

Takaful Oman Insurance SAOG

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)

For the three months ended 31 March 2026

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 interim condensed consolidated financial statement of the Company for three months ended 31 March 2026 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of preparation and accounting policies**

- (a) The interim condensed 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.
- (b) 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.
- (c) Prior year figures have been regrouped, reclassified, and restated where appropriate to ensure consistency with the presentation framework adopted in these unaudited interim condensed consolidated financial statements for the current reporting period.
- (d) The financial statement are presented in Rial Omani (ر.ع.) which is the Group's functional and presentation currency.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Statement of compliance**

These interim condensed 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. The interim condensed consolidated financial statements of the Group have been presented in condensed form in accordance with the guidance provided by Financial Accounting Standard 41 - Interim Financial Reporting. For the matters which are not covered by FAS issued by the AAOIFI, International Financial Reporting Standards ("IFRS") have been applied.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the three months period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of annual audited consolidated financial statements of the Group for the year ended 31 December 2025.

New standards, interpretations and amendments adopted by the Group

Certain new standards, amendments to standards and interpretations are not yet effective for the quarter ended 31 March 2026, with the Group not opting for early adoption. These have, therefore, not been applied in preparing these unaudited interim condensed consolidated financial statements. Details of these standards should be read in conjunction with the annual financial statements as at 31 December 2025.

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3 INCOME FROM INVESTMENTS - SHAREHOLDERS'

	Shareholders'	
	31 March 2026	31 March 2025
	<u>٥٠,٠٥٤</u>	<u>٦٢,٣١٢</u>
Profit from wakalah deposits	50,054	62,312
Profit on investment in sukuk	53,369	33,288
Dividend Income	19,750	-
Other investment expenses	(2,574)	(656)
Income from real estate investment	22,032	22,167
	<u>142,631</u>	<u>117,111</u>

4 INCOME FROM INVESTMENT - PARTICIPANTS

	General takaful	Family takaful	Participants
	<u>٦٦,٢٢٩</u>	<u>٧٨,٧٨٨</u>	<u>١٤٥,٠١٧</u>
31 March 2026			
Profit on wakalah deposits	66,229	78,788	145,017
Profit on investment in sukuk	-	70,659	70,659
Dividend Income	-	174,639	174,639
Other investment expenses	-	(23,016)	(23,016)
	<u>66,229</u>	<u>301,070</u>	<u>367,299</u>
	General takaful	Family takaful	Participants
	<u>٧٧,٥٤٧</u>	<u>٦٣,٢٨٨</u>	<u>١٤٠,٨٣٥</u>
31 March 2025			
Profit on wakalah deposits	77,547	63,288	140,835
Profit on investment in sukuk	-	14,257	14,257
Dividend Income	-	32,789	32,789
Other investment expenses	-	-	-
	<u>77,547</u>	<u>110,334</u>	<u>187,881</u>

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5 TAXATION

The Group is subject to income tax at the rate of 15% (2025 - 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.

The Group is subject to income tax at the rate of 15% (2025 - 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.

(a) 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.

(b) Deferred tax

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 15% (2025 - 15%). Deferred tax calculations are adjusted on annual basis based on the workings provided by an independent tax consultant.

6 TAKAFUL AND RETAKFUL ARRANGEMENTS

	31 March 2026	31 December 2025
		
		(Audited)
Takaful arrangement liabilities - CAA		
Provision for Takaful arrangement		
General	16,637,392	16,633,546
Family	12,447,919	9,947,471
	<u>29,085,311</u>	<u>26,581,017</u>
Takaful arrangement assets - CAA		
Re-takaful arrangement assets		
General	8,057,508	4,929,924
Family	12,269,574	11,588,788
	<u>20,327,082</u>	<u>16,518,712</u>
Takaful arrangement liabilities - GA		
Provision for takaful arrangements		
General	-	-
Family	28,148,461	24,364,966
	<u>28,148,461</u>	<u>24,364,966</u>
Takaful arrangement assets - GA		
Re-takaful arrangement assets		
General	-	-
Family	(3,630,284)	(3,806,153)
	<u>(3,630,284)</u>	<u>(3,806,153)</u>

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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

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

	2026			
	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
Takaful arrangement assets as at 1 January 2026	4,551,319	97,526	11,585,591	399,110
Takaful arrangement liabilities as at 1 January 2026				
Net Takaful arrangement liabilities/(assets) as at 1 January 2026	4,551,319	97,526	11,585,591	399,110
Recognised Takaful Contributions	(5,300,590)			
Recognised Takaful Costs				
Incurrd claims and other expenses	-	-	4,404,139	129,068
Changes to liabilities for incurred claims and expenses	-	-	1,100,435	(75,858)
Amortisation of Takaful acquisition cash flows (wakala fees)	375,096	-	-	-
Losses on onerous arrangements	-	456,579	-	-
Reversals of onerous arrangements	-	(97,526)	-	-
	375,096	359,053	5,504,574	53,210
Takaful service result	(4,925,494)	359,053	5,504,574	53,210
Amortisation of Deferred Cost	-	-	81,759	2,907
Total changes in the statement of comprehensive income	(4,925,494)	359,053	5,586,333	56,117
Cashflows				
Contribution received	3,491,318	-	-	-
Claims and other expenses paid	-	-	(4,197,868)	-
Takaful acquisition cash flows	(365,613)	-	-	-
Total cash flows	3,125,705	-	(4,197,868)	-
Takaful arrangement assets as at 31 March 2026	2,751,530	456,579	12,974,056	455,227
Takaful arrangement liabilities as at 31 March 2026				
Net Takaful arrangement liabilities/(assets) as at 31 March 2026	2,751,530	456,579	12,974,056	455,227

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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

6.1 Movement in takaful arrangement measured under the CAA - General takaful (continued)

	2025 (Audited)			
	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
	<u>o.a.</u>	<u>o.a.</u>	<u>o.a.</u>	<u>o.a.</u>
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
Net Takaful arrangement liabilities/assets as at 1 January 2025	5,713,620	305,797	8,683,029	315,823
Recognised Takaful Contributions	(21,717,122)	-	-	-
Recognised Takaful Costs				
Incurred claims and other expenses	-	-	19,271,801	259,018
Changes to Liability for Incurred Claims for Benefits and expenses	-	-	417,192	(183,389)
Amortisation of Takaful acquisition cash flows	1,908,762	-	-	-
Losses on onerous arrangements	-	97,526	-	-
Reversals of onerous arrangements	-	(305,797)	-	-
	1,908,762	(208,271)	19,688,993	75,629
Takaful service result	(19,808,360)	(208,271)	19,688,993	75,629
Amortisation of Deferred Cost	-	-	251,141	7,658
Total changes in the statement of comprehensive income	(19,808,360)	(208,271)	19,940,134	83,287
Cashflows				
Contribution received	20,043,857	-	-	-
Claims and other expenses paid	-	-	(17,037,572)	-
Takaful acquisition cash flows	(1,397,798)	-	-	-
Total cash flows	18,646,059	-	(17,037,572)	-
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
Net Takaful arrangement liabilities/assets as at 31 December 2025	4,551,319	97,526	11,585,591	399,110

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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

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

	2026				
	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 2026	(3,730,211)	-	-	-	(3,730,211)
Takaful arrangement liabilities as at 1 January 2026	-	-	12,831,946	845,736	13,677,682
Net Takaful arrangement liabilities/(assets) as at 1 January 2026	(3,730,211)	-	12,831,946	845,736	9,947,471
Recognised Takaful Contributions	(2,666,897)	-	-	-	(2,666,897)
Recognised Takaful Costs					
Incurrd claims and other expenses	-	-	2,441,710	148,941	2,590,651
Changes to liabilities for incurred claims and expenses	-	-	1,942,861	9,650	1,952,511
Amortisation of Takaful acquisition cash flows (wakala fees)	621,258	-	-	-	621,258
Losses on onerous arrangements	-	185,871	-	-	185,871
Reversals of onerous arrangements	-	-	-	-	-
	621,258	185,871	4,384,571	158,591	5,350,291
Takaful service result	(2,045,639)	185,871	4,384,571	158,591	2,683,394
Amortisation of Deferred Cost	-	-	82,040	5,293	87,333
Total changes in the statement of comprehensive income	(2,045,639)	185,871	4,466,611	163,884	2,770,727
Cashflows					
Contribution received	2,178,250	-	-	-	2,178,250
Claims and other expenses paid	-	-	(1,712,379)	-	(1,712,379)
Takaful acquisition cash flows	(736,150)	-	-	-	(736,150)
Total cash flows	1,442,100	-	(1,712,379)	-	(270,279)
Takaful arrangement assets as at 31 March 2026	(4,333,750)	185,871	-	-	(4,147,879)
Takaful arrangement liabilities as at 31 March 2026	-	-	15,586,178	1,009,620	16,595,798
Net Takaful arrangement liabilities/(assets) as at 31 March 2026	(4,333,750)	185,871.00	15,586,178	1,009,620	12,447,919

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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

6.2 Movement in takaful arrangement measured under the CAA - Group life (continued)

	2025 (Audited)				
	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 Liability for Incurred Claims for Benefits and expenses	-	-	1,339,858	(33,493)	1,306,365
Amortisation of Takaful acquisition cash flows	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	-	-	(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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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

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

	2026			
	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
Retakaful arrangement assets as at 1 January 2026	(479,774)	-	(4,319,852)	(130,298)
Retakaful arrangement liabilities as at 1 January 2026	336,732	-	(50,519)	(1,748)
Net Retakaful arrangement (assets) / liabilities as at 1 January 2026	(143,042)	-	(4,370,371)	(132,046)
An allocation of Retakaful contributions	2,326,710	-	-	-
Amounts recoverable from retakaful operators for incurred claims				
Amounts recoverable from retakaful for incurred claims for Benefits	-	-	(3,809,005)	(51,358)
Changes to amounts recoverable for incurred claims for Benefits	-	-	1,473,054	8,102
Amortisation of Retakaful acquisition cash flows	(205,257)	-	-	-
Losses on onerous arrangements	-	(172,792.00)	-	-
Reversals of losses on onerous arrangements	-	-	-	-
	(205,257)	(172,792)	(2,335,951)	(43,256)
Net expenses from Retakaful arrangements held	2,121,453	(172,792)	(2,335,951)	(43,256)
Amortisation of Deferred Profit	-	-	(22,897)	(931)
Total changes in the statement of comprehensive income	2,121,453	(172,792)	(2,358,848)	(44,187)
Cash flows				
Contributions paid	(2,957,670)	-	(2)	(3)
Retakaful acquisition cash flows	-	-	-	-
Amounts received	-	-	-	-
Total cash flows	(2,957,670)	-	(2)	(3.00)
Net Retakaful arrangement (assets) / liabilities as at 31 March 2026	(979,259)	(172,792.00)	(6,729,221)	(176,236)
Retakaful arrangement assets as at 31 March 2026	871,167	(172,792.00)	(6,729,221)	(176,236)
Retakaful arrangement liabilities as at 31 March 2026	(1,850,426)	-	-	-
Net Retakaful arrangement (assets) / liabilities as at 31 March 2026	(979,259)	(172,792.00)	(6,729,221)	(176,236)

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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

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

	2025 (Audited)				
	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	-	-	(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	(6,022,164)
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)
Effect of changes in non-performance risk of retakaful	-	-	-	-	-
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	(2,00)	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)

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6 TAKAFUL AND RETAKAFUL ARRANGEMENTS (continued)

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

	2026			
	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
Retakaful arrangement assets as at 1 January 2026	-	-	-	-
Retakaful arrangement liabilities as at 1 January 2026	720,445	-	(11,554,112)	(755,121)
Net Retakaful arrangement (assets) / liabilities as at 1 January 2026	720,445	-	(11,554,112)	(755,121)
An allocation of Retakaful contributions	1,351,583	-	-	-
Amounts recoverable from retakaful operators for incurred claims				
Incurd claims and other expenses	-	-	(1,897,461)	(125,640)
Changes to liabilities for incurred claims and expenses	-	-	(1,520,639)	(5,087)
Amortisation of Takaful acquisition cash flows	-	-	-	-
Losses on onerous arrangements	-	(152,748)	-	-
Reversals of onerous arrangements	-	-	-	-
	-	(152,748.00)	(3,418,100)	(130,727)
Net expenses from Retakaful arrangements held	1,351,583	(152,748.00)	(3,418,100)	(130,727)
Amortisation of deferred profit	-	-	(67,765)	(4,630)
Total changes in the statement of comprehensive income	1,351,583	(152,748.00)	(3,485,865)	(135,357)
Cash flows				
Contribution received	(221,601)	-	-	-
Claims and other expenses paid	-	-	-	-
Takaful acquisition cash flows	-	-	1,963,202	-
Total cash flows	(221,601)	-	1,963,202	-
Net Retakaful arrangement (assets) / liabilities as at 31 March 2026	1,850,427	(152,748)	(13,076,775)	(890,478)
Retakaful arrangement assets as at 31 March 2026	-	-	-	-
Retakaful arrangement liabilities as at 31 March 2026	1,850,427	(152,748)	(13,076,775)	(890,478)
Net Retakaful arrangement (assets) / liabilities as at 31 March 2026	1,850,427	(152,748)	(13,076,775)	(890,478)

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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

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

	2025 (Audited)				
	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 received	(13,067,812)	-	-	-	(13,067,812)
Takaful acquisition cash flows	-	-	-	-	-
Claim 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)

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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

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

	2026		Total
	Provision for Remaining Entitlement Benefit	Liability for Incurred Claims for Benefits	
	Excluding loss component	Loss component	Estimated the present value of future cashflows
Takaful arrangement assets as at 1 January 2026	-	-	-
Takaful arrangement liabilities as at 1 January 2026	23,936,106	32,588	24,364,966
Net Takaful arrangement liabilities/assets as at 1 January 2026	23,936,106	32,588	24,364,966
Release of Takaful Residual Margin	(62,187)	-	(62,187)
Release of Risk Adjustment	(41,872)	-	(41,872)
Expected Claims	(631,543)	-	(631,543)
Expected Expenses	-	-	-
Recovery of Acquisition Cash Flows	(34,582)	-	(34,582)
Experience Adjustment: Contribution	-	(719)	(719)
Recognised Takaful Contributions	(770,184)	(719)	(770,903)
Recognised Takaful Costs	-	-	-
Incurred claims and other expenses	-	-	205,191
Changes to Liability for Incurred Claims for Benefits and expenses	-	-	-
Amortisation of Takaful acquisition cash flows	34,582	-	34,582
Losses on onerous arrangements	-	3,020	3,020
Reversals of onerous arrangements	719	-	719
	35,301	3,020	205,191
Takaful service result	(734,883)	2,301	(527,391)
Amortisation of Deferred Cost	352,058	100	352,158
Total changes in the statement of comprehensive income	(382,825)	2,401	(175,233)
Cash flows	-	-	-
Contribution received	5,593,319	-	5,593,319
Claims and other expenses paid	(1,600,503)	-	(1,600,503)
Takaful acquisition cash flows	-	-	(34,088)
Total cash flows	3,992,816	-	3,958,728
Takaful arrangement assets as at 31 March 2026	27,546,097	34,989	28,148,461
Takaful arrangement liabilities as at 31 March 2026	27,546,097	34,989	28,148,461
Net Takaful arrangement liabilities/assets as at 31 March 2026	27,546,097	34,989	28,148,461

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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

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

	2025 (Audited)		
	Provision for Remaining Entitlement Benefit	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
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)	180,708
Takaful service result	(2,061,217)	(1,246,825)	(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)	(1,204,248)
Cash flows			
Contribution received	19,260,730	-	19,260,730
Claims and other expenses paid	(4,867,847)	-	(4,867,847)
Takaful acquisition cash flows	-	-	(423,514)
Total cash flows	14,392,883	-	13,969,369
Takaful arrangement assets as at 31 December 2025	23,936,106	32,588	24,364,966
Takaful arrangement liabilities as at 31 December 2025	23,936,106	32,588	24,364,966
Net Takaful arrangement liabilities/assets as at 31 December 2025	23,936,106	32,588	24,364,966

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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

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

	2026			
	Assets for Remaining Entitlement	recoverable on		
	Benefits	incurred claims	Estimated the present value of future cashflows	Total
	Excluding loss recovery component	Loss component		
Retakaful arrangement assets as at 1 January 2026	(3,359,442)	(18,459)	(428,252)	(3,806,153)
Retakaful arrangement liabilities as at 1 January 2026				
Net Retakaful arrangement (assets) / liabilities as at 1 January 2026	(3,359,442)	(18,459)	(428,252.00)	(3,806,153)
Release of TRM	(86,022)	-	-	(86,022)
Release of Risk Adjustment	30,739	-	-	30,739
Expected Claims	465,251	-	-	465,251
Expected Expenses	-	-	-	-
Recovery of Acquisition Cash Flows	-	-	-	-
Reversals of losses on onerous contracts	-	547	-	547
	409,968	547	-	410,515
Amounts recoverable from retakaful operators for incurred claims				
Amounts recoverable from retakaful for incurred claims	-	-	(153,894)	(153,894)
Changes to amounts recoverable for incurred claims	-	-	-	-
Amortisation of Retakaful acquisition cash flows	-	-	-	-
Losses on onerous arrangements	-	(2,295)	-	(2,295)
Reversals of losses on onerous arrangements	-	-	-	-
	-	(2,295)	(153,894)	(156,189)
Net expenses from Retakaful arrangements held	409,968	(1,748)	(153,894)	254,326
Amortisation of Deferred Profit	(78,381)	(76)	-	(78,457)
Effect of changes in non-performance risk of retakaful	-	-	-	-
Total changes in the statement of comprehensive income	331,587	(1,824)	(153,894)	175,869
Cash flows				
Contributions paid	-	-	-	-
Retakaful acquisition cash flows	-	-	-	-
Amounts received	-	-	-	-
Total cash flows	-	-	-	-
Net Retakaful arrangement (assets) / liabilities as at 31 March 2026	(3,027,855)	(20,283)	(582,146)	(3,630,284)
Retakaful arrangement assets as at 31 March 2026	-	-	-	-
Retakaful arrangement liabilities as at 31 March 2026	(3,027,855)	(20,283)	(582,146)	(3,630,284)
Net Retakaful arrangement (assets) / liabilities as at 31 March 2026	(3,027,855)	(20,283)	(582,146)	(3,630,284)

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6 TAKAFUL AND RETAKFUL ARRANGEMENTS (continued)

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

	2025 (Audited)			
	Amount recoverable on incurred claims for Benefits		Remaining Entitlement	Total
	Excluding loss recovery component	Loss component	Estimated the present value of future cashflows	
Retakaful arrangement assets as at 1 January 2025	(5,333,223)	(1,001,301)	-	(6,334,524)
Retakaful arrangement liabilities as at 1 January 2025				
Net Retakaful arrangement (assets) / liabilities as at 1 January 2025	(5,333,223)	(1,001,301)	-	(6,334,524)
Release of TRM	(129,673)	-	-	(129,673)
Release of Risk Adjustment	80,734	-	-	80,734
Expected Claims	1,488,657	-	-	1,488,657
Expected Expenses	-	-	-	-
Recovery of Acquisition Cash Flows	-	-	-	-
Reversals of losses on onerous contracts	-	121,283	-	121,283
	1,439,718	121,283	-	1,561,001
Amounts recoverable from retakaful operators for incurred claims				
Amounts recoverable from retakaful for incurred claims	-	-	(614,840)	(614,840)
Changes to amounts recoverable for incurred claims	-	-	-	-
Amortisation of Retakaful acquisition cash flows	-	-	-	-
losses on onerous arrangements	-	916,424	-	916,424
Reversals of losses on onerous arrangements	-	-	-	-
	-	916,424	(614,840)	301,584
Net expenses from Retakaful arrangements held	1,439,718	1,037,707	(614,840)	1,862,585
Amortisation of Deferred Profit	(462,932)	(54,865)	-	(517,797)
Total changes in the statement of comprehensive income	976,786	982,842	(614,840)	1,344,788
Cash flows				
Contributions paid	996,995	-	-	996,995
Retakaful acquisition cash flows	-	-	-	-
Amounts received	-	-	186,588	186,588
Total cash flows	996,995	-	186,588	1,183,583
Net Retakaful arrangement (assets) / liabilities as at 31 December 2025	(3,359,442)	(18,459)	(428,252)	(3,806,153)
Retakaful arrangement assets as at 31 December 2025	(3,359,442)	(18,459)	(428,252)	(3,806,153)
Retakaful arrangement liabilities as at 31 December 2025	-	-	-	-
Net Retakaful arrangement (assets) / liabilities as at 31 December 2025	(3,359,442)	(18,459)	(428,252)	(3,806,153)

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7 EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS

	Shareholders	
	31 March 2026	31 March 2025
		
		<i>Restated</i>
Gain/(Loss) for the year attributable to ordinary shareholders	205,804	74,153
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	0.0008	0.0003

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.

8 FINANCIAL ASSET AT FAIR VALUE THROUGH EQUITY

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

	Participants	
	Market Value	
	31 March 2026	31 December 2025
		
		<i>(Audited)</i>
Local quoted mutual fund		
Investment Funds	3,409,031	3,502,859
Listed Securities		
Equity Shares	6,400,357	3,218,555
	9,809,388	6,721,414

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8 FINANCIAL ASSET AT FAIR VALUE THROUGH EQUITY (continued)

	Shareholder	
	Market Value	
	31 March 2026	31 December 2025 (Audited)
Listed Securities		
Equity Shares	775,355	-
	<u>775,355</u>	<u>-</u>

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

	General	Family	Total
2026			
1 January	(8,884)	311,380	302,496
Fair value gain for the period	60,415	1,540,946	1,601,361
Closing 31 March	<u>51,531</u>	<u>1,852,326</u>	<u>1,903,857</u>

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

	General	Family	Total
2025 (Audited)			
1 January	-	(126,916)	(126,916)
Fair value gain / (loss) for the year	(8,884)	438,296	429,412
Closing 31 December	<u>(8,884)</u>	<u>311,380</u>	<u>302,496</u>

	Shareholders	
	2026	2025 (Audited)
1 January	393,189	456,939
Fair value gain / (loss) for the year (net of deferred tax)	91,095	(63,750)
Closing 31 December 2025	<u>484,284</u>	<u>393,189</u>

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9 INVESTMENTS AT AMORTISED COST

	2026	2025 (Audited)
Shareholders	<u>ﷲ</u>	<u>ﷲ</u>
Opening	2,968,379	2,000,000
Matured during the year	-	-
Purchased during the year	3,141,072	968,379
Closing	<u>6,109,451</u>	<u>2,968,379</u>
	2026	2025 (Audited)
Participants' Fund - family takaful	<u>ﷲ</u>	<u>ﷲ</u>
Opening	4,405,473	500,000
Matured during the year	-	-
Purchased during the year	1,643,716	3,905,473
Closing	<u>6,049,189</u>	<u>4,405,473</u>

In accordance with the law governing the operations of insurance companies within the Sultanate of Oman, the Group had lien ﷲ 2,999,882 Sukuks (2025: ﷲ 2,999,882) with the Financial Services Authority (FSA). The Group can only transfer these assets with the prior approval of the FSA.

10 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 <u>ﷲ</u>	Family takaful <u>ﷲ</u>	Total <u>ﷲ</u>
1 January 2026	822,879	442,225	1,265,104
Wakala and mudarib during the year	398,730	2,276,691	2,675,421
Payment of wakala fees, mudarib share and movement in PH account	(74,340)	(2,595,685)	(2,670,025)
31 March 2026	<u>1,147,269</u>	<u>123,231</u>	<u>1,270,500</u>

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**10 RECEIVABLE FROM PARTICIPANTS' FUND AND PAYABLE TO SHAREHOLDERS' FUND
(continued)**

	(Audited)		
	<i>General takaful</i>	<i>Family takaful</i>	<i>Total</i>
	<u></u>	<u></u>	<u></u>
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 Participant's account	(3,270,842)	(7,215,607)	(10,486,449)
31 December 2025	<u>822,879</u>	<u>442,225</u>	<u>1,265,104</u>

No amount has been disbursed as Qard Al Hasan during the period ended 31 March 2026. (2025: 0.955 million).

No Qard Hasan has been returned by Policyholders during the period ended 31 March 2026 (2025: 1.932 million).

11 WAKALA BANK DEPOSITS

	2026	2025 (Audited)
	<u></u>	<u></u>
Shareholders' Fund		
Opening 1 January	10,704,000	5,204,000
Purchased/(matured) during the year	(9,500,000)	5,500,000
Closing	<u>1,204,000</u>	<u>10,704,000</u>
	<i>General takaful</i>	<i>Family takaful</i>
	<u></u>	<u></u>
2026		
Opening 1 January	1,500,000	10,000,000
Purchased/(matured) during the year	500,000	(3,500,000)
Closing	<u>2,000,000</u>	<u>6,500,000</u>
2025 (Audited)		
Opening 1 January	2,300,000	10,700,000
Purchased/(matured) during the year	(800,000)	(700,000)
Closing	<u>1,500,000</u>	<u>10,000,000</u>

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12 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:

	31 March 2026	31 March 2025
		
Gross contributions	450,894	1,347,294
Gross claims paid	204,021	82,902
Board of Directors	20,700	18,588
Shari'ah Supervisory Committee fee and expenses	26,334	27,939

13 PERPETUAL SUKUK ELIGIBLE AS ADDITIONAL CAPITAL

	2026	2025 (Audited)
		
Opening 1 January	12,000,000	6,000,000
Issued during the year	-	6,000,000
Redemption during the period*	(6,000,000)	-
Closing 31 December	6,000,000	12,000,000

*In 2021, the Group issued perpetual sukuk eligible as additional capital amounting to  6 million. In February 2026, upon reaching the first call date, the Group exercised its call option and redeemed the sukuk in full.

14 GEOPOLITICAL UNCERTAINTY

During the period ended 31 March 2026, management considered events and conditions affecting the operating environment, including the deterioration of the geopolitical situation across the Middle East arising from a significant escalation of regional conflicts affecting multiple countries. Based on management's assessment, these developments did not have a material impact on the Group's financial position, performance, or cash flows during the period, and no adjustments or additional disclosures are required in these interim condensed consolidated financial statements at the reporting date