The general approach to ECL calculation applies to the cash and balances with banks and investments - debt type. The simplified approach to ECL calculation applies to other receivables.

Changes in accounting policies resulting from the adoption of FAS 30 have been applied retrospectively in these finanicla statements

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

2 Basis of Presentation (continued)

2.1 New and amended standards and interpretations

Transition disclosure for FAS 30 - Impairment (continued)

To reflect the differences between FAS 30 and FAS 11, the Company has disclosed the transition impact in statement of changes in shareholders' equity and participants' funds.

FAS 33 Investment in sukuk, shares and similar instruments

This standard aims at setting out principles for the classification, recognition, measurement, presentation, and disclosure of investment in sukuk, shares and other similar instruments of investments made by Islamic financial institution. The standard defines the key types of instruments of Sharia's compliant investments and the primary accounting treatments commensurate to the characteristic and business model of institution under which the investments are made, managed and held.

This standard supersedes FAS 25 "Investment in Sukuk". For the purpose of this standard, each investment is to be categorized as one of the below investment categories depending on its nature:

- Monetary Debt-type instrument;
- Non-monetary Debt-type instrument;
- Equity-type instrument; and
- Other investment instruments.

The adoption of above standard did not have a meterial impact on the classification and measurement of the investment in sukuk, shares and similar instrument

Classification

Unless the irrevocable initial recognition choices provided below are exercised, the Company classifies investments subject to this standard as subsequently measured at either (i) amortized cost, (ii) fair value through equity or (iii) fair value through statement of income, on the basis of both the Company's business model for managing investments and the expected cash flow characteristics of the investment.

Investment in a non-monetary debt-type instrument or other investment instrument, may be classified under any of the three categories depending on the Company's business model.

Investment in equity-type instrument is classified as investment at fair value through statement of income unless the Company makes an irrevocable classification choice at initial recognition to classify this as investment at fair value through equity.

An investment held for trading purposes shall always fall in fair value through statement of income classification.

Recognition and Initial measurement

All investment shall be initially recognised at their fair value plus transaction costs except for investments at fair value through statement of income. Transaction costs relating to investments at fair value through statement of income are charged to the statement of income when incurred. A regular way purchase of investments shall be recognised upon the transfer of control to investor.

2 Basis of Presentation (continued)

2.1 New and amended standards and interpretations

Subsequent measurement

Investments at amortized cost
Investments carried at amortized cost shall be re-measured as such using the effective profit rate method. All gains or losses arising from the amortization process and those arising from de-recognition or impairment of the investment, are recognised in the statement of income. Investment carried at amortized cost shall be tested for impairment at each reporting period in accordance with FAS 30 "Impairment, credit losses and onerous commitments".

Investments at fair value through statement of income
'Investment carried at fair value through statement of income shall be re-measured at fair value at end of each reporting period. The resultant remeasurement gain or loss, if any being the difference between the carrying amount and the fair value shall be recognised in the statement of income.

Investments at fair value through equity
Investment carried at fair value through equity shall be re-measured at fair value at the end of each reporting period. The resultant re-measurement gain or loss, if any, being the difference between the carrying amount and the fair value shall be directly recognised in equity under "investments fair value reserve". Investment carried at fair value through equity shall be tested for impairment at each reporting period in accordance with FAS 30 "Impairment, credit losses and onerous commitments".

Reclassification
'When, and only when, the Company changes its business model for managing investments, it shall reclassify all affected financial assets prospectively from the reclassification date. In case of reclassification, the Company shall not restate any previously recognised gains, losses (including impairment gains or losses) or returns/ profits.

2.2 New standards, amendments and interpretations issued but not effective

The following new FASs have been issued and effective for the financial reporting years beginning on or after 1 January 2026. The Company's management is currently assessing any implications in the current or future reporting periods on the adoption of these standards and on foreseeable future transactions.

FAS 45 - "Quasi-Equity (Including Investment Accounts)"
FAS 46 - "Off-Balance sheet Assets Under Management"
FAS 47 - "Transfer of Assets Between Investment Pools"

3 Summary of significant accounting policies

3.1 Basis of preparation

(a) These consolidated financial statements have been prepared in accordance with the Shari'a rules and principles as determined by the Shari'ah Supervisory Committee of the Group, the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and applicable requirements of the Commercial Companies Law of the Sultanate of Oman, Takaful Insurance Law and Regulations and all relevant circulars and decisions as issued by Financial Services Authority (FSA) from time to time. For the matters which are not covered by FAS issued by the AAOIFI, International Financial Reporting Standards ("IFRS") have been applied.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

3 Summary of significant accounting policies (continued)

3.1 Basis of preparation (continued)

(b) These financial statements are prepared under the historical cost convention except for the measurement of financial asset at fair value through equity and investment in real estate measured based on the fair value at reporting date. The preparation of financial statement in conformity with FAS requires the use of certain critical accounting estimates and also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3.1.1 Going concern

The financial statements have been prepared on a going concern basis. Management has assessed the Group's ability to continue as a going concern and is confident in its sustainability. This confidence is supported by the shareholder's commitment, evidenced by a capital injection of □ 6.0 million in 2022. Additionally, the groups' consolidated financial performance has reported a positive combined profit of □ 0.36 million (2024 : □ 0.76 million) aligning with the business strategy. Forecasts indicate profitability from 2025 onwards. The net solvency have also remain stable compared to the previous year. Refer Note 25 to the financial statements.

3.1.2 Presentation currency

The financial statement are presented in Rial Omani (□) which is the Group's functional and presentation currency.

3.1.3 Foreign currency transactions

Transactions in foreign currencies are translated to the Group's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting dates are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiary as at end of the financial reporting period. The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, income, expenses, profits, and losses are eliminated in full on consolidation. Subsidiary is fully consolidated from the date control is transferred to the Company and continue to be consolidated until the date that control ceases. Control is achieved where the institution has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

Takaful Sukuk SPC (Single Person Company) is incorporated in Muscat and fully owned by the Company with limited liability for sole purpose of Sukuk issuance, for the benefit of the Company. Takaful Sukuk SPC has license to issue sukuk in favour of the Company for a period of 5 years from the date of issuing sukuk.

3.3 Takaful and re-Takaful arrangements classification

The Company enters into Takaful arrangements in the normal course of business. This includes life and non-life takaful to individuals and businesses. Non-life takaful products include Motor, Marine, Medical, Fire, Engineering, Liability and General Accident. These products offer protection of participant's assets and indemnification of other parties that have suffered damage because of a participant's accident.

The Company does not issue any arrangements with direct investment component.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

3 Summary of significant accounting policies *(continued)*

3.4 Takaful and re-Takaful arrangements accounting treatment

3.4.1 Separating components from takaful and re-Takaful arrangements

The Company assesses its takaful and re-Takaful arrangements to determine whether they contain non-Takaful components which must be accounted for under other relevant FAS instead of under FAS 43. After separating any non-Takaful components, the Company applies FAS 43 to all remaining components of the Takaful arrangement.

Currently, the Company's products do not include any non-Takaful components that are distinct and measurable.

3.4.2 Level of aggregation

The Company aggregates takaful arrangements into distinct portfolios that are subject to similar risks and are managed together. Arrangements within a product line are expected to be in the same portfolio if they are managed together, whereas arrangements in different product lines are expected not to have similar risks even when managed together.

The Company divides a portfolio of issued Takaful arrangements into groups (at the minimum) of:

i arrangements that are onerous at initial recognition
ii arrangements that have no significant possibility of subsequently turning into/becoming onerous from inception.
iii the remaining arrangements in the portfolio.

3.4.3 Subdivision of groups

A Takaful institution may subdivide the groups based on various levels of profitability or the different possibilities of arrangements turning onerous after initial recognition.

Takaful arrangements shall be included in a different group if issued more than one year apart.

The profitability of groups of arrangements is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no arrangements in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

For arrangements that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Company considers facts and circumstances to identify whether a group of arrangements are onerous based on:

- Pricing information
- Loss Ratios, Risk Adjustment.
- Results of similar arrangements it has recognised.
- Environmental factors, e.g., a change in market experience or regulations

The Company divides portfolios of re-Takaful arrangements held applying the same principles set out above, except that the references to onerous arrangements refer to arrangements on which there is a net gain on initial recognition. For some groups of re-Takaful arrangements held, a Company can comprise a single arrangement.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

3 Summary of significant accounting policies *(continued)*

3.4 Takaful and re-Takaful arrangements accounting treatment *(continued)*

3.4.4 The boundary of a Takaful arrangement

The Company includes in the measurement of a group of Takaful arrangements all the future cash flows within the boundary of each arrangement in the group. Cash flows are within the boundary of a takaful arrangement if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the participant to pay the contributions, or in which the Company has a substantive obligation to provide the participant with takaful arrangement services. A substantive obligation to provide takaful arrangement services ends when:

a) The Company has the practical ability to reassess the risks of the particular participant and, as a result, can set a price or level of benefits that fully reflects those risks; or

b) Both of the following criteria are satisfied:

i) The Company has the practical ability to reassess the risks of the portfolio of Takaful arrangements that contain the arrangement and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.

ii) The pricing of the contributions up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date A liability or asset relating to expected contributions or claims outside the boundary of the takaful arrangement is not recognised. Such amounts relate to future Takaful arrangements.

3.4.5 Transition Approach

The Company has applied fair value and retrospective approach for Life and non-Life business respectively for the transition to FAS 42 and 43.

3.4.6 Summary of measurement approaches

The Group uses different measurment appraoches, depending on the type of takaful arrangment, as follows:

	Measurment Model
Takaful arrangement issued	
Group life	Contriburion allocation approach
Motor	Contriburion allocation approach
Fire	Contriburion allocation approach
Marine	Contriburion allocation approach
Engineering	Contriburion allocation approach
General Accident	Contriburion allocation approach
Liability	Contriburion allocation approach
Medical	Contriburion allocation approach
Individual Credit ife	General Approach
Aman and aman plus	General Approach

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
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3 Summary of significant accounting policies *(continued)*

3.4 Takaful and re-Takaful arrangements accounting treatment *(continued)*

3.4.7 Recognition of Takaful arrangments under the General approach

Timing of Recognition

The Company recognises a takaful arrangement it issues, in the books of Participants', at the earlier of:

a) the date when a participant becomes a member of the PTF (and accordingly becomes entitled to the Takaful benefits in the form of sharing of risks), which may be evidenced through either the payment of contribution or issuance of Takaful arrangement documents or

b) the date when the Takaful arrangement, being part of a group or an unavoidable commitment to the Takaful arrangement, becomes onerous.

The Company adds new arrangements to the group in the reporting period in which that arrangement meets one of the criteria set out above.

3.4.8 Initial measurement of the provision for a Takaful arrangement

For a group of arrangements that is not onerous at initial recognition, the Company measures Provision for a Takaful arrangement shall be measured at the total of the following estimates:

a) Takaful fulfilment cash flows, pertaining to PTF, comprising of:

i) an estimate of gross future cash flows (including, and distinguishing, the cash flows related to Wakala fee)

ii) deferred cost being the difference between gross future cash flows (as referred to in (i) above) and their respective fair value of future cash flows (which include adjustment related to the financial risks in so far as the same are not included in (i) above);

iii) risk adjustment for the non-financial risks; and

b) the Takaful residual margin

Initial recognition of Takaful residual margin

The Takaful residual margin shall be measured as the difference of the amount of:

a) Takaful fulfilment cash flows that were initially recognised.
b) any cash flows arising from the Takaful arrangement at that date; and
c) the derecognition of any asset for Takaful acquisition cashflows and any other asset or liability previously recognised relating to the cash flows of the arrangement at the date of initial recognition.

The Takaful residual margin is a component of the provision (or net cost, in case of certain re-Takaful arrangements held) for a Takaful arrangement that represents the unearned surplus(or deficit)that will be recognised over the period of (and where appropriate, according to the pattern of)the participant's entitlement for benefits under the Takaful arrangement.

Initial recognition of onerous arrangements

A Takaful arrangement is onerous at the date of initial recognition, if the Takaful fulfilment cash flows, any previously recognised Takaful acquisition cash flows and any cash flows arising from the Takaful arrangement at the date of initial recognition, in total are a net outflow and such Takaful arrangement shall be separately classified from the Takaful arrangements that are not onerous.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
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3 Summary of significant accounting policies *(continued)*

3.4 Takaful and re-Takaful arrangements accounting treatment (*continued)*

3.4.9 Subsequent measurement

Provision for a takaful arrangement
The carrying amount of the provision for a Takaful arrangement at the end of each reporting period is the sum of:

a) the provision for the remaining entitlement period comprising of:

i) the Takaful fulfilment cash flows related to future benefits allocated to the Takaful arrangement at that date.

ii) the Takaful residual margin of the Takaful arrangement at that date; and

b) the liability for incurred claims, comprising of Takaful fulfilment cash flows related to the past benefits allocated to the Takaful arrangement at that date.

Income and expense

The income and expenses shall be recognised in the statement of financial activities of the managed PTF for the following changes in the carrying amount of the provision for remaining entitlement period:

a) recognise contribution (as an income) representing the reduction in the provision for the remaining entitlement period because of benefits provided during the period.

b) expenses representing losses (and any reversal of losses) on onerous arrangements; and
c) amortisation (or adjustment) of deferred cost (including any experience adjustment and financial risk elements).

Takaful residual margin

The carrying amount of the Takaful residual margin of a Takaful arrangement at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

a) the effect of any new arrangements added, in case of accounting being performed collectively for a group.
b) the amortisation of deferred Takaful residual margin over the entitlement period –through a systematic method reflecting the pattern of utilisation of entitlement for benefits.
c) the changes in Takaful fulfilment cash flows relating to future benefits, except:
i) the increases in the Takaful fulfilment cash flows that exceed the carrying amount of the Takaful residual margin, giving rise to a loss; or
ii) the decreases in the Takaful fulfilment cash flows that are allocated to the loss component of the provision for the remaining entitlement period.
d) the effect of any currency exchange differences on the Takaful residual margin; and
e) the contribution recognised as income in the statement of financial activities of the managed PTF because of the provision of benefits in the period, determined by the allocation of the Takaful residual margin remaining at the end of the reporting period (before any allocation) over the current and remaining entitlement period.

The Takaful residual margin recognised during the period is taken to the statement of financial activities of the managed PTF.

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3 Summary of significant accounting policies *(continued)*

3.4 Takaful and re-Takaful arrangements accounting treatment (*continued)*

3.4.9 Subsequent measurement *(continued)*

Subsequent changes in onerous arrangements

A Takaful arrangement becomes onerous (or more onerous) on subsequent measurement, if the carrying amount (unamortised) of the Takaful residual margin is less than the unfavourable changes in the Takaful fulfilment cash flows allocated to the Takaful arrangement relating to future benefits.

After the recognition of a loss on an onerous arrangement, the subsequent changes in the estimates of Takaful fulfilment cash flows for the remaining entitlement period is allocated on a systematic basis between:

a) the loss component of the provision for remaining entitlement period; and
b) the provision for the remaining entitlement period, excluding the loss component

3.4.10 Loss component

In connection to onerous arrangements, the loss component is the amount equivalent to the total amount recognised in the statement of financial activities of the managed PTF to date, on initial recognition or subsequent measurement of the Takaful arrangement as onerous (net of any already recognised reversals).

Accordingly, by the end of the entitlement period of the group of arrangements the loss component will be

3.4.11 Derecognition

A Takaful arrangement is derecognized, when, and only when:

a. it is extinguished, i.e., when the obligations specified in the arrangement are expired, discharged or cancelled; or

b. the terms of the arrangement are modified by mutual agreement or by a change in regulations, and the Takaful institution recognises the modified arrangement as a new arrangement.

3.4.12 Loss-recovery components

The Company recognises a loss on initial recognition of an onerous group of underlying Takaful arrangements, or when further onerous underlying Takaful arrangements are added to a group, the Company establishes a loss-recovery component of the asset for remaining entitlement for a group of re-Takaful arrangements held depicting the expected recovery of the losses.

Upon recovery of recognised losses in subsequent periods, a loss-recovery component of an asset for the remaining entitlement period is correspondingly reversed by the Company.

3.4.13 Measurement of Takaful arrangements under Contribution allocation appraoch

The Company uses a simplified approach, namely the contribution allocation approach, to recognise, measure and report a Takaful arrangement if at the inception of the Takaful arrangement, either of the following condition is met:

a. it is a reasonable expectation that such simplification would produce a measurement of the provision of the remaining entitlement period for the Takaful arrangement would not differ materially from the one produced by applying the requirements of under the general approach; or

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
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3 Summary of significant accounting policies *(continued)*

3.4 Takaful and re-Takaful arrangements accounting treatment (*continued)*

3.4.13 Measurement of Takaful arrangements under Contribution allocation appraoch *(continued)*

b. the entitlement period of each Takaful arrangement (including the entitlement for benefits arising in respect of all contributions) is one year or less.

Any general requirements under general approach, may also apply to the contribution allocation approach unless contradicting with any specific requirements of contribution allocation approach as per FAS 43.

Initial recognition

Where the contribution allocation approach is applied, the Company generally considers the whole portfolio at the time of initial recognition as not being onerous. However, if it is apparent (or there exists a significant risk) based on the facts and circumstances, then the Company performs an assessment in respect of:

a. such arrangement(s) in the portfolio that are onerous in nature; and / or
b. such arrangement(s) in the portfolio has a significant possibility of subsequently turning onerous.

On initial recognition, the provision for the remaining entitlement period is measured under the contribution allocation approach as follows:

a. the contribution, if any, received (or receivable) at initial recognition;
b. less: Wakala fee;
c. less: any Takaful acquisition cash flows at that date unless these are recognised as expenses
c. add or less: the amount arising from the derecognition at the date of the asset or liability recognised for Takaful acquisition cash flows.

Subsequent Measurement

At the end of each subsequent reporting period, the carrying amount of the provision for the remaining entitlement period is:

a. the carrying amount at the beginning of the reporting period;
b. add: the contributions received during the period;
c. less: Takaful acquisition cash flows, unless they are recognised as an expense;
d. add: amortisation of Takaful acquisition cash flows recognised as expense (if applicable);
e. less: amortisation of any deferred Takaful acquisition cash flows, if such deferred Takaful acquisition cash flows are recognised in line with the requirements of paragraph 60(a);
f. add: the amount recognised as earned Takaful contributions against the entitlement for benefits attributable to that period; and
g. less: any investment component (from PIF) paid or transferred to the liability for incurred claims.

When the contribution allocation approach is applied, the amount of recognised contribution for the period is the amount of expected contributions allocated to the period. The expected contributions shall be allocated to each period:

a. on the basis of the passage of time; but
b. if the expected pattern of release of risk during the entitlement period differs significantly from the passage of time basis, then on the basis of the expected timing of incurred Takaful benefits.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

3 Summary of significant accounting policies *(continued)*

3.4 Takaful and re-Takaful arrangements accounting treatment (*continued)*

3.4.13 Measurement of Takaful arrangements under Contribution allocation appraoch *(continued)*

Subsequent Measurement *(continued)*

If at any time during the entitlement period, facts and circumstances indicate that a Takaful arrangement is onerous, a Takaful institution shall perform a computation of excess / shortfall of the following:

a. the carrying amount of the provision for remaining entitlement period; and
b. the Takaful fulfilment cash flows that relate to the remaining entitlement period of the Takaful arrangement.

In case of a shortfall of the carrying amount of the provision for the remaining entitlement period against Takaful fulfilment cash flows relating to the remaining entitlement period of the Takaful arrangement, the Takaful institution shall recognise a loss in the statement of financial activities of the managed PTF and increase the provision for remaining entitlement period by such amount of shortfall.

3.4.14 Re-takaful arrangements held

Initial measurement

a) A PTF shall recognise an asset (or provision, as the case may be) for re-Takaful arrangements held:
if the re-Takaful arrangements held provide a proportionate entitlement period –at the beginning of the entitlement period of the re-Takaful arrangement held or at the initial recognition of any underlying Takaful arrangement (whereby in case of underlying onerous arrangement, the corresponding effect shall be immediately recognised), whichever is the later; and

b) in all other cases –from the beginning of the entitlement period of the re-Takaful arrangement held.

A re-Takaful arrangement held that provides proportionate benefits against underlying Takaful arrangements shall not be initially recognised until the date that any underlying Takaful arrangement(s) is initially recognised if that date is later than the beginning of the entitlement period of such re-Takaful arrangement.

The Company measures its re-Takaful assets for a group of re-Takaful arrangements that it holds on to the same basis as Takaful arrangements that it issues. However, they are adapted to reflect the features of re-Takaful arrangements held that differ from Takaful arrangements issued.

Where the Company recognises a loss on initial recognition of an onerous underlying Takaful arrangement (or on the addition of an onerous underlying Takaful arrangement to a group), the Takaful residual margin of a related re-Takaful arrangement held(to such extent) shall be immediately recognised in the statement of managed financial activities of the managed PTF.

The loss-recovery component adjusts the carrying amount of the Assets for Remaining Entitlement Benefits upon recovery of losses in subsequent periods.

Subsequent measurement.

The Takaful residual margin at the end of the reporting period in respect of re-Takaful arrangements held shall be computed as the carrying amount determined at the start of the reporting period, adjusted for:

a. the effect of any new arrangements.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

3 Summary of significant accounting policies *(continued)*

3.4 Takaful and re-Takaful arrangements accounting treatment (*continued)*

3.4.14 Re-takaful arrangements held *(continued)*

Subsequent measurement *(continued)*

b. amortisation of deferred cost added back to the carrying amount of the Takaful residual margin.
c. changes in the Takaful fulfilment cash flows to the extent that the change:

i) relates to the future benefit settlement; unless

ii) it results from a change in the Takaful fulfilment cash flows allocated to the underlying Takaful arrangement that does not adjust the Takaful residual margin for the underlying Takaful arrangement.

d. the effect of any currency exchange differences arising on the Takaful residual margin; and
e. the amount recognised in the statement of financial activities of the managed PTF because of benefits received in the period, determined by the allocation of the Takaful residual margin remaining at the end of the reporting period of the re-Takaful arrangements held.

The subsequent measurement of re-Takaful arrangements held follows the same principles as those for Takaful arrangements issued and has been adapted to reflect the specific features of re-Takaful held.

A re-takaful arrangement held cannot be onerous under the requirements of the applicable standards.

3.4.15 Takaful acquisition cash flows

Takaful acquisition cash flows arise from the costs borne by the PTF directly attributable to acquisition of a Takaful arrangement.

These include costs initially borne by the PTF e.g. Surveyor's costs, initial medical costs, documentation/ legal charges, tracker or other security devices costs, etc. but does not include:

i) Wakala fee, or
ii) commission (in case it is borne by the Takaful institution against Wakala fee, in line with relevant Shariah principles and rules, as well as contractual and regulatory requirements), or
iii) directly related taxes (as these do not constitute part of contributions and are to be recorded directly as a liability)

Under the Contribution allocation approach, where the entitlement period of all arrangements within a group is no longer than one year, takaful acquisition cash flows can either be expensed as incurred or amortized over the entitlement period of the related group. Therefore,for all groups where Contribution allocation approach is applicable, takaful acquisition cash flows, if any, are amortised over the entitlement period of the related

For groups containing arrangements longer than one year, takaful acquisition cash flows must be amortised over the entitlement period of the related group.

The asset for takaful acquisition cash flow is derecognised from the consolidated statement of financial position when the takaful acquisition cash flows are included in the initial measurement of the related group of Takaful arrangements.

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Notes to the consolidated financial statements
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3 Summary of significant accounting policies *(continued)*

3.4 Takaful and re-Takaful arrangements accounting treatment (*continued)*

3.4.16 Takaful acquisition service costs

The Company may either recognize the Takaful acquisition service costs immediately as an income or expense in the books of the shareholder or amortize it over a period commensurate with the corresponding flow of economic benefits.

Takaful acquisition service costs, if any, are amortized over the entitlement period of the related group.

3.4.17 Takaful arrangements - modification and derecognition

A Takaful institution shall derecognise a Takaful arrangement when, and only when:

a) it is extinguished, i.e., when the obligations specified in the arrangement are expired, discharged or cancelled; or

b) the terms of the arrangement are modified by mutual agreement or by a change in regulations, and the Takaful institution recognises the modified arrangement as a new arrangement.

3.5 Revenue and Income Recognition

Mudarib's Share:

The Takaful operator shall recognise the Mudarib's share arising out of investment profits from the Participant's fund after adjusting for any risk reserves, as per contractual arrangements in line with the Shari'ah principles and rules, as its revenue, at the end of each reporting period.

Wakala Fee:

The Wakala fee charged by the Takaful operator to the PTF is generally against performance obligations for various services / costs (excluding the investment management function) to be classified, and the relevant revenue recognition shall be commensurate with the relevant services as follows:

a) services initially or already delivered - hence, the related proportion of Wakala fee to be recognised immediately - including marketing services for Takaful products, initial administrative services (both before and at the time of issuance of a Takaful arrangement) and Takaful acquisition service costs including commissions and incentives etc;

b) services delivered over time - hence, the related proportion of Wakala fee to be recognised over such time in a systematic manner - including support services during the Takaful entitlement period such as accounting and book-keeping services, administrative services related to benefits ascertainment and payment and administrative services related to re-Takaful acquisition and benefits management etc; and

c) probable refund of Wakala fee against cancelled or discontinued Takaful arrangements (if so provided for in the Wakala contract between the Takaful institution and the PTF) - hence, the estimated effect to be recorded as a provision for Wakala fee refund and shown as a deduction from the total Wakala fee.

3.6 Investment and other income

Income from investments carried at amortised cost and bank deposits is recognised on a time proportion basis using effective income method. Rental income from investment in real estate, dividend income and other income is recognised when the right to receive is established.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

3 Summary of significant accounting policies *(continued)*

3.7 Dividend income

Dividends are recognised as income when the Company's right to receive the payment is established.

3.8 Measurement of Allowance for Impairment / Expected Credit Losses (ECL)

The measurement of ECL for financial assets under amortized cost and fair value through other comprehensive income requires the use of complex models and significant assumptions regarding future economic conditions and customer behaviour. Under FAS 30, critical judgments involve:

- Establishing criteria for a significant increase in credit risk (SICR);
- Selecting and validating ECL models and key input assumptions.
- Developing forward-looking scenarios and assigning appropriate weightages; and
- Grouping of financial assets with shared credit risk characteristics to estimate collective ECL.

Impairment Assessment – Expected Credit Losses (ECL)

The Group recognizes expected credit losses on all financial assets classified at Amortized Cost and Fair Value through OCI in line with FAS 30. The ECL assessment is comprehensive and covers on-balance sheet assets.

Measurement of ECL

ECL represents a probability-weighted estimate of credit losses, incorporating multiple economic scenarios and using available historical, current, and forward-looking information. ECL measurement considers:

- The gross carrying amount or exposure at risk;
- Risk weightings including probability of default (PD), loss given default (LGD), macroeconomic overlays;
- Credit risk movements, breaches of contractual terms, and sector/geographical risk factors;
- Impact of collateral and credit enhancements on expected recoveries.
- Application of a three-stage impairment model reflecting credit deterioration since origination.

3.9 ECL Staging

Stage 1: 12-Month ECL

This stage applies to all financial assets under the ECL model that have not undergone a significant increase in credit risk (SICR) since origination. ECL is measured based on the probability of default (PD) over the next 12 months. For assets with a maturity of less than 12 months, PD is adjusted to align with the remaining term.

Stage 2: Lifetime ECL – Not Credit Impaired

Assets that show a significant increase in credit risk after origination but are not yet credit impaired fall under Stage 2. ECL is calculated using the lifetime PD, reflecting the probability of default across the remaining life of the asset.

Stage 3: Lifetime ECL – Credit Impaired

Assets with objective evidence of impairment are categorized in Stage 3. Like Stage 2, lifetime ECL is recognized, but the assessment also considers credit impairment events and their impact on the expected future cash flows of the asset.

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3 Summary of significant accounting policies *(continued)*

3.10 Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in statement of shareholders' comprehensive income except to the extent that it relates to items recognised directly to equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.11 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any identified impairment loss. The cost of property and equipment is their purchase price together with any incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is charged to the statement of shareholders' comprehensive income on a straight-line basis over the estimated useful lives of items of property and equipment. The estimated useful economic lives are as follows:

	Years
Leasehold improvements	5
Furniture and fixtures	5
Computer and office equipment	5
Motor vehicles	5

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount it is written down immediately to its recoverable amount.

Gains and losses on disposals of property and equipment are determined by reference to their carrying amounts, are recognised within 'other income' and are taken into account in determining operating profit.

Capital work-in-progress is stated at cost. When commissioned, capital work-in-progress is transferred to the appropriate property and equipment category and depreciated in accordance with the Group's policy.

Takaful Oman Insurance SAOG
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3 Summary of significant accounting policies *(continued)*

3.12 Intangible assets

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets. Intangible assets are amortised over the useful life of 10 years.

The Group amortises intangible assets with a limited useful life using the straight-line method. Amortisation is charged to the statement of shareholders' comprehensive income on a straight-line basis over the estimated useful life of intangible asset.

3.13 Hibah

There is no predetermined basis for giving Hibah by the Shareholders' either to participants' fund or any third party. Hibah needs to be compliant with the Shariah principals. The Group may give Hibah, at its sole discretion, with the approval of Shariah Supervisory Committee and Board of Directors as it deem fit and appropriate. Hibah associated with waiver of receivables from participants' for prior period deficits is recognized through the shareholders income statement.

3.14 Diminishing Musharakah and Ijarah agreement

Diminishing Musharakah is a form of co-ownership in which two or more persons share the ownership of a tangible asset in an agreed proportion and one of the co-owners undertakes to buy in periodic instalments the proportionate share of the other co-owner until the title to such tangible assets is completely transferred to the purchasing co-owner.

This contract will specify the rating of investment of each partner. The independent agreement of one co-owner promise to purchase the share of the other on the basis of offer and acceptance will be signed. In joint ownership, the principal can be guaranteed and the installment is fixed. The basic structure of diminishing Musharakah has three main components which are:

- Joint ownership between the co-owners;
- Renting out by one co-owner the undivided share in the asset owned to the other co-owner; and
- Selling in periodic installments by one co-owner his share to the other co-owner.

The Diminishing Musharakah is a permissible participatory Shariah compliant mode of finance. This mode of finance complies with Islamic ethics and consideration.

3.15 Financial liabilities

Financial liabilities are measured at amortised cost using effective profit rate. The financial liabilities of the Group comprise of takaful liabilities, deferred income from retakaful contracts, payable to retakaful and accounts and other payables.

3.16 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exist then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Recoverable amount is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specified to the asset.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

3 Summary of significant accounting policies *(continued)*

3.16 Impairment of non-financial assets *(continued)*

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.17 Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and bank deposits with a maturity of three months or less from the date of placement.

3.18 Legal reserve

In accordance with the Commercial Companies Law of Oman, annual appropriations of 10% of the profit for the year are made to the legal reserve until the accumulated balance of the reserve is equal to one third of the value of the Group's paid up share capital.

3.19 End of service benefits and leave entitlements

Contributions to a defined contribution retirement plan and occupational hazard insurance for Omani employees in accordance with the Omani Social Insurance Law of 1991 are recognised as an expense in the statement of comprehensive income as incurred. Employee contribution is 8% of gross salary while Group contributes 12.50% as per Law.

End of service benefits for expatriate staff is accrued in accordance with the terms of employment of the Group's employees at the reporting date.

3.20 Directors' remuneration

The Directors' remuneration is governed as set out by the Commercial Companies Law and the rules prescribed by the Financial Services Authority.

The Annual General Meeting shall approve the remuneration and the sitting fees for the Board of Directors provided that such fees shall not exceed 5% of the annual net profit after deduction of the legal reserve and the optional reserve and the distribution of dividends to the shareholders.

Such fees shall not exceed 300,000 for Companies that realized net profit equal to or exceeding the profit realized in the previous financial year and has no accumulated losses in the capital and shall not exceed 150,000 for the company that realised net profit less than the profits realised in the previous financial year and no losses in the capital, and the sitting fees for each Director shall not exceed 10,000 in one year according to the Executive Regulations for Public Joint Stock Companies that issued by the FSA on February 2021.

3.21 Accounts and other payables

Trade and other payables are initially measured at fair value and subsequently carried at amortised cost using the effective profit method. Liabilities are recognised for amount to be paid for goods or services received, whether or not billed to the Group.

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Notes to the consolidated financial statements
For the year ended 31 December 2025

3 Summary of significant accounting policies *(continued)*

3.22 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. EPS is calculated for Shareholders.

3.23 Provisions

Provisions are recognised in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.24 Dividend distribution and underwriting surplus distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statement only in the period in which the dividends are approved by the Group's shareholders.

The Group operates in accordance with Shari'a principles as a result, the net surplus from the operations of the takaful fund is attributable to policyholders in accordance with the terms and conditions of takaful contracts acquired by the policyholder. Any surplus distribution to the policyholders is done based on the advice of the Shari'ah Supervisory Committee.

3.25 Earnings prohibited by Shari'ah

The Group is committed to avoid recognising any income generated from non-Islamic sources. Accordingly, all non-Shari'a compliant income is credited to a separate account where the Group uses these funds for charity purposes based on advice from Shari'ah Supervisory Committee.

3.26 Sukuk eligible as additional capital

Sukuks issued by the Group which are perpetual, unsecured, subordinated to ordinary equity shares and the payment of profit for such sukuk is non-cumulative, and are made at the discretion of Group are initially recognised as equity. The Group has the right not to pay profit on these sukuk, and the sukuk holders will have no claim with respect to nonpayment. The sukuk does not have a fixed maturity date.

The Group incurs various costs in issuing its own instruments which are accounted as equity as mentioned in the above paragraph. Those costs might include registration and other regulatory fees, amounts paid to legal, accounting and other professional advisers, printing costs and stamp duties. The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

Profit distributions on perpetual sukuk are recognised as a deduction in equity after declaration in terms of agreement with sukuk holders and meeting regulatory requirements due to their profit's non-cumulative

Takaful Oman Insurance SAOG
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3 Summary of significant accounting policies *(continued)*

3.27 Surplus / deficit in participants' funds

Surplus in participants' funds represents surplus of revenues over expenses arising from takaful activities and are distributed among the participants' by calendar year on development of business. The timing, quantum and the basis of distribution are decided by the Shari'ah Supervisory Committee of the Group.

Deficit in participants' funds that cause cash deficit which results in participants' fund inability to meet its day-to-day expenses and obligations, a Qard Al Hasan must be extended immediately by shareholder fund. The cash being sought by the participant's fund must be physically transferred from shareholder fund to cover cash deficit of participants' fund.

3.28 Qard Al Hasan

This is a loan granted by shareholders to the policyholders for the purpose of meeting of requirement as per FSA to cover any cash deficit in the participants'funds. The loan is profit free and has no fixed repayment terms. Qard Al Hasan is tested annually for impairment.

3.29 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the management team to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial statement is available. Segment results that are reported to the management team include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's shareholders), head office expenses, and income tax assets and liabilities.

4 Use of Estimates and Judgements

These consolidated financial statements have been prepared in accordance with the Shari'ah rules and principles as determined by the Shari'ah Supervisory Committee of the Group, the Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and applicable requirements of the Commercial Companies Law of the Sultanate of Oman, Takaful Insurance Law and Regulations and all relevant circulars and decisions as issued by Financial Services Authority (FSA) from time to time. For the matters which are not covered by FAS issued by the AAOIFI, International Financial Reporting Standards ("IFRS") have been applied.

The preparation of consolidated financial statement in conformity with FAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

4.1 Estimates of future cash flows

In estimating future cash flows, the Company will incorporate, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. The assumptions will be based on internal historical claims experience as well as external data (benchmarks) to reflect the current claims and economic environment.

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Notes to the consolidated financial statements
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4 Use of Estimates and Judgements *(continued)*

4.1 Estimates of future cash flows *(continued)*

These assumptions will also reflect expected future developments such as inflation trends or changes in legislation when these have a material chance of materialising.

Cash flows within the boundary of an arrangement are those that relate directly to the fulfilment of the arrangement, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) participants, takaful acquisition cash flows and other costs that are incurred in fulfilling arrangements.

4.2 Discount rates to arrive at the Fair Value

The FAS requirement to measure liabilities for Takaful arrangements using current discount rates will be a significant change from the Company's current practice.

Takaful arrangement liabilities are adjusted to represent their fair values by discounting expected future cash flows using yield curves based on the EIOPA USD rates without volatility adjustment.

4.3 Provision for Remaining Entitlement Period (PRE) adjusted for its fair value

In case the cash outflows are spread over a period of more than one year, and the difference between the total expected cash outflows and their fair value is material, a Takaful operator shall adjust the carrying amount of the provision for remaining entitlement period to its fair value and shall record such difference initially as deferred cost.

For all group measured under Contribution Allocation approach, the difference between the total expected cash outflows and their fair value is not deemed material, therefore no such adjustment is made. While for long term takaful arrangements where Contribution Allocation Approach is not applicable, the required adjustment is applied.

4.4 Liability for incurred claims for benefits, (LFIC) adjusted for time value of money.

Under the Contribution Allocation Approach, the Takaful operator is not required to adjust future cash flows for the difference between the total cash flows and the fair value of those cash flows if those cash flows are expected to be paid or received in one year or less from the date the claims are incurred. For all businesses, the LFIC is adjusted for its fair value.

4.5 Risk adjustments for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty in the amount and timing of the cash flows arising from groups of Takaful arrangements.

It reflects a margin that the Company includes in its reserves to account for this uncertainty, ensuring that the fulfilment cash flows are sufficient even under adverse outcomes. The Company has adopted a confidence level of 75% for setting its risk adjustment, which is consistent with its risk appetite and market practice. This means the risk adjustment is calculated as the difference between the 75th percentile of the probability distribution of future cash flows and their mean, following the Value at Risk (VaR) methodology. This level is applied consistently across all product lines and includes diversification benefits where appropriate. While the risk adjustment is computed separately for Takaful liabilities and re-Takaful assets, the Company monitors it on a net of re-Takaful basis, aligning with the overall risk profile and financial reporting requirements.

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Notes to the consolidated financial statements
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4 Use of Estimates and Judgements *(continued)*

4.6 Fair value of investment in real estate

The Company values its investment in real estate at fair value on the basis of market valuations prepared by independent real estate valuers. The valuations are based on assumptions which are mainly based on market conditions existing at each reporting date. Therefore, any future change in the market conditions could have an impact on the fair value. For further details, refer to note 21.

5 Wakala and mudarib fees

The shareholders manage the general and family takaful operations for the participants and charge 13% with effect from 11 February 2022 as wakalah fees on gross contributions as approved by the Shari'a Supervisory Board of the Company. From 1st October 2024, Financial Services Authority granted an approval of increasing the Wakala Fee effective rate to 15%.

	Shareholders'	
	2025	*2024*
Wakala fee earned	**9,356,196**	4,754,707
Mudarib Share	**451,934**	387,237
	9,808,130	5,141,944

6 Income from investments - Shareholders'

	Shareholders'	
	2025	*2024*
Profit from wakalah deposits	**287,972**	306,287
Profit on investment in sukuk	**148,428**	135,000
Income from real estate investment *(note 6a)*	**85,170**	75,711
	521,570	516,998

***6(b)* Income from real estate investment**

	2025	*2024*
Investment income	**105,513**	96,068
Other investment expenses	**-20,343**	-20,357
	85,170	75,711

7 Income from investment - Participants'

	General takaful	*Family takaful*	*Participants'*
2025			
Profit on wakalah deposits	**356,290**	**332,174**	**688,464**
Profit on investment in sukuk	-	**92,534**	**92,534**
Dividend Income	-	**127,505**	**127,505**
Other investment expenses	-	**-4,630**	**-4,630**
	356,290	**547,583**	**903,873**

Takaful Oman Insurance SAOG
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7 Income from investment - Participants' *(continued)*

	General takaful	*Family takaful*	*Participants'*
2024			
Profit on wakalah deposits	303,710	296,250	599,960
Profit on investment in sukuk	-	126,572	126,572
Dividend Income	-	64,422	64,422
Other investment expenses	-	-16,487	-16,487
	303,710	470,757	774,467

8 General and administrative expenses - *Shareholders'*

	Notes	***2025***	*2024*
Staff costs	*8(a)*	**3,347,022**	2,976,902
Professional and consultant fees		**268,866**	202,613
Office rent expenses		**152,200**	173,639
Depreciation and amortization	*20,21*	**265,122**	246,212
IT expenses		**349,253**	322,990
Utilities expenses		**70,784**	38,810
Board of Directors and Shari'a Supervisory	*28(a)*	**32,150**	29,548
Office and other general expenses		**540,416**	568,911
		5,025,813	**4,559,625**

***8(a)* Staff costs**

	2025	*2024*
Salaries and benefits	**2,726,445**	2,335,230
Employees' end of service benefits charge *[note 8(b)]*	**65,970**	72,022
Social security cost	**206,337**	204,541
Other staff cost	**348,270**	365,109
	3,347,022	2,976,902

***8(b)* Employees' end of service benefits**

	2025	*2024*
Opening	**118,210**	109,546
Charge for the year	**65,970**	72,022
Payments made during the year	**-15,241**	-63,358
Closing	**168,939**	118,210

9 Taxation

The Group is subject to income tax at the rate of 15% (2024 - 15%) in accordance with the income tax law of the Sultanate of Oman. No current tax provision has been made in these consolidated financial statements due to the carried forward tax losses.

Takaful Oman Insurance SAOG
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9 Taxation *(continued)*

The following is a reconciliation of income taxes calculated on accounting profits at the applicable tax rate with the income tax expense for the year. The reconciliation of the accounting profit with the taxation charge in the consolidated financial statements is as follows:

	2025	2024 (Restated)
a) Reconciliation of income tax		
Accounting (loss)/ profit for the year (i)	**-158,115**	551,905
Tax impact on accounting loss/ profit	**-23,717**	88,905
Non-deductible expense	**3,090**	295
Exempt revenues / deductible expenses	**-19,126**	-9,663
Unreconciled difference - ROU and Investment property	**-2,058**	1,427
Deferred tax - prior year - note 9 (b)	**-207,114**	-237,832
	-248,925	-156,868

(i) Reconciliation of accounting (loss)/ profit for the year

	2025	2024 (Restated)
Shareholders' profit / (loss) before tax	**532,177**	-1,764,866
Surplus from family takaful operations	**576,652**	2,795,764
Deficit from general takaful operations	**-1,266,944**	-478,993
	-158,115	551,905

Accounting loss for the year includes Surplus of 690,292 (2024: 1,030,398) as per the statement of participants' revenues and expenses and profit before taxation of 532,177 (2024: loss 1,793,546) as per the statement of shareholders' comprehensive income.

	2025	2024
b) Taxation credit / (charge) for the year is as follows:		
Deferred tax income / (expense) for:		
· Current year	**-41,811**	80,964
· Prior year	**-207,114**	-237,832
	-248,925	-156,868

c) Current status of tax assessments

The Secretary General for Taxation ("SGT") has completed the tax assessment up to 2021 without any additional liability. We believe that additional taxes, if any, relating to open tax assessments would not be significant to the Group's financial position as at 31 December 2025.

d) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 15% (2024 – 15%).Deferred tax calculations are adjusted on annual basis based on the workings provided by an independent tax consultant.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

9 Taxation *(continued)*

d) Deferred tax (continued)

	At 1 January	(Charge) / credit to shareholders' comprehensive income	Charge to shareholders' equity	At 31 December
2025				
Deferred tax asset				
Property, plant and equipment	**-121,597**	**(1,337)**	-	**(122,934)**
Right of Use Asset	**-18,927**	**9,485**	-	**(9,442)**
Provision for doubtful debts	**151,353**	**(10,664)**	-	**140,689**
Carried forward tax losses	**1,315,382**	**44,327**	-	**1,359,709**
Investment fair value reserve	-	-	-	-
Change in fair value reserve - Investment property	**-80,636**	-	**11,250**	**(69,386)**
Deferred tax asset (net)	**1,245,575**	**41,811**	**11,250**	**1,298,636**
2024 (restated)				
Deferred tax asset				
Property, plant and equipment	71,830	-193,427	-	-121,597
Right of Use Asset	-223,092	204,166	-	-18,926
Provision for doubtful debts	159,001	-7,648	-	151,353
Carried forward tax losses	1,400,853	-84,055	-	1,316,798
Investment fair value reserve	-1,417	-	1,417	-
Change in fair value reserve - Investment property	-	-	-82,053	-82,053
Deferred tax asset (net)	1,407,175	-80,964	-80,636	1,245,575

Takaful Oman Insurance SAOG
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10 Takaful and retakful arrangements

	2025	2024
Takaful arrangement liabilities - CAA		
Provision for Takaful arrangmement		
General	**16,633,546**	15,018,269
Family	**9,947,471**	6,860,848
	26,581,017	21,879,117
Takaful arrangement assets - CAA		
Re-takaful arrangement assets		
General	**4,929,924**	8,090,317
Family	**11,588,788**	(231,714)
	16,518,712	7,858,603
Takaful arrangement liabilities - GA		
Provision for takaful arrangements		
General	-	-
Family	**24,364,966**	11,599,845
	24,364,966	11,599,845
Takaful arrangement assets - GA		
Re-takaful arrangement assets		
General	-	-
Family	**-3,806,153**	-6,334,524
	-3,806,153	-6,334,524

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

10 Takaful and Retakful Arrangements *(continued)*

10.1 Movement in takaful arrangement measured under the CAA

	2025				
	Provision for Remaining Entitlement Benefit		*Liability for Incurred Claims for Benefits*		
	Excluding loss component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Takaful arrangement assets as at 1 January 2025					
Takaful arrangement liabilities as at 1 January 2025	3,001,892	305,797	17,790,084	781,344	21,879,117
Net Takaful arrangement liabilities/(assets) as at 1 January 2025	**3,001,892**	**305,797**	**17,790,084**	**781,344**	**21,879,117**
Recognised Takaful Contributions	**-31,767,713**	-	-	-	**-31,767,713**
Recognised Takaful Costs					
Incurred claims and other expenses	-	-	**27,825,853**	**661,045**	**28,486,898**
Changes to Liability for Incurred Claims for Benefits and expenses	-	-	**1,757,049**	**-216,882**	**1,540,167**
Amortisation of Takaful acquisition cash flows	**4,488,348**	-	-	-	**4,488,348**
Losses on onerous arrangements	-	**97,526**	-	-	**97,526**
Reversals of onerous arrangements	-	**-305,796**	-	-	**-305,796**
	4,488,348	**-208,270**	**29,582,902**	**444,163**	**34,307,143**
Takaful service result	**-27,279,365**	**-208,270**	**29,582,902**	**444,163**	**2,539,430**
Amortisation of Deferred Cost	-	-	**489,937**	**19,339**	**509,276**
Total changes in the statement of comprehensive income	**-27,279,365**	**-208,270**	**30,072,839**	**463,502**	**3,048,706**
Cashflows					
Contribution received	**29,104,765**	-	-	-	**29,104,765**
Claims and other expenses paid including wakala fee	-	-	**-23,445,389**	-	**-23,445,389**
Takaful acquisition cash flows	**-4,006,182**	-	-	-	**-4,006,182**
Total cash flows	**25,098,583**	-	**-23,445,389**	-	**1,653,194**
Takaful arrangement assets as at 31 December 2025	-	-	-	-	-
Takaful arrangement liabilities as at 31 December 2025	**821,110**	**97,527**	**24,417,534**	**1,244,846**	**26,581,017**
Net Takaful arrangement liabilities/(assets) as at 31 December 2025	**821,110**	**97,527**	**24,417,534**	**1,244,846**	**26,581,017**

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
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10 Takaful and Retakful Arrangements *(continued)*

10.1 Movement in takaful arrangement measured under the CAA *(continued)*

	2024 (restated)				
	Provision for Remaining Entitlement Benefit		*Liability for Incurred Claims for Benefits*		
	Excluding loss component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Takaful arrangement assets as at 1 January 2024	-	-	-	-	-
Takaful arrangement liabilities as at 1 January 2024	1,519,623	414,538	21,008,041	897,508	23,839,710
Net Takaful arrangement liabilities/(assets) as at 1 January 2024	1,519,623	414,538	21,008,041	897,508	23,839,710
Recognised Takaful Contributions	-33,639,500	-	-	-	-33,639,500
Recognised Takaful Costs					
Incurred claims and other expenses	-	-	26,410,150	477,279	26,887,429
Changes to Liability for Incurred Claims for Benefits and expenses	-	-	-1,079,341	-603,121	-1,682,462
Amortisation of Takaful acquisition cash flows	3,979,245	-	-	-	3,979,245
Losses on onerous arrangements	-	305,797	-	-	305,797
Reversals of onerous arrangements	-	-414,538	-	-	-414,538
	3,979,245	-108,741	25,330,809	-125,842	29,075,471
Takaful service result	-29,660,255	-108,741	25,330,809	-125,842	-4,564,029
Amortisation of Deferred Cost	-	-	512,539	9,678	522,217
Total changes in the statement of comprehensive income	-29,660,255	-108,741	25,843,348	-116,164	-4,041,812
Cashflows					
Contribution received	35,714,017	-	-	-	35,714,017
Claims and other expenses paid including wakala fee	-	-	-29,061,305	-	-29,061,305
Takaful acquisition cash flows	-4,571,493	-	-	-	-4,571,493
Total cash flows	31,142,524	-	-29,061,305	-	2,081,219
Takaful arrangement assets as at 31 December 2024	-	-	-	-	-
Takaful arrangement liabilities as at 31 December 2024	3,001,892	305,797	17,790,084	781,344	21,879,117
Net Takaful arrangement liabilities/(assets) as at 31 December 2024	3,001,892	305,797	17,790,084	781,344	21,879,117

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10 Takaful and Retakaful Arrangements *(continued)*

10.1.1 Movement in re-takaful arrangement measured under the CAA

	2025				
	Assets for Remaining Entitlement Benefits		*Amount recoverable on incurred claims for Benefits*		
	Excluding loss recovery component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Retakaful arrangement assets as at 1 January 2025	-181,144	-132,753	-7,445,627	-330,793	-8,090,317
Retakaful arrangement liabilities as at 1 January 2025	8,791,038	-	-8,125,603	-433,721	231,714
Net Retakaful arrangement (assets) / liabilities as at 1 January 2025	8,609,894	-132,753	-15,571,230	-764,514	-7,858,603
An allocation of Retakaful contributions	13,634,224	-	-	-	13,634,224
Amounts recoverable from retakaful operators for incurred claims					
Amounts recoverable from retakaful for incurred claims for Benefits	-	-	-10,998,897	-434,023	-11,432,920
Changes to amounts recoverable for incurred claims for Benefits	-	-	-3,271,261	331,686	-2,939,575
Amortisation of Retakaful acquisition cash flows	-640,502	-	-	-	-640,502
losses on onerous arrangements	-	-	-	-	0
Reversals of losses on onerous arrangements	-	132,753	-	-	132,753
	-640,502	132,753	-14,270,158	-102,337	-14,880,244
Net expenses from Retakaful arrangements held	12,993,722	132,753	-14,270,158	-102,337	-1,246,020
Amortisation of Deferred Profit	-	-	-413,915	-20,313	-434,228
Total changes in the statement of comprehensive income	12,993,722	132,753	-14,684,073	-122,650	-1,680,248
Cash flows					
Contributions paid	-21,663,452	-	-	-	-21,663,452
Retakaful acquisition cash flows	637,236	-	-	-	637,236
Amounts received	-	-	14,330,821	-	14,330,821
Total cash flows	-21,026,216	-	14,330,821	-	-6,695,395
Net Retakaful arrangement (assets) / liabilities as at 31 December 2025	577,400	-	-15,924,482	-887,164	-16,234,246
Retakaful arrangement liabilities as at 31 December 2025	336,732	-	-50,517	-1,750	284,465
Retakaful arrangement assets as at 31 December 2025	240,668	-	-15,873,965	-885,415	-16,518,712
Net Retakaful arrangement (assets) / liabilities as at 31 December 2025	577,400	-	-15,924,482	-887,165	-16,234,247

Takaful Oman Insurance SAOG
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10 Takaful and Retakaful Arrangements *(continued)*

10.1.1 Movement in re-takaful arrangement measured under the CAA *(continued)*

	2024 *(restated)*				
	Assets for Remaining Entitlement Benefits		*Amount recoverable on incurred claims for Benefits*		
	Excluding loss recovery component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Retakaful arrangement assets as at 1 January 2024	10,951,654	-126,243	-17,064,555	-667,863	-6,907,007
Retakaful arrangement liabilities as at 1 January 2024	329,207	-	-124,061	-3,865	201,281
Net Retakaful arrangement (assets) / liabilities as at 1 January 2024	11,280,861	-126,243	-17,188,616	-671,728	-6,705,726
An allocation of Retakaful contributions	14,445,702	-	-	-	14,445,702
Amounts recoverable from retakaful operators for incurred claims					
Amounts recoverable from retakaful for incurred claims for Benefits	-	-	-12,632,701	-572,764	-13,205,465
Changes to amounts recoverable for incurred claims for Benefits	-	-	2,422,612	484,895	2,907,507
Amortisation of Retakaful acquisition cash flows	-413,614	-	-	-	-413,614
losses on onerous arrangements	-	-132,753	-	-	-132,753
Reversals of losses on onerous arrangements	-	126,243	-	-	126,243
	-413,614	-6,510	-10,210,089	-87,869	-10,718,082
Net expenses from Retakaful arrangements held	14,032,088	-6,510	-10,210,089	-87,869	3,727,620
Amortisation of Deferred Profit	-	-	-475,389	-4,917	-480,306
Effect of changes in non-performance risk of retakaful	-	-	-	-	-
Total changes in the statement of comprehensive income	14,032,088	-6,510	-10,685,478	-92,786	3,247,314
Cash flows					
Contributions paid	-17,012,365	-	-	-	-17,012,365
Retakaful acquisition cash flows	309,310	-	-	-	309,310
Amounts received	-	-	12,302,864	-	12,302,864
Total cash flows	-16,703,055	-	12,302,864	-	-4,400,191
Net Retakaful arrangement assets / (liabilities) as at 31 December 2024	8,609,894	-132,753	-15,571,230	-764,514	-7,858,603
Retakaful arrangement assets as at 31 December 2024	-181,144	-132,753	-7,445,627	-330,793	-8,090,317
Retakaful arrangement liabilities as at 31 December 2024	8,791,038	-	-8,125,603	-433,721	231,714
Net Retakaful arrangement (assets) / liabilities as at 31 December 2024	8,609,894	-132,753	-15,571,230	-764,514	-7,858,603

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10 Takaful and Retakful Arrangements *(continued)*

10.2 Movement in takaful arrangement measured under the CAA - General takaful

	2025				
	Provision for Remaining Entitlement Benefit		*Liability for Incurred Claims for Benefits*		
	Excluding loss component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Takaful arrangement assets as at 1 January 2025	-	-	-	-	-
Takaful arrangement liabilities as at 1 January 2025	5,713,620	305,797	8,683,029	315,823	15,018,269
Net Takaful arrangement liabilities/(assets) as at 1 January 2025	**5,713,620**	**305,797**	**8,683,029**	**315,823**	**15,018,269**
Recognised Takaful Contributions	**-21,717,122**				**-21,717,122**
Recognised Takaful Costs					
Incurred claims and other expenses	-	-	**19,271,801**	**259,018**	**19,530,819**
Changes to liabilities for incurred claims and expenses	-	-	**417,192**	**-183,389**	**233,803**
Amortisation of Takaful acquisition cash flows (wakala fees)	**1,908,762**	-	-	-	**1,908,762**
Losses on onerous arrangements	-	**97,526**	-	-	**97,526**
Reversals of onerous arrangements	-	**-305,797**	-	-	**-305,797**
	1,908,762	**-208,271**	**19,688,993**	**75,629**	**21,465,113**
Takaful service result	**-19,808,360**	**-208,271**	**19,688,993**	**75,629**	**-252,009**
Amortisation of Deferred Cost	-	-	**251,141**	**7,658**	**258,799**
Total changes in the statement of comprehensive income	**-19,808,360**	**-208,271**	**19,940,134**	**83,287**	**6,790**
Cashflows					
Contribution received	**20,043,857**	-	-	-	**20,043,857**
Claims and other expenses paid including wakala fee	-	-	**-17,037,572**	-	**-17,037,572**
Takaful acquisition cash flows	**-1,397,798**	-	-	-	**-1,397,798**
Total cash flows	**18,646,059**	-	**-17,037,572**	-	**1,608,487**
Takaful arrangement assets as at 31 December 2025	-	-	-	-	
Takaful arrangement liabilities as at 31 December 2025	**4,551,319**	**97,526**	**11,585,591**	**399,110**	**16,633,546**
Net Takaful arrangement liabilities/(assets) as at 31 December 2025	**4,551,319**	**97,526**	**11,585,591**	**399,110**	**16,633,546**

Takaful Oman Insurance SAOG
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10 Takaful and Retakful Arrangements *(continued)*

10.1 Movement in takaful arrangement measured under the General Takaful *(continued)*

	2024 (restated)				
	Provision for Remaining Entitlement Benefit		Liability for Incurred Claims for Benefits		
	Excluding loss component	Loss component	Estimated the present value of future cashflows	Risk adjustment	Total
Takaful arrangement assets as at 1 January 2024	-	-	-	-	-
Takaful arrangement liabilities as at 1 January 2024	3,934,602	414,538	9,433,630	310,811	14,093,581
Net Takaful arrangement liabilities/(assets) as at 1 January 2024	3,934,602	414,538	9,433,630	310,811	14,093,581
Recognised Takaful Contributions	-21,531,058	-	-	-	-21,531,058
Recognised Takaful Costs					
Incurred claims and other expenses	-	-	18,213,808	201,998	18,415,806
Changes to Liability for Incurred Claims for Benefits and expenses	-	-	2,269,659	-205,586	2,064,073
Amortisation of Takaful acquisition cash flows	2,147,779	-	-	-	2,147,779
Losses on onerous arrangements	-	305,797	-	-	305,797
Reversals of onerous arrangements	-	-414,538	-	-	-414,538
	2,147,779	-108,741	20,483,467	-3,588	22,518,917
Takaful service result	-19,383,279	-108,741	20,483,467	-3,588	987,859
Amortisation of Deferred Cost	-	-	248,649	8,600	257,249
Total changes in the statement of comprehensive income	-19,383,279	-108,741	20,732,116	5,012	1,245,108
Cashflows					
Contribution received	23,826,883	-	-	-	23,826,883
Claims and other expenses paid including wakala fee	-	-	-21,482,717	-	-21,482,717
Takaful acquisition cash flows	-2,664,586	-	-	-	-2,664,586
Total cash flows	21,162,297	-	-21,482,717	-	-320,420
Takaful arrangement assets as at 31 December 2024	-	-	-	-	-
Takaful arrangement liabilities as at 31 December 2024					
Net Takaful arrangement liabilities/(assets) as at 31 December 2024	5,713,620	305,797	8,683,029	315,823	15,018,269

Takaful Oman Insurance SAOG
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10 Takaful and Retakful Arrangements *(continued)*

10.3 Movement in takaful arrangement measured under the CAA - Group life

	2025				
	Provision for Remaining Entitlement Benefit		*Liability for Incurred Claims for Benefits*		
	Excluding loss component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Takaful arrangement assets as at 1 January 2025	-2,711,729	-			-2,711,729
Takaful arrangement liabilities as at 1 January 2025		-	9,107,057	465,520	9,572,577
Net Takaful arrangement liabilities/(assets) as at 1 January 2025	**-2,711,729**	-	**9,107,057**	**465,520**	**6,860,848**
Recognised Takaful Contributions	**-10,050,591**				**-10,050,591**
Recognised Takaful Costs					
Incurred claims and other expenses	-	-	**8,554,052**	**402,027**	**8,956,079**
Changes to liabilities for incurred claims and expenses	-	-	**1,339,858**	**(33,493)**	**1,306,365**
Amortisation of Takaful acquisition cash flows (wakala fees)	**2,579,586**	-	-	-	**2,579,586**
Losses on onerous arrangements	-	-	-	-	-
Reversals of onerous arrangements	-	-	-	-	-
	2,579,586	-	**9,893,910**	**368,534**	**12,842,030**
Takaful service result	**-7,471,005**	-	**9,893,910**	**368,534**	**2,791,439**
Amortisation of Deferred Cost	-	-	**238,795**	**11,682**	**250,477**
Total changes in the statement of comprehensive income	**-7,471,005**	-	**10,132,705**	**380,216**	**3,041,916**
Cashflows					
Contribution received	**9,060,906**	-	-	-	**9,060,906**
Claims and other expenses paid including wakala fee	-	-	**-6,407,816**	-	**-6,407,816**
Takaful acquisition cash flows	**-2,608,383**	-	-	-	**-2,608,383**
Total cash flows	**6,452,523**	-	**-6,407,816**	-	**44,707**
Takaful arrangement assets as at 31 December 2025	**-3,730,211**	-			**-3,730,211**
Takaful arrangement liabilities as at 31 December 2025	-	-	**12,831,946**	**845,736**	**13,677,682**
Net Takaful arrangement liabilities/(assets) as at 31 December 2025	**-3,730,211**	-	**12,831,946**	**845,736**	**9,947,471**

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10 Takaful and Retakful Arrangements *(continued)*

10.3 Movement in takaful arrangement measured under the Group life *(continued)*

	2024 *(restated)*				
	Provision for Remaining Entitlement Benefit		*Liability for Incurred Claims for Benefits*		
	Excluding loss component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Takaful arrangement assets as at 1 January 2024	(2,414,978)	-			-
Takaful arrangement liabilities as at 1 January 2024		-	11,574,411	586,696	12,161,107
Net Takaful arrangement liabilities/(assets) as at 1 January 2024	-2,414,978	-	11,574,411	586,696	9,746,129
Recognised Takaful Contributions	-12,108,442	-	-	-	-12,108,442
Recognised Takaful Costs	-	-	-	-	
Incurred claims and other expenses	-	-	8,196,342	275,281	8,471,623
Changes to Liability for Incurred Claims for Benefits and expenses	-	-	-3,349,000	-397,536	-3,746,536
Amortisation of Takaful acquisition cash flows	1,831,466	-	-	-	1,831,466
Losses on onerous arrangements	-	-	-	-	-
Reversals of onerous arrangements	-	-	-	-	-
	1,831,466	-	4,847,342	-122,255	6,556,553
Takaful service result	-10,276,977	-	4,847,342	-122,254	-5,551,889
Amortisation of Deferred Cost	-	-	263,890	1,078	264,968
Total changes in the statement of comprehensive income	-10,276,977	-	5,111,232	-121,176	-5,286,921
Cashflows					
Contribution received	11,887,134	-	-	-	11,887,134
Claims and other expenses paid including wakala fee	-	-	-7,578,586	-	-7,578,586
Takaful acquisition cash flows	-1,906,908	-	-	-	-1,906,908
Total cash flows	9,980,226	-	-7,578,586	-	2,401,640
Takaful arrangement assets as at 31 December 2024	(2,711,729)	-	-	-	(2,711,729)
Takaful arrangement liabilities as at 31 December 2024			9,107,057	465,520	9,572,577
Net Takaful arrangement liabilities/(assets) as at 31 December 2024	-2,711,729	-	9,107,057	465,520	6,860,848

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10 Takaful and Retakaful Arrangements *(continued)*

10.3.1 Movement in re-takaful arrangement measured under the CAA - General takaful

	2025				
	Assets for Remaining Entitlement Benefits		*Amount recoverable on incurred claims for Benefits*		
	Excluding loss recovery component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Retakaful arrangement assets as at 1 January 2025	-181,144	-132,753	-7,445,628	-330,792	-8,090,317
Retakaful arrangement liabilities as at 1 January 2025	7,474	-	-3,207	-108	4,159
Net Retakaful arrangement (assets) / liabilities as at 1 January 2025	-173,670	-132,753	-7,448,835	-330,900	-8,086,158
An allocation of Retakaful contributions	8,629,533	-	-	-	8,629,533
Amounts recoverable from retakaful operators for incurred claims					
Amounts recoverable from retakaful for incurred claims for Benefits	-	-	-4,772,588	-82,072	-4,854,660
Changes to amounts recoverable for incurred claims for Benefits	-	-	-1,549,242	289,487	-1,259,755
Amortisation of Retakaful acquisition cash flows	-640,502	-	-	-	-640,502
losses on onerous arrangements	-	-	-	-	-
Reversals of losses on onerous arrangements	-	132,753	-	-	132,753
	-640,502	132,753	-6,321,830	207,415	-6,622,164
Net expenses from Retakaful arrangements held	7,989,031	132,753	-6,321,830	207,415	2,007,369
Amortisation of Deferred Profit	-	-	-193,746	-8,559	-202,305
Total changes in the statement of comprehensive income	7,989,031	132,753	-6,515,576	198,856	1,805,064
Cash flows					
Contributions paid	-8,595,638	-	-	-	-8,595,638
Retakaful acquisition cash flows	637,235	-	-	-	637,235
Amounts received	-	-	9,594,040	(2)	9,594,038
Total cash flows	-7,958,403	-	9,594,040	(2.00)	1,635,635
Net Retakaful arrangement (assets) / liabilities as at 31 December 2025	-143,042	-	-4,370,371	-132,046	-4,645,459
Retakaful arrangement assets as at 31 December 2025	-479,774	-	-4,319,852	-130,298	-4,929,924
Retakaful arrangement liabilities as at 31 December 2025	336,732	-	-50,519	-1,748	284,465
Net Retakaful arrangement (assets) / liabilities as at 31 December 2025	-143,042	-	-4,370,371	-132,046	-4,645,459

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

10 Takaful and Retakaful Arrangements *(continued)*

10.3.1 Movement in re-takaful arrangement measured under the CAA - General takaful *(continued)*

	2024 *(restated)*				
	Assets for Remaining Entitlement Benefits		*Amount recoverable on incurred claims for Benefits*		
	Excluding loss recovery component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Retakaful arrangement assets as at 1 January 2024	2,134,230	(126,243)	(6,145,319)	(207,165)	(4,344,497)
Retakaful arrangement liabilities as at 1 January 2024	278,757	-	(75,278)	(2,198)	201,281
Net Retakaful arrangement (assets) / liabilities as at 1 January 2024	2,412,987	-126,243	-6,220,597	-209,363	-4,143,216
An allocation of Retakaful contributions	7,052,855	-	-	-	7,052,855
Amounts recoverable from retakaful operators for incurred claims					
Amounts recoverable from retakaful for incurred claims for Benefits	-	-	-6,244,762	-316,496	-6,561,258
Changes to amounts recoverable for incurred claims for Benefits	-	-	-276,350	199,147	-77,203
Amortisation of Retakaful acquisition cash flows	-413,613	-	-	-	-413,613
losses on onerous arrangements	-	-132,753	-	-	-132,753
Reversals of losses on onerous arrangements	-	126,243	-	-	126,243
	-413,613	-6,510	-6,521,112	-117,349	-7,058,584
Net expenses from Retakaful arrangements held	6,639,242	-6,510	-6,521,112	-117,349	-5,729
Amortisation of Deferred Profit	-	-	-188,816	-4,188	-193,004
Effect of changes in non-performance risk of retakaful	-	-	-	-	-
Total changes in the statement of comprehensive income	6,639,242	-6,510	-6,709,928	-121,537	-198,733
Cash flows					
Contributions paid	-9,492,634	-	-	-	-9,492,634
Retakaful acquisition cash flows	266,735	-	-	-	266,735
Amounts received	-	-	5,481,690	-	5,481,690
Total cash flows	-9,225,899	-	5,481,690	-	-3,744,209
Net Retakaful arrangement assets / (liabilities) as at 31 December 2024	-173,670	-132,753	-7,448,835	-330,900	-8,086,158
Retakaful arrangement assets as at 31 December 2024	-181,144	-132,753	-7,445,628	-330,792	-8,090,317
Retakaful arrangement liabilities as at 31 December 2024	7,474	-	-3,207	-108	4,159
Net Retakaful arrangement (assets) / liabilities as at 31 December 2024	-173,670	-132,753	-7,448,835	-330,900	-8,086,158

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

10 Takaful and Retakaful Arrangements *(continued)*

10.3.2 Movement in re-takaful arrangement measured under the CAA - Group life

	2025				
	Assets for Remaining Entitlement Benefits		*Amount recoverable on incurred claims for Benefits*		
	Excluding loss recovery component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Retakaful arrangement assets as at 1 January 2025	-	-	-	-	-
Retakaful arrangement liabilities as at 1 January 2025	**8,783,566**	-	**(8,122,396)**	**(433,615)**	**227,555**
Net Retakaful arrangement (assets) / liabilities as at 1 January 2025	**8,783,566**	-	**-8,122,396**	**-433,615**	**227,555**
An allocation of Retakaful contributions	**5,004,691**	-	-	-	**5,004,691**
Amounts recoverable from retakaful operators for incurred claims					
Incurred claims and other expenses	-	-	**-6,226,309**	**-351,951**	**-6,578,260**
Changes to liabilities for incurred claims and expenses	-	-	**-1,722,019**	**42,199**	**-1,679,820**
Amortisation of Takaful acquisition cash flows	-	-	-	-	-
Losses on onerous arrangements	-	-	-	-	-
Reversals of onerous arrangements	-	-	-	-	-
	-	-	**-7,948,328**	**-309,752**	**-8,258,080**
Net expenses from Retakaful arrangements held	**5,004,691**	-	**-7,948,328**	**-309,752**	**-3,253,389**
Amortisation of deferred profit	-	-	**-220,169**	**-11,754**	**-231,923**
Total changes in the statement of comprehensive income	**5,004,691**	-	**-8,168,497**	**-321,506**	**-3,485,312**
Cash flows					
Contribution paid	**-13,067,812**	-	-	-	**(13,067,812)**
Retakaful acquisition cash flows received	-	-	-	-	-
Claims received	-	-	**4,736,781**	-	**4,736,781**
Total cash flows	**-13,067,812**	-	**4,736,781**	-	**-8,331,031**
Net Retakaful arrangement (assets) / liabilities as at 31 December 2025	**720,445**	-	**-11,554,112**	**-755,121**	**-11,588,788**
Retakaful arrangement assets as at 31 December 2025	-	-	-	-	-
Retakaful arrangement liabilities as at 31 December 2025	**720,445**	-	**-11,554,112**	**-755,121**	**-11,588,788**
Net Retakaful arrangement (assets) / liabilities as at 31 December 2025	**720,445**	-	**-11,554,112**	**-755,121**	**-11,588,788**

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

10 Takaful and Retakaful Arrangements *(continued)*

10.3.2 Movement in re-takaful arrangement measured under the CAA - Group life *(continued)*

	2024 *(restated)*				
	Assets for Remaining Entitlement Benefits		*Amount recoverable on incurred claims for Benefits*		
	Excluding loss recovery component	*Loss component*	*Estimated the present value of future cashflows*	*Risk adjustment*	*Total*
Retakaful arrangement assets as at 1 January 2024		-	-	-	-
Retakaful arrangement liabilities as at 1 January 2024	8,867,874	-	(10,968,019.00)	(462,365.00)	-2,562,510
Net Retakaful arrangement (assets) / liabilities as at 1 January 2024	8,867,874	-	-10,968,019	-462,365	-2,562,510
An allocation of retakaful contributions	7,392,848	-	-	-	7,392,848
Amounts recoverable from retakaful operators for incurred claims					
Incurred claims and other expenses	-	-	-6,387,941	-256,268	-6,644,209
Changes to liabilities for incurred claims and expenses	-	-	2,698,962	285,748	2,984,710
Amortisation of takaful acquisition cash flows	-	-	-	-	-
Losses on onerous arrangements	-	-	-	-	-
Reversals of onerous arrangements	-	-	-	-	-
	-	-	-3,688,979	29,480	-3,659,499
Net expenses from Retakaful arrangements held	7,392,848	-	-3,688,979	29,480	3,733,349
Amortisation of Deferred Profit	-	-	-286,570	-730	-287,300
Effect of changes in non-performance risk of retakaful	-	-	-	-	-
Total changes in the statement of comprehensive income	7,392,848	-	-3,975,549	28,750	3,446,049
Cash flows					
Contribution paid	(7,519,729)	-	-	-	-7,519,729
Retakaful acquisition cash flows received	42,573	-	-	-	42,573.00
Claims received	-	-	6,821,172	-	6,821,172
Total cash flows	-7,477,156	-	6,821,172	-	-655,984
Net Retakaful arrangement assets / (liabilities) as at 31 December 2024	8,783,566	-	-8,122,396	-433,615	227,555
Retakaful arrangement assets as at 31 December 2024	-	-	-	-	-
Retakaful arrangement liabilities as at 31 December 2024	8,783,566	-	-8,122,396	-433,615	227,555
Net Retakaful arrangement (assets) / liabilities as at 31 December 2024	8,783,566	-	-8,122,396	-433,615	227,555

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

10 Takaful and Retakaful Arrangements *(continued)*

10.4 Movement in takaful arrangement measured under the GA (Family takaful)

	2025			
	Provision for Remaining Entitlement Benefit		*Liability for Incurred Claims for Benefits*	
	Excluding loss component	*Loss component*	*Estimated the present value of future cashflows*	*Total*
Takaful arrangement assets as at 1 January 2025	-	-	-	-
Takaful arrangement liabilities as at 1 January 2025	10,389,344	1,210,501	-	11,599,845
Net Takaful arrangement liabilities/(assets) as at 1 January 2025	**10,389,344**	**1,210,501**	**-**	**11,599,845**
Release of Takaful Residual Margin	**-211,460**	-	-	**-211,460**
Release of Risk Adjustment	**-103,030**	-	-	**-103,030**
Expected Claims	**-1,892,505**	-	-	**-1,892,505**
Expected Expenses	-	-	-	-
Recovery of Acquisition Cash Flows	**-316,191**	-	-	**-316,191**
Experience Adjustment: Contribution	-	**-145,778**	-	**-145,778**
Recognised Takaful Contributions	**-2,523,186**	**-145,778**	**-**	**-2,668,964**
Recognised Takaful Costs				
Incurred claims and other expenses	-	-	**819,786**	**819,786**
Changes to Liability for Incurred Claims for Benefits and expenses	-	-	-	-
Amortisation of Takaful acquisition cash flows	**316,191**	-	-	**316,191**
Losses on onerous arrangements	-	**-1,101,047**	-	**-1,101,047**
Reversals of onerous arrangements	**145,778**	-	-	**145,778**
	461,969	**-1,101,047**	**819,786**	**180,708**
Takaful service result	**-2,061,217**	**-1,246,825**	**819,786**	**-2,488,256**
Amortisation of Deferred Cost	**1,215,096**	**68,912**	-	**1,284,008**
Total changes in the statement of comprehensive income	**-846,121**	**-1,177,913**	**819,786**	**-1,204,248**
Cash flows				
Contribution received	**19,260,730**	-	-	**19,260,730**
Claims and other expenses paid including wakala fee	**-4,867,847**	-	-	**-4,867,847**
Takaful acquisition cash flows	-	-	**-423,514**	**-423,514**
Total cash flows	**14,392,883**	**-**	**-423,514**	**13,969,369**
Takaful arrangement assets as at 31 December 2025	-	-	-	-
Takaful arrangement liabilities as at 31 December 2025	**23,936,106**	**32,588**	**396,272**	**24,364,966**
Net Takaful arrangement liabilities/(assets) as at 31 December 2025	**23,936,106**	**32,588**	**396,272**	**24,364,966**

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

10 Takaful and Retakaful Arrangements *(continued)*

10.4 Movement in takaful arrangement measured under the GA (Family takaful) *(continued)*

	2024 (restated)			
	Provision for Remaining Entitlement Benefit		*Liability for Incurred Claims for Benefits*	
	Excluding loss component	*Loss component*	*Estimated the present value of future cashflows*	*Total*
	□	□	□	□
Takaful arrangement assets as at 1 January 2024	-	-	-	-
Takaful arrangement liabilities as at 1 January 2024	7,029,496	741,719	-	7,771,215
Net Takaful arrangement liabilities/(assets) as at 1 January 2024	7,029,496	741,719	-	7,771,215
Release of Takaful Residual Margin	-13,554	-	-	-13,554
Release of Risk Adjustment	-66,691	-	-	-66,691
Expected Claims	-1,362,815	-	-	-1,362,815
Expected Expenses	-	-	-	-
Recovery of Acquisition Cash Flows	-52,018	-	-	-52,018
Experience Adjustment: Contribution	-	-116,203	-	-116,203
Recognised Takaful Contributions	-1,495,078	-116,203	-	-1,611,281
Recognised Takaful Costs				
Incurred claims and other expenses	-	-	105,376	105,376
Changes to Liability for Incurred Claims for Benefits and expenses	-	-	-	-
Amortisation of Takaful acquisition cash flows	52,018	-	-	52,018
Losses on onerous arrangements		534,008	-	534,008
Reversals of onerous arrangements	116,203	-	-	116,203
	168,221	534,008	105,376	807,605
Takaful service result	-1,326,857	417,805	105,376	-803,676
Amortisation of Deferred Cost	-246,513	50,977	-	-195,536
Total changes in the statement of comprehensive income	-1,573,370	468,782	105,376	-999,212
Cash flows				
Contribution received	5,708,679	-	-	5,708,679
Claims and other expenses paid including wakala fee	-775,461	-	-105,376	-880,837
Takaful acquisition cash flows	-	-	-	-
Total cash flows	4,933,218	-	-105,376	4,827,842
Takaful arrangement assets as at 31 December 2024				
Takaful arrangement liabilities as at 31 December 2024	10,389,344	1,210,501	-	11,599,845
Net Takaful arrangement liabilities/(assets) as at 31 December 2024	10,389,344	1,210,501	-	11,599,845

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

10 Takaful and Retakaful Arrangements *(continued)*

10.4.1 Movement in re-takaful arrangement measured under the GA (Family takaful)

	2025		
	Assets for Remaining Entitlement Benefits		*Amount recoverable on incurred claims for Benefits*
	Estimated the present value of future cashflows	*Loss component*	*Excluding loss recovery component*
Retakaful arrangement assets as at 1 January 2025	-5,333,223	-1,001,301	-
Retakaful arrangement liabilities as at 1 January 2025			
Net Retakaful arrangement (assets) / liabilities as at 1 January 2025	-5,333,223	-1,001,301	-
Release of TRM	-129,673	-	-
Release of Risk Adjustment	80,734	-	-
Expected Claims	1,488,657	-	-
Expected Expenses	-	-	-
Recovery of Acquisition Cash Flows	-	-	-
Reversals of losses on onerous contracts	-	121,283	-
	1,439,718	121,283	-
Amounts recoverable from retakaful operators for incurred claims			
Amounts recoverable from retakaful for incurred claims	-	-	-614,840
Changes to amounts recoverable for incurred claims	-	-	-
Amortisation of Retakaful acquisition cash flows	-	-	-
losses on onerous arrangements	-	916,424	-
Reversals of losses on onerous arrangements	-	-	-
	-	916,424	-614,840
Net expenses from Retakaful arrangements held	1,439,718	1,037,707	-614,840
Amortisation of Deferred Profit	-462,932	-54,865	-
Effect of changes in non-performance risk of retakaful	-	-	-
Total changes in the statement of comprehensive income	976,786	982,842	-614,840
Cash flows			
Contributions paid	996,995	-	-
Retakaful acquisition cash flows	-	-	-
Amounts received	-	-	186,588
Total cash flows	996,995	-	186,588
Net Retakaful arrangement (assets) / liabilities as at 31 December 2025	-3,359,442	-18,459	-428,252
Retakaful arrangement assets as at 31 December 2025	-	-	-
Retakaful arrangement liabilities as at 31 December 2025	-3,359,442	-18,459	-428,252
Net Retakaful arrangement (assets) / liabilities as at 31 December 2025	-3,359,442	-18,459	-428,252

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

10 Takaful and Retakaful Arrangements *(continued)*

10.4.1 Movement in re-takaful arrangement measured under the GA (Family takaful) *(continued)*

	2024 *(restated)*		
	Amount recoverable on incurred claims for Benefits		*Assets for Remaining Entitlement Benefits*
	Excluding loss recovery component	*Loss component*	*Estimated the present value of future cashflows*
Retakaful arrangement assets as at 1 January 2024	-5,812,118	-598,906	-
Retakaful arrangement liabilities as at 1 January 2024			
Net Retakaful arrangement (assets) / liabilities as at 1 January 2024	-5,812,118	-598,906	-
Release of TRM	-68,808	-	-
Release of Risk Adjustment	44,007	-	
Expected Claims	898,116	-	
Expected Expenses	-	-	
Recovery of Acquisition Cash Flows	-	-	
Reversals of losses on onerous contracts	-	92,470	
	873,315	92,470	-
Amounts recoverable from retakaful operators for incurred claims			
Amounts recoverable from retakaful for incurred claims	-	-	-
Changes to amounts recoverable for incurred claims	-	-	-
Amortisation of Retakaful acquisition cash flows	-	-	-
losses on onerous arrangements	-	-494,865	-
Reversals of losses on onerous arrangements	-	-	-
	-	-494,865	-
Net expenses from Retakaful arrangements held	873,315	-402,395	-
Amortisation of Deferred Profit	84,449	-	-
Effect of changes in non-performance risk of retakaful	-	-	-
Total changes in the statement of comprehensive income	957,764	-402,395	-
Cash flows			
Contributions paid	-478,869	-	-
Retakaful acquisition cash flows	-	-	-
Amounts received	-	-	-
Total cash flows	-478,869	-	-
Net Retakaful arrangement (assets) / liabilities as at 31 Dec 2024	-5,333,223	-1,001,301	-
Retakaful arrangement assets as at 31 Dec 2024	-5,333,223	-1,001,301	-
Retakaful arrangement liabilities as at 31 Dec 2024	-	-	-
Net Retakaful arrangement (assets) / liabilities as at 31 Dec 2024	-5,333,223	-1,001,301	-

Total
-6,334,524
-6,334,524
-129,673
80,734
1,488,657
-
-
121,283
1,561,001
-614,840
-
-
916,424
-
301,584
1,862,585
-517,797
-
1,344,788
996,995
-
186,588
1,183,583
-3,806,153
-
-3,806,153
-3,806,153

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ANNUAL FINANCIAL STATEMENTS WERE AP P ROVED BY THE BOARD OF DIRECTORS ON 22/02/2026

Total
-6,411,024
-6,411,024
-68,808
44,007
898,116
-
-
92,470
965,785
-
-
-
-494,865
-
-494,865
470,920
84,449
-
555,369
-478,869
-
-
-478,869
-6,334,524
-6,334,524
-
-6,334,524

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ANNUAL FINANCIAL STATEMENTS WERE AP P ROVED BY THE BOARD OF DIRECTORS ON 22/02/2026

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

10 Takaful and Retakaful Arrangements *(continued)*

10.4.2 Movement in takaful arrangement measured under the GA (Family takaful)

Analysis by measurement component

	2025			
	Provision for takaful arrangement - GA			
	Present value of future cash flows	Risk adjustment	Takaful residual margin	Total
Opening Liability 1 January 2025	**10,747,453**	**528,934**	**323,458**	**11,599,845**
TRM recognised for the services provided	-	-	(211,460)	(211,460)
Changes in the risk adjustment for non-financial risk for the risk expired	-	(103,030)	-	(103,030)
Experience Adjustments-Contribution and Associated Cashflows	-	-	-	-
Experience adjustments-relating to Takaful service expenses	(1,072,719)	-	-	(1,072,719)
TVOG Release	-	-	-	-
Changes that relate to current service	**(1,072,719)**	**(103,030)**	**(211,460)**	**(1,387,209)**
Changes in estimates that adjust the TRM	(3,032,846)	(95,864)	3,128,710	-
Changes in estimates that results in onerous contract losses or reversals of such losses	(1,101,047)	-	-	**(1,101,047)**
Arrangements initially recognised in the period	(1,086,663)	-	1,086,663	-
Experience adjustment - arising from Contribution and Associated Cashflows	99,880	927,147	(1,027,027)	-
Changes that relate to future service	**(5,120,676)**	**831,283**	**3,188,346**	**(1,101,047)**
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	-
Experience adjustment - arising from Contribution and Associated Cashflows	-	-	-	-
Changes that relate to past service	-	-	-	-
Takaful service result	**(6,193,395)**	**728,253**	**2,976,886**	**(2,488,256)**
Finance expenses from Takaful Arrangements issued	1,200,634	59,659	23,715	**1,284,008**
Investment Component	-	-	-	-
Total amounts recognised in comprehensive income	**(4,992,761)**	**787,912**	**3,000,601**	**(1,204,248)**
Contributions received	19,260,730	-	-	19,260,730
Takaful acquisition cash flows	(4,867,846)	-	-	**(4,867,846)**
Claims paid	(423,514)	-	-	**(423,514)**
Directly attributable expenses paid	-	-	-	-
Total cash flows	**13,969,370**	-	-	**13,969,370**
Closing liability 31 December 2025	**19,724,061**	**1,316,846**	**3,324,059**	**24,364,966**

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

10 Takaful and Retakaful Arrangements *(continued)*

10.4.2 Movement in takaful arrangement measured under the GA (Family takaful) ***(continued)***

Analysis by measurement component ***(continued)***

	2024			
	Provision for takaful arrangement - GA			
	Present value of future cash flows	Risk adjustment	Takaful residual margin	Total
Opening Liability 1 January 2024	7,415,282	355,934	-	7,771,216
TRM recognised for the services provided	-	-	(13,554)	(13,554)
Changes in the risk adjustment for non-financial risk for the risk expired	-	(66,691)	-	(66,691)
Experience Adjustments-Contribution and Associated Cashflows	-	-	-	-
Experience adjustments-relating to Takaful service expenses	(1,257,439)	-	-	(1,257,439)
TVOG Release	-	-	-	-
Changes that relate to current service	(1,257,439)	(66,691)	(13,554)	(1,337,684)
Changes in estimates that adjust the TRM	135,515	(25,425)	(110,090)	-
Changes in estimates that results in onerous contract losses or reversals of such losses	118,846	-	-	118,846
Arrangements initially recognised in the period	(9,469)	238,266	186,366	415,163
Experience adjustment - arising from Contribution and Associated Cashflows	(251,865)	-	251,865	-
Changes that relate to future service	(6,973)	212,841	328,141	534,009
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	-
Experience adjustment - arising from Contribution and Associated Cashflows	-	-	-	-
Changes that relate to past service	-	-	-	-
Takaful service result	(1,264,412)	146,150	314,587	(803,675)
Finance expenses from Takaful Arrangements issued	(231,257)	26,850	8,871	(195,536)
Investment Component	-	-		-
Total amounts recognised in comprehensive income	(1,495,669)	173,000	323,458	(999,211)
Contributions received	5,708,679	-	-	5,708,679
Takaful acquisition cash flows	(105,376)	-	-	(105,376)
Claims paid	(775,463)	-	-	(775,463)
Total cash flows	4,827,840	-	-	4,827,840
Opening Liability 31 December 2024	10,747,453	528,934	323,458	11,599,845

Takaful Oman Insurance SAOG
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10 Takaful and Retakaful Arrangements *(continued)*

10.4.3 Movement in retakaful arrangement measured under the GA (Family takaful)

Analysis by measurement component *(continued)*

	2025			
	Retakaful arrangement assets - GA			
	Present value of future cash flows	Risk adjustment	Takaful residual margin	Total
Opening Liability 1 January 2025	**7,580,517**	**470,093**	**(1,716,086)**	**6,334,524**
TRM recognised for the services provided	-	-	129,673	129,673
Changes in the risk adjustment for non-financial risk for the risk expired	-	(80,734)	-	(80,734)
Experience Adjustments-Contribution and Associated Cashflows	-	-	-	-
Experience adjustments-relating to Takaful service expenses	(873,818)	-	-	(873,818)
TVOG Release	-	-	-	-
Changes that relate to current service	**(873,818)**	**(80,734)**	**129,673**	**(824,879)**
Changes in estimates that adjust the TRM	(3,887,488)	(139,033)	4,026,521	-
Changes in estimates that results in onerous contract losses or reversals of such losses	2,364,138	-	(3,401,844)	(1,037,706)
Arrangements initially recognised in the period	3,208,796	-	(3,208,796)	-
Experience adjustment - arising from Contribution and Associated Cashflows	(12,178)	698,306	(686,128)	-
Changes that relate to future service	**1,673,268**	**559,273**	**(3,270,247)**	**(1,037,706)**
Changes that relate to past service - changes in the FCF relating to the LIC				-
Experience adjustment - arising from Contribution and Associated Cashflows				-
Changes that relate to past service	-	-	-	-
Takaful service result	**799,450**	**478,539**	**(3,140,574)**	**(1,862,585)**
Finance expenses from Takaful Arrangements issued	437,900	45,256	34,641	517,797
Investment Component	-		-	-
Total amounts recognised in comprehensive income	**1,237,350**	**523,795**	**(3,105,933)**	**(1,344,788)**
Contributions received				-
Takaful acquisition cash flows				-
Claims paid	(996,995)			(996,995)
Directly attributable expenses paid	(186,588)			(186,588)
Total cash flows	**(1,183,583)**	-	-	**(1,183,583)**
Closing Liability 31 December 2025	**7,634,284**	**993,888**	**(4,822,019)**	**3,806,153**

Takaful Oman Insurance SAOG
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10 Takaful and Retakaful Arrangements *(continued)*

10.4.3 Movement in retakaful arrangement measured under the GA (Family takaful) *(continued)*

Analysis by measurement component *(continued)*

	2024			
	Retakaful arrangement assets - GA			
	Present value of future cash flows	Risk adjustment	Takaful residual margin	Total
Opening Liability 1 January 2024	5,918,749	284,100	208,175	6,411,024
TRM recognised for the services provided	-	-	68,808	68,808
Changes in the risk adjustment for non-financial risk for the risk expired	-	(44,007)	-	(44,007)
Experience Adjustments-Contribution and Associated Cashflows	-	-	-	-
Experience adjustments-relating to Takaful service expenses	(898,116)	-	-	(898,116)
TVOG Release	-	-	-	-
Changes that relate to current service	(898,116)	(44,007)	68,808	(873,315)
Changes in estimates that adjust the TRM	2,151,276	209,026	(2,360,302)	-
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	402,394	402,394
Arrangements initially recognised in the period	-	-	-	-
Experience adjustment - arising from Contribution and Associated Cashflows	-	-	-	-
Changes that relate to future service	2,151,276	209,026	(1,957,908)	402,394
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	-
Experience adjustment - arising from Contribution and Associated Cashflows	-	-	-	-
Changes that relate to past service	-	-	-	-
Takaful service result	1,253,160	165,019	(1,889,100)	(470,921)
Finance expenses from Takaful Arrangements issued	(70,262)	20,974	(35,161)	(84,449)
Investment Component	-	-	-	-
Total amounts recognised in comprehensive income	1,182,898	185,993	(1,924,261)	(555,370)
Contributions received	478,870	-	-	478,870
Takaful acquisition cash flows	-	-	-	-
Claims paid	-	-	-	-
Directly attributable expenses paid	-	-	-	-
Total cash flows	478,870	-	-	478,870
Closing Liability 31 December 2024	7,580,517	470,093	(1,716,086)	6,334,524

10 Takaful and Retakaful Arrangements (continued)

10.5 Expected recognition of remaining Takaful residual margin as revenue

2025	*0-1 years*	*1-2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*>5 years*	*Total*
Gross							
TRM remaining	191,730	481,352	443,961	401,999	363,427	2,108,593	3,991,062
TRM recognised	-	289,622	(37,391)	(41,962)	(38,572)	1,745,166	1,882,469
Retakaful							
TRM remaining	(171,085)	18,953	16,984	14,895	12,738	(15,438)	(122,953)
TRM recognised		190,038	(1,969)	(2,089)	(2,157)	(28,176)	(107,515)
Net							
TRM remaining	362,815	462,399	426,977	387,103	350,689	2,124,030	4,114,013
TRM recognised		99,584	(35,422)	(39,874)	(36,414)	1,773,341	1,761,215

Time value of money

The Company adjusts the carrying amount of the takaful contracts liabilities and re-takaful contracts assets to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of contracts.

Under the bottom-up approach, the discount rate is determined as the risk-free yield and adjusted with a liquidity risk premium. The Company used the following yield curves to discount cash flows:

2025	*1 year*	*5 year*	*10 year*	*20 year*	*30 year*
Contracts under GA and CAA	3.80%	3.84%	4.21%	4.65%	4.60%
2024					
Contracts under GA and CAA	4.55%	4.39%	4.44%	4.47%	4.21%

Takaful Oman Insurance SAOG
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10 Takaful and Retakaful Arrangements (continued)

10.5 Expected recognition of remaining Takaful residual margin as revenue (continued)

Analysis of takaful contracts initially recognized

	31 December 2025			*31 December 2024*		
	Non-onerous contracts originated	***Onerous contracts originated***	***Total***	*Non-onerous contracts originated*	*Onerous contracts originated*	*Total*
Claims and other directly attributable expenses						
Acquisition cost						
Estimates of present value of future cash outflows	**7,132,221**	**3,996,053**	**11,128,274**	279,742	10,467,711	10,747,453
Risk adjustment for non-financial risk	**357,362**	**363,968**	**721,330**	14,267	514,666	528,933
Takaful residual margin	**1,039,567**	**497,354**	**1,536,921**	119,304	204,155	323,459
Increase from arrangements recognised during the year	**8,529,150**	**4,857,375**	**13,386,525**	413,313	11,186,532	11,599,845

Expected recognition of the takaful residual margin

An analysis of the expected recognition of the TRM remaining at the end of the reporting period in profit or loss is provided in the following table:

	0-1 years	***1-2 years***	***2-3 years***	***3-4 years***	***4-5 years***	***>5 years***	***Total***
2025							
Long term family takaful contracts issued	337,125	375,934	268,547	139,542	104,988	310,785	**1,536,921**
2024							
Long term family takaful contracts issued	60,670	80,192	96,338	35,049	20,843	30,367	323,459

An analysis of the expected recognition of the TRM remaining at the end of the reporting period in profit or loss is provided in the following table:

	0-1 years	***1-2 years***	***2-3 years***	***3-4 years***	***4-5 years***	***>5 years***	***Total***
2025							
Long term family takaful contracts issued	(174,069)	(293,121)	(302,274)	(277,195)	(256,327)	(1,675,291)	**(2,978,277)**
2024							
Long term family takaful contracts issued	1,275	23,075	36,149	32,001	21,075	14,081	127,656

Takaful Oman Insurance SAOG
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10 Takaful and Retakaful Arrangements (continued)

10.5 Expected recognition of remaining Takaful residual margin as revenue (continued)

Takaful revenue and TRM by transition method (continued)

	Contracts measured under the modified retrospective approach at transition	*Contracts measured under the fair value approach at transition*	*New contracts and contracts measured under the full retrospective approach at transition*	*Total*
2025				
Opening TRM as at 1 January 2025		-	323,459	**323,459**
TRM recognised for the services provided	-	-	(211,460)	**(211,460)**
Changes in estimates that adjust the TRM	-	1,040,302	2,088,407	**3,128,709**
Effects of contracts initially recognised in period	-	-	(1,027,027)	**(1,027,027)**
Experience adjustment - arising from Premium and Associated Cashflows	-	(566,289)	1,652,952	**1,086,663**
Changes that relate to future service		**474,013**	**2,714,332**	**3,188,345**
Finance expenses from takaful contracts issued		631	23,084	**23,715**
Takaful Service Result		**474,013**	**2,502,872**	**2,976,885**
Total amount recognised in profit or loss	-	**474,644**	**2,525,956**	**3,000,600**
Closing TRM as at 31 December 2025	-	**474,644**	**2,849,415**	**3,324,059**
2024				
Opening TRM as at 1 January 2024	-	-	-	-
TRM recognised for the services provided	-	-	(13,554)	(13,554)
Changes in estimates that adjust the TRM	-	-	(110,090)	(110,090)
Effects of contracts initially recognised in period	-	-	186,366	186,366
Experience adjustment - arising from Premium and Associated Cashflows	-	-	251,865	251,865
Changes that relate to future service	-	-	328,141	328,141
Finance expenses from takaful contracts issued	-	-	8,871	
Takaful Service Result	-	-	314,588	314,588
Total amount recognised in profit or loss	-	-	323,459	323,459
Closing TRM as at 31 December 2024	-	-	323,459	323,459

Takaful Oman Insurance SAOG
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10 Takaful and Retakaful Arrangements (continued)

10.5 Expected recognition of remaining Takaful residual margin as revenue (continued)

TRM by transition method

2025	*Contracts measured under the modified retrospective approach at transition*	*Contracts measured under the fair value approach at transition*	*New contracts and contracts measured under the full retrospective approach at transition*	*Total*
Opening TRM as at 1 January 2025	-	117,987	9,670	127,657
Changes that relate to current service	-	**59,428**	**70,245**	**129,673**
TRM recognised for the services provided		59,428	70,245	129,673
Changes that relate to future service	-	**(519,888)**	**(2,750,359)**	**(3,270,247)**
Changes in estimates that adjust the TRM		716,200	3,310,321	4,026,521
Effects of contracts initially recognised in period		-	(686,128)	(686,128)
Changes in recoveries of losses in onerous		(547,600)	(2,854,244)	(3,401,844)
Underlying contracts that adjust the TRM		(688,488)	(2,520,308)	(3,208,796)
Finance expenses from takaful contracts issued		12,836	21,805	34,641
Net foreign exchange income or expense		(460,461)	(2,680,114)	(3,140,575)
Total amount recognised in comprehensive income	-	**(447,625)**	**(2,658,309)**	**(3,105,934)**
Closing TRM as at 31 December 2025	-	(329,638)	(2,648,639)	(2,978,277)

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10 Takaful and Retakaful Arrangements (continued)

10.5 Expected recognition of remaining Takaful residual margin as revenue (continued)

TRM by transition method (continued)

2024	*Contracts measured under the modified retrospective approach at transition*	*Contracts measured under the fair value approach at transition*	*New contracts and contracts measured under the full retrospective approach at transition*	*Total*
Opening TRM as at 1 January 2024		208,175	-	208,175
Changes that relate to current service	-	32,961	-	32,961
TRM recognised for the services provided	-	32,961	-	32,961
Changes that relate to future service	-	(104,683)	(9,482)	(114,165)
Changes in estimates that adjust the TRM	-	(98,689)	175,783	77,094
Effects of contracts initially recognised in period	-	-	(593,653)	(593,653)
Changes in recoveries of losses in onerous	-	(5,994)	408,388	402,394
Underlying contracts that adjust the TRM	-	-	-	-
Finance expenses from takaful contracts issued	-	(18,466)	(16,695)	(35,161)
Net foreign exchange income or expense	-	(71,722)	26,365	(45,357)
Total amount recognised in comprehensive income	-	(90,188)	9,670	(80,518)
Closing TRM as at 31 December 2024	-	117,987	9,670	127,657

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10 Takaful and Retakaful Arrangements (continued)

10.6 Sensitivity analysis

	For the year ended 31 December 2025		*For the year ended 31 December 2024*	
	LIC	***Impact on LIC***	*LIC*	*Impact on LIC*
Sensitivity analysis for contracts measured under CAA				
Takaful contract liabilities	25,662,368	-	18,571,422	-
Re-takaful contract assets	(16,811,652)	-	(16,335,752)	-
Net takaful contract liabilities	8,850,716	-	2,235,670	-
		5% increase – LIC		
Takaful contract liabilities	26,946,171	1,283,803	19,498,915	927,493
Re-takaful contract assets	(17,649,715)	(838,063)	(17,138,610)	(802,858)
Net takaful contract liabilities	9,296,456	445,740	2,360,305	124,635
		5% decrease – LIC		
Takaful contract liabilities	24,378,564	(1,283,803)	17,643,929	(927,493)
Re-takaful contract assets	(15,973,589)	838,063	(15,532,894)	802,858
Net takaful contract liabilities	8,404,975	(445,740)	2,111,035	(124,635)

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10 Takaful and Retakaful Arrangements (continued)

10.6 Sensitivity analysis (continued)

	For the year ended 31 December 2025		*For the year ended 31 December 2024*	
	Net takaful and re-takaful contract assets and liabilities	***Impact on net takaful and re-takaful contract assets and liabilities***	*Net takaful and re-takaful contract assets and liabilities*	*Impact on net takaful and re-takaful contract assets and liabilities*
Sensitivity analysis for contracts not measured under CAA				
Takaful contract liabilities	24,364,966	-	11,599,845	-
Re-takaful contract assets	3,806,153	-	6,334,524	-
Net takaful contract liabilities	**20,558,813**	-	**5,265,321**	-
		10% increase – Lapses		
Takaful contract liabilities	24,231,562	-133,404	11,535,239	-64,605
Re-takaful contract assets	3,763,299	-42,854	6,298,815	-35,709
Net takaful contract liabilities	**20,468,263**	**-90,550**	**5,236,424**	**-28,896**
		1% increase – Mortality		
Takaful contract liabilities	24,460,679	95,713	11,663,725	63,880
Re-takaful contract assets	3,897,771	91,618	6,388,062	53,538
Net takaful contract liabilities	**20,562,908**	**4,095**	**5,275,663**	**10,342**

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10 Takaful and Retakaful Arrangements (continued)

10.6 Sensitivity analysis (continued)

The Company does not have any re takaful contract liabilities except for remaining coverage measured under CAA approach, which has been excluded from below analysis.

31 December 2025	*Up to 1 Year*	*1-2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*>5 years*	*Total*
Takaful contract liabilities	5,052,868	3,321,343	1,383,362	523,358	71,261	-5,423	10,346,769

31 December 2024	*Up to 1 Year*	*1-2 years*	*2-3 years*	*3-4 years*	*4-5 years*	*>5 years*	*Total*
Takaful contract liabilities	10,324,494	2,466,766	803,032	325,639	92,875	7,701	14,020,507

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11 Earnings per share attributable to shareholders

	Shareholders	
	2025	*2024 Restated*
Gain/(Loss) for the year attributable to ordinary shareholders	**573,988**	-1,845,830
Weighted average number of shares outstanding during the year	**250,000,000**	250,000,000
Gain/ (Loss) per share attributable to shareholders –basic and diluted	**0.0023**	(0.0074)

Basic and diluted earnings per share ("EPS") is calculated by dividing the profit/ (loss) for the year attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

12 Cash and bank balances

	Shareholders'	***General takaful***	***Family takaful***
2025			
Islamic banks	**1,061,946**	**236,137**	**2,664,280**
Conventional banks	-	**607,161**	**563,766**
Cash in hand	**3,463**	-	-
	1,065,409	**843,298**	**3,228,046**
2024			
Islamic banks	1,237,271	82,229	1,035,697
Conventional banks	-	223,606	528,175
Cash in hand	2,938	-	-
	1,240,209	305,835	1,563,872

13 Financial asset at fair value through equity

Financial asset at fair value through equity can be analysed as follows:

	Market Value 31 December 2025	***Cost 31 December 2025***	*Market Value 31 December 2024*	*Cost 31 December 2024*
Local quoted mutual fund				
Investment Funds	**3,502,859**	**3,500,584**	499,505	495,049
Listed Securities				
Equity Shares	**3,218,555**	**2,918,334**	1,265,069	1,396,441
	6,721,414	**6,418,918**	1,764,574	1,891,490

The movement in investment fair value reserve during the year is as follows:

2025

	General	***Family***	***Total***
1 January	-	**-126,916**	-126,916
Fair value gain / (loss) for the year	**-8,884**	**438,296**	429,412
Closing	**-8,884**	**311,380**	302,496

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13 Financial asset at fair value through equity (continued)

The movement in investment fair value through equity during the year is as follows:

2024	General	*Family*	*Total*
1 January	-	37,417	37,417
Purchase during the year	-		-
Fair value gain / (loss) for the year	-	-164,333	-164,333
Closing	-	-126,916	-126,916

	Shareholders'	
	2025	*2024*
1 January	**456,939**	-
Fair value gain / (loss) for the year *(net of deferred tax)*	**-63,750**	456,939
Closing	**393,189**	456,939

14 Investments at amortised cost

At 31 December 2025, the Group had a total investment in Shariah compliant sukuk of 2,968,379 (2024: 2,000,000) under shareholders' fund. These Sukuk are listed on stock exchanges. The profit rate of 6.75% (2024: 6.75%) per annum with quarterly profit payments on each periodic distribution date. These contain Ominvest sukkuk which is perpetual (2024: perpetual) and other sukuks have expiry from October 2031 to November 2054.

The investments is classified as "Investment at amortised cost" in the consolidated financial statements. The amortised cost of the Sukuk at 31 December 2025 was 2,968,379 (2024: 2,000,000). The Company has pledged an amount of 2,499,882 of investment in Sukuk to the Financial Service Authority (FSA).

As at 31 December 2025, the participants' fund had a total investment in Shariah-compliant Sovereign Sukuk of 4,405,473 (2024: 500,000). The profit rate is 6.5% (2024: 5.75%) per annum with profit payments semi annually. The maturity date of the Sukuk is upto September 2035 (2024: March 2029).

Shareholders'	***2025***	*2024*
Opening	**2,000,000**	2,000,000
Matured during the year	-	-
Purchased during the year	**968,379**	-
Closing	**2,968,379**	2,000,000

Participants' Fund - family takaful	***2025***	*2024*
Opening	**500,000**	4,651,750
Matured during the year	-	-4,651,750
Purchased during the year	**3,905,473**	500,000
Closing	**4,405,473**	500,000

In accordance with the law governing the operations of insurance companies within the Sultanate of Oman, the Group had lien 2,999,882 Sukuks (2024: nil) with the Financial Services Authority (FSA). The Group can only transfer these assets with the prior approval of the FSA.

Takaful Oman Insurance SAOG
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15 Receivable from participants' fund and payable to shareholders' fund

As at reporting period the break-up of receivable from participants' and payable to shareholders' is as follows:

	General takaful	*Family takaful*	*Total*
1 January 2025	**1,562,777**	**1,840,214**	**3,402,991**
Qard Hasan given during the year	**955,000**	-	**955,000**
Qard Hasan returned during the year	-	**-1,932,399**	**-1,932,399**
Wakala and mudarib during the year	**1,575,944**	**7,750,017**	**9,325,961**
Payment of wakala fees, mudarib share and movement in PH account	**-3,270,842**	**-7,215,607**	**-10,486,449**
31 December 2025	**822,879**	**442,225**	**1,265,104**

	General takaful	*Family takaful*	*Total*
1 January 2024	916,677	3,876,570	4,793,247
Qard Hasan given during the year	400,000	-	400,000
Qard Hasan returned during the year	-	-1,500,000	-1,500,000
Wakala and mudarib during the year	2,831,083	2,903,111	5,734,194
Payment of wakala fees, mudarib share and movement in Participant's account	-2,584,983	-3,439,467	-6,024,450
31 December 2024	1,562,777	1,840,214	3,402,991

During the year 1.5 million has been disbursed as Qard Al Hasan (2024: 0.4 million). Furthermore, during the year Qard Hasan amounting to 0.95 million has been returned by participant's fund (2024 : 1.5 million)

Hibah amounting to 1.35 million has been provided during the year ended 31 December 2025. (2024: nil).

16 Expected Credit Loss (Charge)/Reversal on Financial Assets

	1st January 2025	*During the year*	*31 December 2025*
Trade & Other Receivables	**1,641,969**	**-160,667**	**1,481,302**
	1,641,969	**-160,667**	**1,481,302**

	1st January 2024	*During the year*	*31 December 2024*
Trade & Other Receivables (restated)	1,695,397	-53,428	1,641,969
	1,695,397	**-53,428**	**1,641,969**

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17 Other receivables and takaful assets

	Shareholders'	*General takaful*	*Family takaful*	*Participants'*
2025				
Accrued investment incon	**126,467**	**130,909**	**196,364**	**327,273**
Prepayments	-	**354,972**	-	**354,972**
Other receivables	**25,027**	**554,679**	**654,671**	**1,209,350**
	151,494	**1,040,560**	**851,035**	**1,891,595**

	Shareholders'	*General takaful*	*Family takaful*	*Participants'*
2024 (restated)				
Accrued investment incon	329,680	23,506	410,383	433,889
Prepayments	471,995	124,694	-	187,457
Other receivables	93,684	-	674,781	612,018
	895,359	148,200	1,085,164	1,233,364

18 Wakala bank deposits

	2025	*2024*
Shareholders' Fund		
Opening	**5,204,000**	6,904,000
Purchased/(matured) during the year	**5,500,000**	-1,700,000
Closing	**10,704,000**	5,204,000

	General takaful	***Family takaful***
2025		
Opening	**2,300,000**	**10,700,000**
Purchased/(matured) during the year	**-800,000**	**-700,000**
Closing	**1,500,000**	**10,000,000**
2024		
Opening	1,500,000	7,500,000
Purchased/(matured) during the year	800,000	3,200,000
Closing	2,300,000	10,700,000

All Wakala deposits are placed with Islamic Banks in the Sultanate of Oman at profit rates ranging from 3.75% to 5.6% (2024 - 4% to 6.15%) per annum. The maturity dates of these deposits range from Feburary 2026 to June 2027 (2024: Feburary 2025 to June 2027). In accordance with the law governing the operations of insurance companies within the Sultanate of Oman, the Group had lien certain wakala bank deposits with carrying value of 10.9 million (2024: 10.8 million) with the Financial Services Authority (FSA). The Group can only transfer these assets with the prior approval of the FSA.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025 (continued)

19 Property and equipment

	Shareholders'					
	Leasehold improvements	*Furniture and fixtures*	*Computers and office equipment*	*Motor vehicles*	*Capital work-in-progress*	*Total*
Cost						
At 1 January 2024	456,341	159,619	410,713	12,150	-	1,038,823
Additions	-	41,861	13,491	-	38,088	93,440
Disposals	-	-	-	(12,150)	-	(12,150)
Transfers	-	-	-	-	-	-
At 1 January 2025	**456,341**	**201,480**	**424,204**	-	**38,088**	**1,120,113**
Additions	-	122,684	18,596	50,476	101,668	293,424
Transfers	-	-	-	-	(125,732)	(125,732)
Disposals	(84,691)	(22,690)	(53,708)	-	-	(161,089)
At 31 December 2025	**371,650**	**301,474**	**389,092**	50,476	**14,024**	**1,126,716**
Accumulated depreciation						
At 1 January 2024	195,257	63,441	314,600	12,150	-	585,448
Charge for the year (note 7)	73,929	32,096	42,142	-	-	148,167
Disposals	-	-	-	(12,150)	-	(12,150)
At 1 January 2025	**269,186**	**95,537**	**356,742**	-	-	**721,465**
Charge for the year (note 7)	70,262	50,520	33,874	10,095	-	164,751
Disposals	(80,756)	(21,925)	(53,121)	-	-	(155,802)
At 31 December 2025	**258,692**	**124,132**	**337,495**	**10,095**	-	**730,414**
Net carrying value						
At 31 December 2025	**112,958**	**177,342**	**51,597**	**40,381**	**14,024**	**396,302**
At 31 December 2024	187,155	105,943	67,462	-	38,088	398,648

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025 (continued)

20 Intangible assets

	Shareholders' Software	
	2025	2024
Cost		
At 1 January	**1,016,829**	897,107
Additions	**18,377**	119,722
At 31 December	**1,035,206**	1,016,829
Accumulated amortization		
At 1 January	**531,644**	433,599
Charge for the year (note 7)	**100,371**	98,045
At 31 December	**632,015**	531,644
Net carrying value		
At 31 December	**403,191**	485,185

21 Investment in real estates

	Shareholders'	
	2025	2024
Cost		
At 1 January	**1,800,000**	1,262,425
Revaluation Gain	**-75,000**	537,575
At 31 December	**1,725,000**	1,800,000

Takaful Oman Insurance SAOG
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22 Accounts and other payables

	Shareholders'	*General takaful*	*Family takaful*	*Participants'*
2025				
Accounts and other payables	**836,936**	**408,424**	**972,667**	**1,381,091**
2024				
Accounts and other payables	286,996	1,177,343	620,585	**1,797,928**

23 Other income

	General takaful	*Family Takaful*	*Total*
2025			
Policy fees	**157,081**	-	**157,081**
Other income	**209,686**	-	**209,686**
Total	**366,767**	-	**366,767**
2024			
Policy fees	185,945	275,673	461,618
Other income	229,584	-	229,584
Total	415,529	275,673	691,202

24 Share capital

	2025	*2024*
Authorised share capital	**20,000,000**	20,000,000
Issued, subscribed and fully paid up	**16,000,000**	16,000,000
Issued and subscribed (Number of shares)	**250,000,000**	250,000,000

2025	*Percentage of Holding*	*Number of shares*
Jabreen International Development Company SAOC	**49.18**	**122,963,102**
Al Khonji Holding LLC	**10.50**	**26,264,287**

2024	Percentage of Holding	Number of shares
Jabreen International Development Company SAOC	49.18	122,963,102
Al Khonji Holding LLC	10.50	26,264,287

The Regulator has introduced Capital & Solvency regime for the insurance industry to a more scientific risk-linked capital model called Risk-Based Capital (RBC). The RBC is applicable from the financial reporting year 2022 onwards, whereby the whole industry has to prepare and report its capital and solvency in compliance with the new regime.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
For the year ended 31 December 2025

24 Share capital (continued)

There are two major changes resulting in decrease of available capital of the Company

a) RBC requires to offset deficits of the participants' fund against the shareholder equity; and

b) Perpetual Mudarabah sukuks issued by the company is required to be discounted @ 80% being treated as Tier 2 capital as per the RBC. Due to these changes, the available capital of the company has reduced.

The available capital of the Company as December 31, 2025 as per the RBC is 16,881,870 which is showing a surplus of 6,881,870 against the MCR of 10 million.

As of December 31, 2025, the company has a solvency deficit of 5,201,235 (2024: deficit of 5,973,928) in General Takaful, and a solvency deficit of 2,660,501 (2024: deficit of 3,322,753) in Medical Takaful, while in Life Takaful; there is a solvency surplus of 6,019,448 (2024: surplus of 3,050,024).

25 Legal reserve

In accordance with the Commercial Companies Law of Oman, annual appropriations of 10% of the profit for the year are required to be transferred to the legal reserve until the accumulated balance of the reserve is equal to one third of the value of the Company's paid up share capital. This reserve is not available for distribution.

26 Ijarah - Shareholder's

(a) Right of use of assets	***2025***	*2024*
At 1 January	**126,172**	1,487,277
Profit payments	**-3,972**	-11,691
Depreciation for the year	**-59,261**	-108,189
Disposal	**-**	-1,241,225
At 31 December	**62,939**	126,172

(b) Ijarah Libilities	***2025***	*2024*
At 1 January	**151,501**	877,835
Accretion of profit expense	**7,719**	59,712
Repayment of Ijarah Liabilities	**-77,919**	-786,046
At 31 December	**81,301**	151,501

27 Net assets per share attributable to shareholders

	2025	*2024 (Restated)*
Shareholders' net assets –	**6,232,624**	7,534,264
Number of shares outstanding - number	**250,000,000**	250,000,000
	0.0249	0.0301

Takaful Oman Insurance SAOG
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For the year ended 31 December 2025

27 Net assets per share attributable to shareholders *(continued)*

Net assets per share attributable to shareholders is calculated by dividing the shareholders' net assets at the year-end by the number of shares outstanding at 31 December 2025.

28 Related Parties

The Group, during the course of its normal business, enters into transactions with directors, key management personnel, Shari'a Supervisory Board members, shareholders and entities in which certain shareholders and Directors are interested. The transactions are entered into at terms and conditions which the Directors consider to be comparable with those adopted for arm's length transactions with third parties. The approximate volumes of such transactions involving related parties and holders of 10% or more of the Group's shares or their family members other than those separately disclosed, during the year were as follows:

(a) Transactions with related parties

Transactions with related parties or holders of 10% or more of the Group's shares or their family members, included in the statement of comprehensive income are as follows:

	2025	2024
Gross contributions	**2,823,515**	3,099,323
Gross claims paid	**676,677**	1,193,376
Board of Directors	**22,400**	20,398
Shari'ah Supervisory Committee fee and expenses	**9,750**	9,150

(b) Balances with related parties

Balances due from related parties or holders of 10% or more of the Group's shares, or their family members are analyzed as follows:

Contribution receivable	**429,782**	282,688
Gross outstanding claims	-	837,235

(c) Compensation of key management personnel of the

Compensation of key management personnel of the Group, consisting of salaries, allowances and end of service benefits, is as follows:

Salary and Other Benefits	672,351	699,864
Other benefits inc. end of services benefits	156,377	129,433
	828,728	829,297

29 Contingent liabilities

At 31 December 2025, there were contingent liabilities in respect of guarantees amounting to 298,357 (2024: 69,027) given in the normal course of business from which it is anticipated that no material liabilities will arise. These include guarantee provided to Omani Unified Bureau for Orange Card Company SAOC amounting to 50,000 (2024: 50,000).

The Group, consistent with the majority of insurers, is subject to litigation in the normal course of its business. While it is not possible to predict the eventual outcome of such legal action, the management has made provision which is adequate. The Group, based on independent legal advice, does not believe that the outcome of the court cases will have a material impact on its income or financial position.

30 Contingent commitments

At 31 December 2025, there are no contractual commitments (2024: nil).

31 Risk management

Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Company's shareholders and policyholders from events that hinder the sustainable achievement of set financial performance objectives. Key management recognises the critical importance of having efficient and effective risk management systems in place. The Group has established a risk management function with clear terms of reference from the Board of Directors, its committees and the associated executive management committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. A risk management policy framework which sets out the risk profiles for the Group, risk management, control and business conduct standards for the Group's operations has been put in place.

Capital management framework

The Group has an internal risk management framework for identifying risks to which each of its business units and the Group as a whole are exposed, quantifying their impact on economic capital. The internal framework estimates indicate how much capital is needed to mitigate the risk of insolvency to a selected remote level of risk applied to a number of tests (both financial and non-financial) on the capital position of the business.

Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

31 Risk management *(continued)*

Takaful risk

The risk under any takaful contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of a takaful contract, this risk is random and therefore unpredictable. For a portfolio of takaful contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its takaful contracts is that the actual claims and benefit payments may exceed the carrying amount of the takaful liabilities. This could occur because of the frequency or severity of claims and benefits are greater than estimated. Takaful events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

The principal risk the Group faces under takaful contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The Group manages the takaful risk through the careful selection and implementation of its underwriting strategy guidelines together with the adequate retakaful arrangements and proactive claims handling. The Group operates in the Sultanate of Oman and all of the takaful risk is concentrated in Oman.

The concentration of takaful risk exposure is mitigated by the implementation of the underwriting strategy of the Group, which attempts to ensure that the risks underwritten are well diversified across a large portfolio in terms of type, level of insured benefits, and amount of risk, industry and geography. Underwriting limits are in place to enforce risk selection criteria.

The Group principally issues general takaful contracts which constitute mainly motor, fire and allied perils, marine and general risks as well as life and medical takaful contracts.

The Group, in the normal course of business, in order to minimise financial exposure arising from large claims, enters into contracts with other parties for retakaful purposes. Such retakaful arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the retakaful is effected under treaty, facultative and excess-of-loss retakaful contracts.

Amounts recoverable from retakaful companies are estimated in a manner consistent with the outstanding claims provision and are in accordance with the Retakaful contracts. To minimise its exposure to significant losses from retakaful company insolvencies, the Group evaluates the financial condition of its retakaful companies and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the retakaful companies.

The Group only deals with retakaful companies approved by the management, which are generally international companies that are rated by international rating agencies.

The Group's placement of retakaful is diversified such that it is neither dependent on a single retakaful company nor are the operations of the Group substantially dependent upon any single retakaful contract.

The amount and timing of claims payments is expected to be settled within one year. Additional claim liabilities that could reasonably occur due to changes in key variables used in estimating the outstanding claims provision are considered to be adequately catered for through the IBNR provision.

Takaful Oman Insurance SAOG
Notes to the consolidated financial statements
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31 Risk management *(continued)*

Takaful risk (continued)

Moreover, the Group limits takaful risk by monitoring changes in key variables that could give rise to additional claim liabilities.

The Group has negotiated treaty agreements with retakaful on net rate basis.

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (profit rate risk), retakaful risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the management under policies approved by the Board of Directors.

(a) Market risk

Profit rate risk

Profit rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market rates.

The Group has deposits in Shari'a compliant financial institutions that are subject to profit rate risk. Profit rate risk to the Group is the risk of changes in market rates reducing the overall return on its securities. The Group's profit generating deposits comprise a balanced portfolio. As the Group has placed deposits at market profit rates, accordingly, the Group does not anticipate any major increase or decrease in the profit rates which would have any significant impact on the statement of comprehensive income.

The Group's profit rate risk at 31 December 2025 arises on bank deposits which fall under one to five-year category. The wakala deposits carry profit ranging from 3.75% to 5.60% (2024: 4.25% to 6.15%) per annum.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Key areas where the Group is exposed to credit risk are:

- Retakaful share of takaful liabilities;
- amounts due from retakaful in respect of claims already paid;
- amounts due from takaful contract holders;
- amounts due from takaful intermediaries; and
- Cash equivalents and deposits with banks.

The Group has a credit policy in place and exposure to credit risk is monitored on an ongoing basis in respect of their exposure with reinsurers and other takaful contract holders as set out below.

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31 Risk management *(continued)*

(c) Retakaful risk

Retakaful risk refers to the risk an enterprise will encounter in the event that any retakaful fails to meet its obligations assumed under the retakaful agreement. The Group is supported by retakaful to manage takaful risk that are selected based on the recommendations of professional retakaful brokers and the evaluation of available information on the financial strengths of the retakaful. The assessment and selection of retakaful is carried out annually and retakaful solvency and credit worthiness are monitored on an ongoing basis. Retakaful portion of outstanding claims are recorded only where evidence of recoverability is available to the Group. This does not, however, discharge the Group's liability as primary takaful operator. If a Retakaful fails to pay a claim for any reason, the Group remains liable for the payment to the policy holder.

Claims development

Claims often takes a number of years to be settled from the date the original loss occurred. The Group maintains adequate reserves in respect of its takaful business against future claims and developments. The following table shows the development of claims paid for the respective years.

	All LOB - GROSS								
Accident Year	**2018 & Prior**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
At end of Loss Year	25,751,317	13,323,530	11,910,596	30,688,031	19,224,163	18,296,865	22,594,473	17,060,920	17,060,920
One Year Later	33,094,277	17,447,737	15,713,771	35,021,485	21,225,117	22,012,406	29,666,342	-	29,666,342
Two Years Later	34,045,983	18,528,584	16,246,171	33,990,827	20,329,101	22,321,172	-	-	22,321,172
Three Years Later	34,630,503	18,677,556	16,057,324	33,674,190	20,711,902	-	-	-	20,711,902
Four Years Later	34,550,403	18,555,677	15,749,206	34,115,133	-	-	-	-	34,115,133
Five Years Later	34,517,505	18,533,223	15,975,927	-	-	-	-	-	15,975,927
Six Years Later	34,456,038	18,710,295	-	-	-	-	-	-	18,710,295
Seven Years Later	34,484,941	-	-	-	-	-	-	-	18,174,167
Eight Years Later	16,326,807	-	-	-	-	-	-	-	11,864,232
Nine Years Later	4,559,742	-	-	-	-	-	-	-	4,559,742
Current Estimate	34,598,142	18,710,295	15,975,927	34,115,133	20,711,902	22,321,172	29,666,342	17,060,920	193,159,833
Cumulative Payments to Date	34,889,269	18,740,540	15,813,557	33,305,458	19,263,151	20,164,253	23,903,209	10,759,610	176,839,047
Liability recognised	**(291,127)**	**(30,245)**	**162,370**	**809,675**	**1,448,751**	**2,156,919**	**5,763,133**	**6,301,310**	**16,320,786**
IBNR	**316,538**	**83,214**	**4,112**	**88,341**	**2,757,243**	**35,318**	**299,760**	**5,184,864**	**8,769,390**
Total Liability recognised	**25,411**	**52,969**	**166,482**	**898,016**	**4,205,994**	**2,192,237**	**6,062,893**	**11,486,174**	**25,090,176**
URR									**273,971**
Unallocated loss adjustment									**532,023**

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31 Risk management *(continued)*

Claims development (continued)

	All LOB - NET								
Accident Year	**2018 & Prior**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Total**
At end of Loss Year	14,617,637	8,564,415	5,081,162	8,123,716	9,459,824	11,710,307	12,444,993	9,529,352	9,529,352
One Year Later	20,001,975	10,798,069	6,635,330	8,852,403	10,062,447	13,969,259	15,508,073	-	15,508,073
Two Years Later	20,679,797	11,677,792	6,779,696	8,748,051	9,944,578	13,668,508	-	-	13,668,508
Three Years Later	21,154,082	11,689,602	6,705,912	8,518,601	10,074,447	-	-	-	10,074,447
Four Years Later	21,225,472	11,648,861	6,687,267	8,588,849	-	-	-	-	8,588,849
Five Years Later	21,273,705	11,652,478	6,716,513	-	-	-	-	-	6,716,513
Six Years Later	21,222,876	11,701,262	-	-	-	-	-	-	11,701,262
Seven Years Later	21,296,814	-	-	-	-	-	-	-	11,530,026
Eight Years Later	9,776,843	-	-	-	-	-	-	-	6,749,731
Nine Years Later	3,124,280	-	-	-	-	-	-	-	3,124,280
Current Estimate	21,404,036	11,701,262	6,716,513	8,588,849	10,074,447	13,668,508	15,508,073	9,529,352	97,191,040
Cumulative Payments to Date	21,660,745	11,758,134	6,690,257	8,437,884	9,741,481	12,970,661	13,487,093	6,753,578	91,499,833
Liability recognised	**(256,709)**	**(56,872)**	**26,256**	**150,965**	**332,966**	**697,847**	**2,020,980**	**2,775,774**	**5,691,207**
IBNR	**279,921**	**72,505**	**3,557**	**10,773**	**1,395,790**	**12,666**	**195,179**	**2,221,020**	**4,191,411**
Total Liability recognised	**23,212**	**15,633**	**29,813**	**161,738**	**1,728,756**	**710,513**	**2,216,159**	**4,996,794**	**9,882,618**
URR									**273,971**
Unallocated loss adjustment									**532,023**

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31 Risk management *(continued)*

Contributions receivable

Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for Retakaful is carried out by the management. The customers categorized as Banks and Ministries, Corporates, Brokers, Agents and Individuals are duly assessed for their credit worthiness based on the volume of business transacted, their past payment records and credit history within the Group of these customers. No credit limits are set, however on an ongoing basis ageing of receivables is monitored against the allowed credit period set on a case-to-case basis. The Group does not require collateral in respect of financial assets but has the right to offset the dues against any past or future claim payments.

Credit risk on receivables is limited to their carrying values as management regularly reviews these balances to assess recoverability and makes provision for balances whose recoverability is in doubt.

At 31 December 2025, □ 3,401,553 (2024 - □ 1,618,391) of contribution receivable was due from top five parties.

At 31 December 2025, □ 1,659,916 (2024 – □ 5,468,667) of retakaful contribution receivable was due from top five parties.

Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity requirements are monitored regularly and the directors ensure that sufficient funds are available to meet any commitments as they arise. The Group considers their liquidity position to be satisfactory.

At reporting date, the maturity profile of liabilities is as follows:

	Up to 1 year	*Total*
2025	□	□
Liabilities (shareholders)		
Employees' end of service benefits	**168,939**	**168,939**
Accounts and other payables	**836,935**	**836,935**
Short term borrowings	-	-
	1,005,874	**1,005,874**
Liabilities (participants)		
Payable to shareholders' fund	**1,265,104**	**1,265,104**
Accounts and other payables	**1,381,091**	**1,381,091**
	2,646,195	**2,646,195**

	Up to 1 year	*Total*
2024	□	□
Liabilities (shareholders)		
Employees' end of service benefits	118,210	118,210
Accounts and other payables	286,997	286,997
Short term borrowings	1,504,345	1,504,345
	1,909,552	1,909,552
Liabilities (participants)		
Payable to shareholders' fund	3,402,991	3,402,991
Accounts and other payables	1,797,928	1,797,928
	5,200,919	5,200,919

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32 Financial instruments by category

All financial assets of the Group fall under 'amortised cost' category except

All financial liabilities fall under 'other financial liabilities under amortised cost' category.

Fair value of financial instruments

The fair value of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or broker price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring:

	Level 1	Level 2	Level 3	Total
2025				
Investment at fair value through equity	**6,721,414**	-	-	**6,721,414**
2024				
Investment at fair value through equity	1,764,574	-	-	1,764,574

No transfers out of, or into, the level 3 measurement classification occurred during the year ended 31 December 2025 (31 December 2024: nil).

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32 Financial instruments by category *(continued)*

The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values:

2025	Fair value through equity	Amortised cost	Total carrying value	Fair value
Cash and bank balances	-	**5,136,752**	**5,136,752**	**5,136,752**
Financial asset at fair value through	**6,721,414**	-	-	-
Other receivables	-	**2,043,089**	**2,043,089**	**2,043,089**
Wakala bank deposits	-	**22,204,000**	**22,204,000**	**22,204,000**
Investments	-	**7,373,852**	**7,373,852**	**7,373,852**
Total financial assets	**6,721,414**	**36,757,693**	**36,757,693**	**36,757,693**
Short term borrowings	-	-	-	-
Accounts and other payables	-	**2,218,027**	**2,218,027**	**2,218,027**
Total financial assets	-	**2,218,027**	**2,218,027**	**2,218,027**

2025	Fair value through equity	Amortised cost	Total carrying value	Fair value
Cash and bank balances	-	3,109,916	3,109,916	3,109,916
Financial asset at fair value through	-	1,764,574	1,764,574	1,764,574
Other receivables	-	2,128,723	2,128,723	2,128,723
Wakala bank deposits	-	18,204,000	18,204,000	18,204,000
Investments	-	2,500,000	2,500,000	2,500,000
Total financial assets	-	27,707,213	27,707,213	27,707,213
Short term borrowings	-	1,504,345	1,504,345	1,504,345
Accounts and other payables	-	-	-	-
Total financial assets	-	1,504,345	1,504,345	1,504,345

33 Wakala financing

The Group has availed the wakala financing from Sharia compliant financing institutions. The outstanding balance as on 31 December is as follows.

	Shareholders	
	2025	*2024*
At 1 January	**1,504,345**	1,470,296
Additional obtained during the year	-	29,704
Accrued profits	-	4,345
Repayment	**-1,504,345**	-
	-	1,504,345

Takaful Oman Insurance SAOG
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34 Perpetual sukuk eligible as additional capital

During 2025, the Group issued Series 2 of Unsecured Subordinated Perpetual Trust Certificates amounting to 6 million (face value 1.000/ per certificate) under its Sukuk Al Mudaraba Trust Certificate Issuance Programme based on a Shari'a compliant Mudaraba structure. This makes the total issuance under this Programme to a total of 12 million as of December 31. 2025. Each certificate evidences an undivided ownership interest in the Trust Assets, subject to the terms of the Transaction Documents and the Conditions and is a limited recourse obligation of the Trustee.

These Certificates are listed on the Bond and Sukuk Market of the Muscat Stock Exchange and are transferable through trading. These Certificates have an indicative profit rate of 6.75% per annum payable semi-annually in arrears till the first call date on December 2030 and will be reset to a new indicative profit rate based on a reference rate plus margin. The Company has an option to defer the payment of profit. Any profit not paid due to such an election by the Company shall constitute Optionally Deferred Profit Distribution. Optionally Deferred Profit Distributions shall themselves accrue profit as if they constituted the principal of the Certificates at the prevailing Indicative Profit Rate. These Certificates constitute direct, unconditional, subordinated and unsecured obligations of the Company and are classified as equity. These certificates do not have a fixed or final maturity date and are redeemable by the Company at its sole discretion on the "First Call Date" or on any Periodic Distribution Date thereafter.

35 Shari'ah Supervisory Committee

The Group's business activities are subject to supervision of a Shari'ah Supervisory Committee (SSC) consisting of three members appointed by the shareholders of the Group. The SSB performs supervisory role in order to determine whether the operations of the Group are conducted in accordance with the Islamic Shari'a rule and principles. The consolidated financial statement are reviewed and approved by the Shari'ah Supervisory Committee Board.

36 Earnings prohibited under Shari'ah

There were no earnings retained during the year from transactions which are not under Shari'a. As there is no prohibited income earned by the Group, the 'statement of sources and uses of funds in the zakah and charity fund' is