

Dear Shareholders,

Assalamu alaikum wa rahamatullahi wa Barakatuh!
(May the Peace, Mercy and Blessing of Allah be with you!)

On behalf of the Board of Directors, and Management team of Al Madina Insurance Co (“Al Madina”), it gives me great pleasure to present to you the financial results achieved by your company for the period ending on 31st March 2024.

Al Madina’s adopted strategies yielded operational efficiencies which have contributed positively to the Company’s financial performance. The Company started the year on a positive note with a remarkable 17% growth in its Gross contributions as compared to the previous period. The financial results delivered by your Company reflect its intent to deliver consistent surplus from Insurance operations so that the Policyholder’s interest is safeguarded while we continue to reward our shareholders.

Al Madina continues to maintain a healthy and well-balanced portfolio across all lines of business. Your Company is constantly enhancing its customer experience by ongoing process enhancements, efficient claims servicing, and by adopting best international practices in the field of insurance operations.

Operating Environment

The economic environment continues to be challenging where pressure on pricing prevails in the insurance market. Whereas the global insurance & reinsurance markets have also been witnessing rate corrections and insurers operating margins are shrinking. In these tough circumstances your Company achieved a Gross written contribution of RO 9.96 million as of the first quarter of 2024 as against 8.53 million during the same period of 2023. This was due to the application of strict underwriting discipline and a focused sales strategy.

Results from Operations

Your Company continues to deliver stable growth while strengthening the adequacy & sufficiency of its reserves. The Company registered a 24% growth in Net Earned Contributions amounting to RO 4.61 million in the 1st Quarter of 2024 as compared to RO 3.73 million in the corresponding period of 2023. However, the incurred claims have also increased by 30% in the first quarter of 2024. Despite the increase in incurred claims your company achieved 4% growth in the underwriting surplus from Takaful operations before investment income, mudarib share and Wakala fees, after adjustment for commission expenses.

Investment Income

The investment performance of your company has been encouraging. The investment income grew by 5% during Q1-2024 as compared to Q1-2023. Investment income of RO 459 K was reported for Q1-2024 as against RO 437K for the corresponding period.

Your Company prudently manages all its investments and will continue to look at growing opportunities within the Islamic Finance space for optimizing its Investment Income in line with the Company's risk appetite.

Profitability of the company

Al Madina achieved another period of successful financial performance despite the increase in incurred claims, the Company reported a 6% increase in profit after tax of RO 492K as compared to RO 465K for the corresponding period.

Risk Management

Your Company constantly evaluates its risks associated with the insurance business as well as its investments and adopts necessary measures to manage these risks.

Company's Outlook & Vision

As we embark into the year 2024, we are extremely optimistic as the Insurance industry in Oman is poised for a period of stable growth where the overall outlook appears to be positive due to continued increase in economic activity, fiscal reforms are expected to maintain fiscal and external balances in comfortable positions over the medium term.

Our emphasis will be on stability and sustainable growth, while keeping the focus on some key drivers such as profitability, superior customer service, launching of new products, technological innovations, and regulatory changes. Much will also depend on how the global reinsurance market responds to the rapid frequency of natural catastrophic events in Oman, subsequently impacting reinsurance pricing in addition to the availability of reinsurance capacities and issues of risk concentrations. Further public spending, foreign investment, market credit issue and cashflow will also be crucial factors for the growth of the Insurance industry.

Our position in the market, combined with strong underwriting fundamentals will enable us to continue our endeavor to provide sustained growth and profitability to all stakeholders in FY2024.

We expect to maintain our market position in line with our projection for FY2024 by strengthening the distribution channels and supply chains. Furthermore, mandatory health insurance is expected to be launched soon and it is expected to give a thrust to the Health Insurance market. Al Madina has fulfilled the licensing requirement and awaits further instructions from the Financial Services Authority.

The Company continues to maintain its steady track record of having always been driven by and supportive of national objectives, such as in job creation and Omanization.

Al Madina will continue to invest in technology - driven innovation, IT upgrades, process automation and increased digitalization of insurance processes. The Company, with its well-planned growth strategy and business continuity plan is well positioned to achieve stable growth and Operational Profit in FY2024 through disciplined underwriting, process efficiency, focused sales planning, expense management and superior customer service.

The Company will also keep looking at growing opportunities within the Islamic finance space to generate stable yield on its investment book and to achieve the targeted investment returns for shareholders and policyholders.

Acknowledgements

It gives me immense pleasure to express appreciation on behalf of the Board. We extend our thanks to our customers, business partners, shareholders, Sharia Supervisory committee, and staff members, for their support and contributions. We also thank and appreciate the Financial Services Authority for their support and initiatives oriented towards the Insurance market, with a special emphasis on the development of Takaful Insurance in the country.

On behalf of the Board, I take this opportunity to express our most sincere gratitude to His Majesty Sultan Haitham Bin Tariq Al Said, for his dynamic and progressive leadership. We are confident that under the leadership of His Majesty, the Sultanate will continue to march toward further progress, development, and prosperity.

May God Bless you all.

Dr. Mohammed Ali Al Barwani
Chairman of the Board.

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	Shareholders' fund		Participants' fund						Grand total	
		(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO	General takaful		Family takaful		Total participants' fund		(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
				(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO		
ASSETS											
Cash and bank balances	5	1,954,907	3,438,492	8,556,066	6,442,689	396,939	1,423,506	8,953,005	7,866,195	10,907,912	11,304,687
Investments carried at fair value through profit or loss	7	1,468,989	1,016,796	-	-	-	-	-	-	1,468,989	1,016,796
Takaful balance receivable	8	-	-	9,856,372	16,675,146	1,470,534	1,254,827	11,326,906	17,929,973	11,326,906	17,929,973
Retakaful / reinsurance balance receivable	8	-	-	5,537,238	4,339,418	449,619	351,244	5,986,857	4,690,662	5,986,857	4,690,662
Receivable from participants' fund – family takaful		-	-	482,312	937,133	-	-	482,312	937,133	482,312	937,133
Receivable from participants' fund	9	2,171,328	3,386,009	-	-	-	-	-	-	2,171,328	3,386,009
Due from retakaful / reinsurance companies in connection with takaful liabilities	10	-	-	46,006,480	51,315,760	1,964,028	2,013,685	47,970,508	53,329,445	47,970,508	53,329,445
Deferred policy acquisition cost	11	1,052,635	1,029,138	-	3	-	-	-	3	1,052,635	1,029,141
Other receivables and takaful assets	12	1,104,124	897,716	1,683,320	1,678,323	829,758	785,944	2,513,078	2,464,267	3,617,202	3,361,983
Investments at fair value through equity	13	1,704,748	1,755,180	-	-	-	-	-	-	1,704,748	1,755,180
Bank deposits	6	4,300,000	4,300,000	12,866,200	9,175,000	1,475,000	1,475,000	14,341,200	10,650,000	18,641,200	14,950,000
Investments carried at amortised cost	14	5,071,834	2,569,366	732,627	848,981	100,000	100,000	832,627	948,981	5,904,461	3,518,347
Deferred tax asset		287,146	287,146	-	-	-	-	-	-	287,146	287,146
Investment in real estate	15	5,170,000	5,170,000	-	-	-	-	-	-	5,170,000	5,170,000
Property and equipment	16	544,111	572,233	-	-	-	-	-	-	544,111	572,233
Total assets		24,829,822	24,422,076	85,720,615	91,412,453	6,685,878	7,404,206	92,406,493	98,816,659	117,236,315	123,238,735

The notes on pages 8 to 23 form an integral part of this unaudited condensed interim financial information.

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 (CONTINUED)

	Shareholders' fund		Participants' fund						Grand total	
	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023	General takaful		Family takaful		Total participants' fund		(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
			(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO		
LIABILITIES, PARTICIPANTS' FUND AND SHAREHOLDERS' EQUITY										
LIABILITIES										
Takaful liabilities	10	-	60,985,582	65,830,587	2,504,716	2,507,122	63,490,298	68,337,709	63,490,298	68,337,709
Unearned retakaful commission	18	-	111,013	110,104	-	-	111,013	110,104	111,013	110,104
Retakaful/reinsurance payables		-	12,849,023	14,561,206	794,821	683,190	13,643,844	15,244,396	13,643,844	15,244,396
Accounts and other payables	19	3,410,573	1,968,835	10,514,351	9,489,892	1,709,513	1,303,236	12,223,864	10,793,128	15,634,437
Charity fund payable		6,711	6,711	-	-	-	-	-	6,711	6,711
Payable to shareholders	9	-	719,667	1,182,358	1,451,661	2,203,651	2,171,328	3,386,009	2,171,328	3,386,009
Payable to participants' fund – family takaful		-	-	-	482,312	937,133	482,312	937,133	482,312	937,133
Employees' end of service benefits		580,375	555,768	-	-	-	-	-	580,375	555,768
Total liabilities		3,997,659	2,531,314	85,179,636	91,174,147	6,943,023	7,634,332	92,122,659	98,808,479	96,120,318
PARTICIPANTS' FUND										
Surplus / (deficit) in participants' fund – net		-	540,979	238,306	(257,145)	(230,126)	283,834	8,180	283,834	8,180
Total participants' fund		-	540,979	238,306	(257,145)	(230,126)	283,834	81180	283,834	81180
SHAREHOLDERS' EQUITY										
Capital and reserves										
Share capital		17,500,000	17,500,000	-	-	-	-	-	17,500,000	17,500,000
Share premium		1,380,151	1,380,151	-	-	-	-	-	1,380,151	1,380,151
Legal reserve		1,423,044	1,401,361	-	-	-	-	-	1,423,044	1,401,361
Investment fair value reserve		174,568	225,000	-	-	-	-	-	174,568	225,000
Retained earnings		354,400	1,384,250	-	-	-	-	-	354,400	1,384,250
Total shareholders' equity		20,832,163	21,890,762	-	-	-	-	-	20,832,163	21,890,762
Total liabilities, participants' fund and shareholders' equity		24,829,822	24,422,076	85,720,615	91,412,453	6,685,878	7,404,206	92,406,493	98,816,659	117,236,315

Director

Director

The notes on pages 8 to 23 form an integral part of this unaudited condensed interim financial information.

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF PARTICIPANTS' REVENUE AND EXPENSES FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	<i>Note</i>	General takaful		Family takaful		Total	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		31 March 2024 RO	31 March 2023 RO	31 March 2024 RO	31 March 2023 RO	31 March 2024 RO	31 March 2023 RO
Takaful revenue							
Gross contributions		8,983,707	7,944,606	981,018	584,548	9,964,725	8,529,154
Retakaful/reinsurance share		(4,080,143)	(4,600,899)	(680,642)	(397,947)	(4,760,785)	(4,998,846)
Retained contributions		4,903,564	3,343,707	300,376	186,601	5,203,940	3,530,308
Movement in unearned contributions reserve		(495,260)	223,178	(95,436)	(26,508)	(590,696)	196,670
Net earned contributions		4,408,304	3,566,885	204,940	160,093	4,613,244	3,726,978
Income earned from retakaful contracts	18	28,832	114,429	-	7	28,832	114,436
		4,437,136	3,681,314	204,940	160,100	4,642,076	3,841,414
Takaful expenses							
Gross claims settled	20	(4,703,586)	(3,143,167)	(838,633)	(517,263)	(5,542,219)	(3,660,430)
Claims recovered from retakaful/reinsurance	20	2,441,534	942,721	700,822	451,308	3,142,356	1,394,029
Net claims settled		(2,262,052)	(2,200,446)	(137,811)	(65,955)	(2,399,863)	(2,266,401)
Net movement in outstanding claims		30,986	512,144	48,185	(37,872)	79,171	474,272
Net claims incurred	20	(2,231,066)	(1,688,302)	(89,626)	(103,827)	(2,320,692)	(1,792,129)
Commission expense		(3)	(62)	-	-	(3)	(62)
		(2,231,069)	(1,688,364)	(89,626)	(103,827)	(2,320,695)	(1,792,191)
Surplus from Takaful operations		2,206,067	1,992,950	115,314	56,273	2,321,381	2,049,223
Takaful expense– net		(143,274)	(59,301)	(5,919)	75	(149,193)	(59,226)
Provision for impairment of receivable		(30,000)	(30,000)	-	-	(30,000)	(30,000)
Surplus from takaful operations		2,032,793	1,903,649	109,395	56,348	2,142,188	1,959,997
Investment income – net	22	148,046	168,743	23,864	21,699	171,910	190,442
Mudarib share	21	(81,425)	(92,809)	(13,125)	(11,934)	(94,550)	(104,743)
Wakala fees	21	(1,796,741)	(1,588,921)	(147,153)	(87,682)	(1,943,894)	(1,676,603)
Surplus / (Deficit) from takaful operations		302,673	390,662	(27,019)	(21,569)	275,654	369,093

The notes on pages 8 to 23 form an integral part of this unaudited condensed interim financial information.

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

		Shareholders' fund	
		(Unaudited)	(Unaudited)
		31 March	31 March
	<i>Note</i>	2024	2023
		RO	RO
Wakala fees	21	1,943,894	1,676,603
Investment income – net	22	287,017	246,479
Mudarib share	21	94,550	104,743
		2,325,461	2,027,825
General and administrative expenses		(1,489,028)	(1,435,026)
Commission expense		(569,600)	(446,959)
Other income		-	50
		(2,058,628)	(1,881,935)
Profit before tax		266,833	145,890
Taxation		(50,000)	(50,000)
Profit for the period		216,833	95,890
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Net change in fair value of investments at fair value through equity		(50,432)	4,454
Deferred tax impact directly charged to shareholders' equity		-	-
Total other comprehensive income		(50,432)	4,454
Total comprehensive income for the year		166,401	100,344
Earnings per share - basic and diluted	25	0.001	0.001

The notes on pages 8 to 23 form an integral part of this unaudited condensed interim financial information.

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	Share Capital RO	Share premium RO	Legal Reserve RO	Fair value reserve RO	Retained earnings RO	Total RO
At 1 January 2024 (Audited)	17,500,000	1,380,151	1,401,361	225,000	1,384,250	21,890,762
Comprehensive income:						
Profit for the period	-	-	-	-	216,833	216,833
Other comprehensive income – change in fair value of investments at fair value through equity	-	-	-	(50,432)	-	(50,432)
	-	-	-	(50,432)	216,833	166,401
Transaction with owners:						
Dividend declared during the period	-	-	-	-	(1,225,000)	(1,225,000)
Transfer to legal reserve	-	-	21,683	-	(21,683)	-
	-	-	21,683	-	(1,246,683)	(1,225,000)
At 31 March 2024 (Unaudited)	17,500,000	1,380,151	1,423,044	174,568	354,400	20,832,163

	Share Capital RO	Share premium RO	Legal Reserve RO	Fair value reserve RO	Retained earnings RO	Total RO
At 1 January 2023 (Audited)	17,500,000	1,380,151	1,273,697	315,457	1,460,271	21,929,576
Comprehensive income:						
Profit for the period	-	-	-	-	95,890	95,890
Other comprehensive income – change in fair value of investments at fair value through equity	-	-	-	4,454	-	4,454
	-	-	-	4,454	95,890	100,344
Transaction with owners:						
Dividend declared during the period	-	-	-	-	(1,225,000)	(1,225,000)
Transfer to legal reserve	-	-	9,588	-	(9,588)	-
	-	-	9,588	-	(1,234,588)	(1,225,000)
At 31 March 2023 (Unaudited)	17,500,000	1,380,151	1,283,285	319,911	321,573	20,804,920

The notes on pages 8 to 23 form an integral part of this unaudited condensed interim financial information.

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN PARTICIPANTS' FUND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	Surplus / (Deficit) in participants' fund		
	General takaful RO	Family takaful RO	Total RO
At 1 January 2024 (Audited)	238,306	(230,126)	8,180
Surplus / (deficit) for the period	<u>302,673</u>	<u>(27,019)</u>	<u>275,654</u>
At 31 March 2024 (Unaudited)	<u>540,979</u>	<u>(257,145)</u>	<u>283,834</u>
At 1 January 2023 (Audited)	180,016	(325,540)	(145,524)
Surplus / (deficit) for the period	<u>390,662</u>	<u>(21,569)</u>	<u>369,093</u>
At 31 March 2023 (Unaudited)	<u>570,678</u>	<u>(347,109)</u>	<u>223,569</u>

The notes on pages 8 to 23 form an integral part of this unaudited condensed interim financial information.

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

	<i>Note</i>	(Unaudited) 31 March 2024 RO	(Unaudited) 31 March 2023 RO
Operating activities			
Profit before tax for the period		266,833	145,890
Surplus from takaful operations		275,654	369,093
Adjustments for:			
Depreciation	16	31,215	27,024
Dividend income	21	(109,798)	(78,749)
Income from bank deposit	21	(238,465)	(231,463)
Profit on the Mudarbah investment		(4,110)	(14,726)
Profit from investments carried out at amortised cost	21	(83,246)	(98,344)
End of service benefits charge for the period		48,690	23,508
Rental income on investment in real estate	21	(79,452)	(76,134)
Loss on investments held at fair value through profit or loss	21	39,884	30,688
Provision for doubtful debt		30,000	30,000
Realised gain on investments carried at fair value through profit or loss	21	(320)	21,525
		<u>176,885</u>	<u>148,312</u>
Payment of end of service benefits		(24,084)	(8,775)
		<u>152,801</u>	<u>139,537</u>
Working capital changes:			
Takaful and retakaful/reinsurance balance receivables		5,276,872	2,452,071
Retakaful / reinsurance share of outstanding claims and unearned contribution reserve		5,358,938	5,591,276
Other receivables, prepayments and other assets		(107,252)	82,018
Deferred policy acquisition cost		(23,494)	(1,596)
Outstanding claims and unearned premium reserve		(4,847,411)	(6,262,219)
Accounts and other payables		1,597,474	(1,565,952)
Due to retakaful / reinsurance		(1,600,552)	4,148,779
Unearned retakaful/reinsurance commission		909	20,244
Net cash generated from operating activities		5,808,285	4,604,158
Investing activities			
Purchase of property and equipment	16	(3,093)	(26,701)
Purchase of investments fair value through profit or loss		(492,077)	(36,661)
Purchase of investments carried at amortised cost		(2,502,417)	-
Proceeds from disposal of investments at fair value through profit or loss	7	320	148,285
Proceeds from disposal of carried at amortised cost		116,416	1,500,000
Movement in bank deposits		(3,691,200)	6,722,500
Rent on investment in real estate received		49,907	25,749
Profit on bank deposits received		207,286	534,491
Dividends received		109,798	78,749
Net cash generated from investing activities		(6,205,060)	8,946,412
Net change in cash and cash equivalents		(396,775)	13,550,570
Cash and cash equivalents at the beginning of the period	5	11,304,687	6,670,506
Cash and cash equivalents at the end of the period	5	10,907,912	20,221,076

The notes on pages 8 to 23 form an integral part of this unaudited condensed interim financial information.

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

1 Legal status and principal activities

Al Madina Insurance Company SAOG (the “Company”) was incorporated on 15 May 2006 as a closed joint stock company in the Sultanate of Oman. On 10 December 2013, the Company became a public joint stock company. The Company operates in Oman and is engaged in the business of General and Family Takaful activities and investments by adopting wakala and mudarabha model respectively, on behalf of the participants in accordance with the Islamic Shari’ah rules and principles. The retakaful/reinsurance activities are organised 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.

The Company commenced commercial operations from 1 August 2006. The Company was granted license from Capital Market Authority (CMA) on 15 July 2006. The Company started Takaful operations on 1 January 2014 after being granted the Takaful license by the CMA.

The Company has 8 branches in the Sultanate of Oman (31 December 2023: 8).

2 Summary of significant accounting policies

(a) This unaudited condensed interim financial information for the three month period ended 31 March 2024 has been prepared in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). In line with the requirement of AAOIFI, for matters that are not covered by AAOIFI standards, the Company uses guidance from the relevant International Financial Reporting Standards (IFRS). Accordingly, the unaudited condensed interim financial information has been presented in condensed form in accordance with the guidance provided by International Accounting Standard 34 – ‘Interim Financial Reporting’.

(b) This unaudited condensed interim financial information do not contain all information and disclosures required for full financial statements prepared in accordance with FAS issued by AAOIFI and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2023.

(c) The accounting policies adopted in the preparation of this unaudited condensed interim financial information are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2023. In addition, results for the three month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2023.

(d) The unaudited condensed interim financial information is prepared in Rial Omani which is the Company’s functional and presentation currency.

(e) The unaudited condensed interim financial information has been prepared using historical cost convention except for investments at fair value through profit or loss, investments at fair value through equity and investment in real estate which are measured at fair value. The accounting policies adopted are consistent with those of the previous financial year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

(f) During the period, the Company adopted all the standards and amendments to standards in preparation of these unaudited condensed interim financial information effective from 1st January 2024, the Company is assessing the impact of the adoption of these standards.

3 Critical accounting estimates and judgements

The preparation of unaudited condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed interim financial information, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2023.

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

4 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency exchange rate risk, profit rate risk and price risk), credit risk and liquidity risk. The unaudited condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2023. There have been no changes in the risk management policies since year end.

5 Cash and cash equivalents

	Shareholders RO	Participants		
		General RO	Family RO	Total RO
31 March 2024 (Unaudited)				
Cash at bank in current accounts	617,121	1,105,817	51,079	1,156,896
Cash at bank in call accounts	655,608	7,376,803	345,860	7,722,663
Cash balances with investment managers	678,770	68,308	-	68,308
Cash in hand	3,408	5,138	-	5,138
	1,954,907	8,556,066	396,939	8,953,005
31 December 2023 (Audited)				
Cash at bank in current accounts	2,726,331	1,872,612	23,986	1,896,598
Cash at bank in call accounts	66,809	4,567,389	1,399,520	5,966,909
Cash balances with investment managers	640,760	-	-	-
Cash in hand	4,592	2,688	-	2,688
	3,438,492	6,442,689	1,423,506	7,866,195

6 Bank deposits

	Shareholders RO	Participants		
		General RO	Family RO	Total RO
31 March 2024 (Unaudited)				
Bank deposits with maturity of less than three months	-	3,691,200	-	3,691,200
Bank deposits with maturity of more than three months	4,300,000	9,175,000	1,475,000	10,650,000
	4,300,000	12,866,200	1,475,000	14,341,200
31 December 2023 (Audited)				
Bank deposits with maturity of more than three months	4,300,000	9,175,000	1,475,000	10,650,000

6.1 Bank deposits carry profit rates in range of 4.5% to 5.9% per annum (31 December 2023 – 4.5% to 5.9% per annum).

6.2 Restrictions on transfer of assets

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Company identified certain specific bank deposits with carrying value of RO 13,050,000 (31 December 2023 - RO 11,850,000) to the CMA. The Company can only transfer these assets with the prior approval of the CMA.

6.3 The Company has kept a deposit of RO 50,000 (31 December 2023 - RO 50,000) which is under lien with Omani Unified Bureau for Orange Card Company SAOC in the Sultanate of Oman, against settlement of claims.

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

7 Investments carried at fair value through profit or loss

(a)

	Shareholders – (Unaudited)		Shareholders – (Audited)	
	31 March 2024		31 December 2023	
	Fair value	Cost	Fair value	Cost
	RO	RO	RO	RO
<i>Local quoted</i>				
Service sector	497,535	484,138	287,716	293,060
Industrial sector	769,578	826,977	729,080	923,445
Financial sector	201,876	197,758	-	-
Total investments	1,468,989	1,508,873	1,016,796	1,216,505

(b) Movement in investments at fair value through profit or loss

	Shareholders	
	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
At 1 January	1,016,796	857,080
Purchases	492,077	786,529
Disposals	(320)	(444,133)
Realised gain on disposal	321	17,029
Net change in fair value	(39,885)	(199,709)
At 31 March / 31 December	1,468,989	1,016,796

7 Investments carried at fair value through profit or loss

(c) Details of the Company's investments carried at fair value through profit or loss for which the Company's holding exceeds 10% of the fair value of investments held at fair value through profit or loss at 31 March 2024 / 31 December 2023 are:

	% of Portfolio	Number of Securities	Fair value RO	Cost RO
31 March 2024 (Unaudited)				
OQ Gas Networks	19	1,918,839	276,313	293,582
Dubai Electricity & Water Authority Pjsc	18	1,043,000	267,742	269,920

31 December 2023 (Audited)				
OQ Gas Networks	23	1,918,839	293,582	268,637
Dubai Electricity & Water Authority Pjsc	21	1,043,000	269,920	268,343
Salalah Mill Company SAOG	11	256,556	136,744	221,664

8 Takaful and retakaful / reinsurance balance receivable

	Participants		
	General RO	Family RO	Total RO
31 March 2024 (Unaudited)			
Takaful receivable including due from related parties	11,550,825	1,565,279	13,116,104
Less: specific and portfolio provision for impairment	(1,694,453)	(94,745)	(1,789,198)
	9,856,372	1,470,534	11,326,906
Retakaful / reinsurance balances receivable	5,842,827	470,484	6,313,311
Less: specific and portfolio provision for impairment	(305,589)	(20,865)	(326,454)
	5,537,238	449,619	5,986,857
	15,393,610	1,920,153	17,313,763

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

8 Takaful and retakaful / reinsurance balance receivable (continued)

	Participants		
	General RO	Family RO	Total RO
31 December 2023 (Audited)			
Takaful receivable including due from related parties	18,339,599	1,349,572	19,689,171
Less: specific and portfolio provision for impairment	<u>(1,664,453)</u>	<u>(94,745)</u>	<u>(1,759,198)</u>
	<u>16,675,146</u>	<u>1,254,827</u>	<u>17,929,973</u>
Retakaful / reinsurance balances receivable	4,645,007	372,109	5,017,116
Less: specific and portfolio provision for impairment	<u>(305,589)</u>	<u>(20,865)</u>	<u>(326,454)</u>
	<u>4,339,418</u>	<u>351,244</u>	<u>4,690,662</u>
	<u>21,014,564</u>	<u>1,606,071</u>	<u>22,620,635</u>

Normal credit period allowed to takaful debtors and retakaful / reinsurance companies is 120 days after which amounts are considered as past due. As at 31 March 2024, receivables past due above 120 days amounting to RO 1,611,897 (31 December 2023 RO 5,773,719) are not considered impaired as these are due from government, quasi-government entities, brokers and corporate clients with which the Company deals in the normal course of business and with which there is no recent history of default.

- (a) An analysis of takaful balances receivable including due from related parties and retakaful / reinsurance balances receivable as at period / year end is as under:

	Participants		
	General RO	Family RO	Total RO
31 March 2024 (Unaudited)			
Neither past due nor impaired	14,149,780	1,552,086	15,701,866
Past due but not impaired	1,243,830	368,067	1,611,897
Past due and impaired	2,000,042	115,610	2,115,652
	<u>17,393,652</u>	<u>2,035,763</u>	<u>19,429,415</u>
31 December 2023 (Audited)			
Neither past due nor impaired	16,151,786	695,130	16,846,916
Past due but not impaired	4,862,778	910,941	5,773,719
Past due and impaired	<u>1,970,042</u>	<u>115,610</u>	<u>2,085,652</u>
	<u>22,984,606</u>	<u>1,721,681</u>	<u>24,706,287</u>

- (b) Movement in the provision for impairment of receivables during the period / year is as follows:

	Participants		
	General RO	Family RO	Total RO
31 March 2024 (Unaudited)			
At 1 January 2024	1,970,042	115,610	2,085,652
Charge for the period	30,000	-	30,000
At 31 March 2024	<u>2,000,042</u>	<u>115,610</u>	<u>2,115,652</u>
31 December 2023 (Audited)			
At 1 January 2023	1,865,042	100,610	1,965,652
Charge for the year	<u>105,000</u>	<u>15,000</u>	<u>120,000</u>
At 31 December 2023	<u>1,970,042</u>	<u>115,610</u>	<u>2,085,652</u>

- (c) At 31 March 2024, 34% of the Company's takaful receivable is from 5 customers (31 December 2023 - 75% from 5 customers).
- (d) At 31 March 2024, 93% of the Company's due from retakaful / reinsurance companies are from 5 retakaful / reinsurance companies (31 December 2023 - 85% from 5 retakaful / reinsurance companies).

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

9 Receivable from participants and payable to shareholders

	Shareholders	
	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
At 1 January	3,386,009	2,743,573
Wakala fee income for the period / year	1,943,894	8,411,618
Mudarib share for the period / year	94,551	389,678
Amount received from policyholders	(3,200,000)	(8,120,000)
Net movement in policyholders' account	(53,126)	(38,860)
At 31 March / 31 December – net	2,171,328	3,386,009

(a) Receivable from participants' fund includes due from general takaful and family takaful policyholders on account of qard hassan, wakala fees, mudarib share and inter-fund balances.

9 Receivable from participants and payable to shareholders

(b) The break-up of receivable from participants is as follows:

	Shareholders	
	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
On account of qard hassan		
- From general takaful	483,956	483,956
- From family takaful	722,597	722,597
	1,206,553	1,206,553
On account of wakala fees, mudarib share and inter-fund balances		
- From general takaful	235,711	698,402
- From family takaful	729,064	1,481,054
	964,775	2,179,456
	2,171,328	3,386,009

10 Takaful liabilities

	31 March 2024 – (Unaudited)			31 December 2023 – (Audited)		
	Gross RO	Retakaful / reinsurance RO	Net RO	Gross RO	Retakaful / reinsurance RO	Net RO
General takaful						
Claims incurred but not settled	38,822,197	(34,056,084)	4,766,113	42,229,708	(37,432,608)	4,797,100
Claims incurred but not reported	3,900,904	(2,669,682)	1,231,222	3,900,898	(2,669,677)	1,231,221
	42,723,101	(36,725,766)	5,997,335	46,130,606	(40,102,285)	6,028,321
Unearned contributions reserve	18,262,481	(9,280,714)	8,981,767	19,699,981	(11,213,475)	8,486,506
	60,985,582	(46,006,480)	14,979,102	65,830,587	(51,315,760)	14,514,827
Family takaful						
Claims incurred but not settled	1,310,335	(1,128,155)	182,180	1,569,494	(1,339,130)	230,364
Claims incurred but not reported	369,741	(306,196)	63,545	369,742	(306,196)	63,546
	1,680,076	(1,434,351)	245,725	1,939,236	(1,645,326)	293,910
Unearned contributions reserve	824,640	(529,677)	294,963	567,886	(368,359)	199,527
	2,504,716	(1,964,028)	540,688	2,507,122	(2,013,685)	493,437
	63,490,298	(47,970,508)	15,519,790	68,337,709	(53,329,445)	15,008,264

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

10 Takaful liabilities (continued)

(a) Claims and loss adjustment expenses

	31 March 2024 – (Unaudited)			31 December 2023 – (Audited)		
	Retakaful /			Retakaful /		
	Gross RO	reinsurance RO	Net RO	Gross RO	reinsurance RO	Net RO
General takaful						
Notified claims	42,229,702	(37,432,603)	4,797,099	41,973,911	(37,589,326)	4,384,585
Incurring but not reported	3,900,904	(2,669,682)	1,231,222	4,447,561	(3,238,584)	1,208,977
Total at the beginning of the period / year	46,130,606	(40,102,285)	6,028,321	46,421,472	(40,827,910)	5,593,562
Cash paid for claims settled during the period / year	(4,703,586)	2,441,534	(2,262,052)	(24,006,840)	16,325,108	(7,681,732)
Increase in liabilities arising from current and prior period claims	1,296,081	934,985	2,231,066	23,715,974	(15,599,483)	8,116,491
Total at the end of the period / year	42,723,101	(36,725,766)	5,997,335	46,130,606	(40,102,285)	6,028,321
Notified claims	38,822,197	(34,056,084)	4,766,113	42,229,702	(37,432,603)	4,797,099
Incurring but not reported	3,900,904	(2,669,682)	1,231,222	3,900,904	(2,669,682)	1,231,222
Total at the end of the period / year	42,723,101	(36,725,766)	5,997,335	46,130,606	(40,102,285)	6,028,321
	31 March 2024 – (Unaudited)			31 December 2023 – (Audited)		
	Retakaful /			Retakaful /		
	Gross RO	reinsurance RO	Net RO	Gross RO	reinsurance RO	Net RO
Family takaful						
Notified claims	1,569,495	(1,339,130)	230,365	939,940	(812,194)	127,746
Incurring but not reported	369,741	(306,196)	63,545	325,229	(283,705)	41,524
Total at the beginning of the period / year	1,939,236	(1,645,326)	293,910	1,265,169	(1,095,899)	169,270
Cash paid for claims settled during the period / year	(838,633)	700,822	(137,811)	(1,881,934)	1,589,952	(291,982)
Increase in liabilities arising from current and prior period claims	579,473	(489,847)	89,626	2,556,000	(2,139,378)	416,622
Total at the end of the period / year	1,680,076	(1,434,351)	245,725	1,939,235	(1,645,325)	293,910
Notified claims	1,310,335	(1,128,155)	182,180	1,569,495	(1,339,130)	230,365
Incurring but not reported	369,741	(306,196)	63,545	369,741	(306,196)	63,545
Total at the end of the period / year	1,680,076	(1,434,351)	245,725	1,939,236	(1,645,326)	293,910

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

10 Takaful liabilities (continued)

(b) Provisions for unearned contributions and unexpired short term takaful risks

	31 March 2024 – (Unaudited)			31 December 2023 – (Audited)		
	Retakaful /			Retakaful /		
	Gross RO	reinsurance RO	Net RO	Gross RO	reinsurance RO	Net RO
Unearned contributions reserves	19,699,981	(11,213,475)	8,486,506	19,807,241	(13,006,790)	6,800,451
Mathematical reserves	567,886	(368,359)	199,527	538,708	(358,687)	180,021
Total at the beginning of the period / year	20,267,867	(11,581,834)	8,686,033	20,345,949	(13,365,477)	6,980,472
Gross contributions during the period / year	9,964,725	(4,760,785)	5,203,940	42,746,813	(25,423,935)	17,322,878
Net release during the period / year	(11,145,471)	6,532,228	(4,613,243)	(42,824,895)	27,207,578	(15,617,317)
Total at the end of the period / year	19,087,121	(9,810,391)	9,276,730	20,267,867	(11,581,834)	8,686,033
Unearned contributions reserves	18,262,481	(9,280,714)	8,981,767	19,699,981	(11,213,475)	8,486,506
Mathematical reserves	824,640	(529,677)	294,963	567,886	(368,359)	199,527
Total at the end of the period / year	19,087,121	(9,810,391)	9,276,730	20,267,867	(11,581,834)	8,686,033

11 Deferred policy acquisition cost

	Shareholder RO	General takaful RO	Total RO
(Unaudited)			
At 1 January 2024	1,029,138	3	3
Cost incurred during the period	593,097	-	-
Amortised during the period	(569,600)	(3)	(3)
At 31 March 2024	1,052,635	-	-
(Audited)			
At 1 January 2023	780,483	164	164
Cost incurred during the year	2,303,713	-	-
Amortised during the year	(2,055,058)	(161)	(161)
At 31 December 2023	1,029,138	3	3

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

12 Other receivables and takaful assets

(Unaudited) 31 March 2024	Shareholders	Participants		Total RO
	RO	General takaful RO	Family takaful RO	
Rent receivable	82,350	-	-	-
Accrued profit on bank deposits and Sukuks	433,349	514,989	84,104	599,093
Advances	45,990	14,861	745,654	760,515
Prepayments	96,496	-	-	-
Others	445,939	1,153,470	-	1,153,470
	1,104,124	1,683,320	829,758	2,513,078

(Audited) 31 December 2023	Shareholders	Participants		Total RO
	RO	General takaful RO	Family takaful RO	
Accrued profit on bank deposits and Sukuks	420,095	427,189	66,736	493,925
Advances	56,207	14,861	719,208	734,069
Rent receivable	52,805	-	-	-
Prepayments	26,895	-	-	-
Other	341,714	1,236,273	-	1,236,273
	897,716	1,678,323	785,944	2,464,267

13 Investments at fair value through equity

	Shareholders			
	31 March 2023 – (Unaudited)		31 December 2023 – (Audited)	
	Fair value RO	Cost RO	Fair value RO	Cost RO
Local quoted				
Service sector	92,100	117,600	97,500	117,600
Real estate development	420,000	392,000	434,000	392,000
Industrial sector	34,650	6,330	33,750	6,330
	546,750	515,930	565,250	515,930
Local unquoted				
Service sector	284,283	71,428	284,283	71,428
Real estate development	133,950	129,600	133,950	129,600
	418,233	201,028	418,233	201,028
Total Local	964,983	716,958	983,483	716,958
Foreign quoted				
Financial sector	51,349	51,340	50,229	51,340
Service sector	649,541	710,690	681,874	710,690
Real estate development	32,349	19,231	32,349	19,231
Industrial sector	6,526	10,610	7,245	10,610
	739,765	791,871	771,697	791,871
Total Foreign	739,765	791,871	771,697	791,871
Total investments	1,704,748	1,508,829	1,755,180	1,508,829

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

13 Investments at fair value through equity (continued)

13.1 Movement in investments at fair value through equity

	Shareholders	
	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
At the beginning of the period / year	1,755,180	2,068,442
Disposals	-	36,486
Realised gain	-	(273,944)
Purchases	-	30,750
Net change in fair value	(50,432)	(106,554)
At the end of the period / year	1,704,748	1,755,180

13.2 At the reporting date, details of the Company's investments at fair value through equity for which the Company's holding exceeds 10% of investments held at fair value through equity at 31 March 2024 / 31 December 2023 are:

	% of portfolio	Basis of valuation	Number of securities	Fair Value
31 March 2024 – (Unaudited)				
Investment from shareholders' fund				
Dar Al Takaful PJSC	37	Fair value	10,504,203	632,379
The Pearl REIF	25	Fair value	3,500,000	420,000
Omani Unified Bureau for the Orange Card SAOC	17	Fair value	71,428	284,283

31 December 2023 – (Audited)				
Investment from shareholders' fund				
Dar Al Takaful PJSC	38	Fair value	10,504,203	664,273
The Pearl REIF	25	Fair value	3,500,000	434,000
Omani Unified Bureau for the Orange Card SAOC	16	Fair value	71,428	284,283

13.3 Movement in investments fair value reserve:

	Shareholders	
	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
At 1 January	225,000	315,457
Net change in fair value of investment during the period / year	(50,432)	(106,554)
Impact of deferred tax	-	16,097
	(50,432)	(90,457)
At the end of the period / year	174,568	225,000

13.4 Investments classified as 'investments at fair value through equity' consists of investments in equity securities.

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

14 Investments carried at amortised cost.

The Company has invested in sukuks listed in the local and international markets. The Company has a positive intention and ability to hold sukuks until their maturity, respectively.

	Shareholders		General takaful		Family takaful	
	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
At 1 January	2,569,366	5,710,977	848,981	460,519	100,000	100,000
Purchased during the period / year	2,502,417	1,976,859	-	388,462	-	-
Disposal during the period / year	-	(5,141,289)	(116,416)	-	-	-
Realised gain period / year	-	22,819	-	-	-	-
Amortised during the year	51	-	62	-	-	-
At the end of the period / year	5,071,834	2,569,366	732,627	848,981	100,000	100,000

15 Investment in real estate

Movement of carrying amounts of investment in real estate:

	Shareholders	
	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
At 1 January	5,170,000	5,170,000
At the beginning and end of the period / year	5,170,000	5,170,000

As of 31 March 2024, the Company has investment in investment real estate of RO 5,170,000 (31 December 2023 – RO 5,170,000) which is 11.8% of overall investments of the Company. As per the Regulation, investments in real estate should not exceed 20% of the total investments of the insurer.

15.1 Restrictions on transfer of assets

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Company has pledged Investment properties amounting to RO 2,470,000 (31 December 2023 – RO 2,470,000) to the Capital Market Authority. The Company can only transfer these assets with the prior approval of the CMA.

16 Property and equipment

	Shareholders	
	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
Net book value		
At beginning of the period / year	572,233	611,927
Additions during the period / year	3,093	77,580
Depreciation for the period / year	(31,215)	(117,274)
At the end of the period / year	544,111	572,233

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

17 Contingency reserve

The Company has implemented the new takaful regulation and stopped creating any contingency reserve during the period.

18 Unearned retakaful commission

Movement in unearned retakaful commission is shown below:

	General Takaful RO
At 1 January 2024	110,104
Income from retakaful contracts accrued during the period	29,741
Amortised during the period	(28,832)
At 31 March 2024 – (Unaudited)	111,013

	General Takaful RO
At 1 January 2023	163,979
Income from retakaful contracts accrued during the year	411,655
Amortised during the year	(465,530)
At 31 December 2023 – (Audited)	110,104

19 Accounts and other payables

	<u>Shareholders</u>	<u>Participants</u>		
		General Takaful	Family Takaful	Total
Accounts payables	2,745,194	10,370,612	1,704,118	12,074,730
Government levy payable	-	143,739	5,395	149,134
Provision for taxation [note 14 (e)]	347,746	-	-	-
Accrued expenses	121,760	-	-	-
Leave salary provision	104,049	-	-	-
Other payables	91,824	-	-	-
	<u>3,410,573</u>	<u>10,514,351</u>	<u>1,709,513</u>	<u>12,223,864</u>

2023	<u>Shareholders</u>	<u>Participants</u>		
		General Takaful	Family Takaful	Total
Accounts payables	1,321,934	8,850,021	1,288,084	10,138,105
Government levy payable	-	639,871	15,152	655,023
Provision for taxation [note 14 (e)]	297,747	-	-	-
Accrued expenses	174,233	-	-	-
Leave salary provision	129,055	-	-	-
Other payables	45,866	-	-	-
	<u>1,968,835</u>	<u>9,489,892</u>	<u>1,303,236</u>	<u>10,793,128</u>

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

20 Net claims incurred

	31 March 2024 – (Unaudited)			31 March 2023 – (Unaudited)		
	Retakaful / 'reinsurances'			Retakaful / 'reinsurances'		
	Gross RO	share RO	Net RO	Gross RO	share RO	Net RO
Claims notified and not settled	40,132,532	(35,184,239)	4,948,293	38,450,391	(34,412,332)	4,038,059
Claims incurred but not reported	4,270,645	(2,975,878)	1,294,767	4,772,790	(3,522,289)	1,250,501
Outstanding at end of the period	44,403,177	(38,160,117)	6,243,060	43,223,181	(37,934,621)	5,288,560
Takaful claims paid	5,542,219	(3,142,356)	2,399,863	3,660,430	(1,394,029)	2,266,401
Claims notified and not settled	43,799,197	(38,771,733)	5,027,464	42,913,851	(38,401,520)	4,512,331
Claims incurred but not reported	4,270,645	(2,975,878)	1,294,767	4,772,790	(3,522,289)	1,250,501
Outstanding at beginning of the period	48,069,842	(41,747,611)	6,322,231	47,686,641	(41,923,809)	5,762,832
Claims incurred	1,875,554	445,138	2,320,692	(803,030)	2,595,159	1,792,129

20.1 The result from takaful operations before retakaful / reinsurance recoveries and wakala fees are analysed as follows:

	(Unaudited) 31 March 2024 RO	(Unaudited) 31 March 2023 RO
Motor	914,855	1,146,444
Fire, accidents, engineering and others	7,912,334	10,025,338
Marine cargo and hull	56,217	98,632
Medical	98,444	(64,554)
Life	138,872	(134,201)
	9,120,722	11,071,659

Contributions revenue before retakaful/reinsurance is calculated as the sum of gross contributions and adjustment for unearned contributions reserve thereon, gross claims incurred, commission expense and adjustment for deferred commission expense thereon and policy fee and other income.

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

21 Wakala fees and mudarib share

The shareholders manage the general and family takaful operations for the participants and charged 20% for general takaful and 15% family takaful (2023 -15%) of gross contributions as wakala fees, as approved by the Board of Directors. The shareholders also manage the participants' fund as a mudarib and charge 55% (2023 - 55%) of the general takaful and family takaful investment income earned by the participants' investment funds. The maximum chargeable wakala fees and mudarib share for the period as approved by the Shari'ah Supervisory Committee are 20% for general takaful and 15% family takaful and 55% (2023 – 20% for general takaful and 15% family takaful and 55%) respectively.

22 Investment income - net

	(Unaudited) 31 March 2024 RO	(Unaudited) 31 March 2023 RO
Investment property rental income	79,452	76,134
Profit from investment carried at amortised cost	83,246	98,344
Dividend income	109,798	78,749
Fair value profit / (loss) on investments held at fair value through profit or loss	320	(30,687)
Profit on Wakala deposits	242,577	246,189
Loss on investments held at fair value through profit or loss – net	(39,884)	(21,525)
Investment management costs	(16,582)	(10,283)
	<u>458,927</u>	<u>436,921</u>

23 Shari'ah Supervisory Committee

The Company business activities are subject to the supervision of a Shari'ah Supervisory Committee consisting of three members appointed by the Board of Directors. The Shari'ah Supervisory Committee performs a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Islamic Shari'ah rules and principles.

24 Distribution of surplus in policyholders' fund

As per the Company's policy for distribution of surplus in participants' fund, 50% of surplus in policyholders' fund for the year shall be transferred to contingency reserve. Takaful reserve allocation will be made on the basis advised by the Shari'ah Supervisory Committee.

25 Earnings per share

	(Unaudited) 31 March 2024	(Unaudited) 31 March 2023
Shareholder's profit for the period - RO	216,833	95,890
Weighted average number of shares outstanding - number	175,000,000	175,000,000
Earnings per share – basic and diluted - RO	<u>0.001</u>	<u>0.001</u>

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period. There is no effect on diluted earnings per share as the Company does not have any instruments having diluting effects.

26 Related parties

These represent transactions with related parties, i.e. parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions and directors of the Company and companies of which they are key management personnel. Related parties comprise the shareholders, directors, key management personnel and business entities in which they are interested or have the ability to control or exercise significant influence in financial and operating decisions. 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 Company's shares or their family members other than those separately disclosed, during the period were as follows:

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

26 Related parties (continued)

(a) Transactions with related parties

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

	(Unaudited) 31 March 2024 RO	(Unaudited) 31 March 2023 RO
Gross contributions	238,103	570,805
Gross claims settled	336,397	38,772
Gross outstanding claims	141,288	165,032
Directors' sitting fee	21,400	14,400
Shari'ah Supervisory Committee sitting fee	1,500	2,250

(b) Balances with related parties

Balances due from related parties or holders of 10% or more of the Company's shares, or their family members, less provisions and write offs, and is analysed as follows:

	(Unaudited) 31 March 2024 RO	(Audited) 31 December 2023 RO
Contribution balances receivables from related parties	2,222,008	2,992,337
Investment in Tilal Sukuk SAOC	2,502,417	-
Investment in Mohammed Al Barwani Sukuk	358,341	358,341
Investments at fair value through equity	1,050,613	1,082,507
Investment at fair value through profit or loss	121,415	136,744
Cash with investment manager – Al Madina Investment	562,603	558,493

(c) Compensation of key management personnel of the Company

Compensation of key management personnel of the Company, consisting of salaries and benefits, was as follows:

	(Unaudited) 31 March 2024 RO	(Unaudited) 31 March 2023 RO
Short-term benefits	255,941	281,630
Employee end of service benefits	15,459	11,641
	271,400	293,271

27 Contingencies

Contingent liabilities

At 31 March 2024, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business amounts to RO 175,963 (31 December 2023 - RO 55,245).

Capital commitment

At 31 March 2024, the Company has no capital commitment (31 December 2023 - Nil).

Legal claims

The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Company's financial performance.

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

28 Segment information

Business segments – primary reporting segment

The Company has two reportable business segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic units, the Company's CEO reviews internal management reports on at least a quarterly basis.

Operating segments

The Company has the following operating segments:

- (a) *Fire, energy, medical, engineering, liability, and general accident.*
- (b) *Motor, marine and aviation*
- (c) *Family takaful*

Family business relates to the takaful of the life of an individual or group life.

31 March 2024

	Fire, energy, medical, engineering, liability and general accident	Motor, marine and aviation	Total General Takaful	Family Takaful
	RO	RO	RO	RO
Gross contributions	5,565,454	3,418,253	8,983,707	981,018
Retakaful/reinsurance share	(3,528,758)	(551,385)	(4,080,143)	(680,642)
Retained contributions	2,036,696	2,866,868	4,903,564	300,376
Unearned contributions adjustment – net	9,330	(504,590)	(495,260)	(95,436)
Net earned contributions	2,046,026	2,362,278	4,408,304	204,940
Fee and Commission income	26,490	20,683	47,173	201
Segment Revenue	2,072,516	2,382,961	4,455,477	205,141
Net claims incurred	(860,240)	(1,370,826)	(2,231,066)	(89,626)
Commission expense	(1)	(2)	(3)	-
Takaful expense	(31,026)	(130,589)	(161,615)	(6,120)
Underwriting surplus before wakala fees	1,181,249	881,544	2,062,793	109,395
Provision for impairment of receivables	-	-	(30,000)	-
Wakala fees	-	-	(1,796,741)	(147,153)
Surplus from takaful operations after wakala fees			236,052	(37,758)
Investment income – net			148,046	23,864
Mudarib share			(81,425)	(13,125)
Surplus / (deficit) from takaful operations			302,673	(27,019)
Identifiable assets and liabilities on 31 March 2024				
Identifiable assets	60,004,430	25,716,184	85,720,615	6,685,878
Identifiable liabilities	59,625,740	25,553,889	85,179,636	6,943,023

AL MADINA INSURANCE COMPANY SAOG

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (Continued)

28 Segment information (continued)

Operating segments (continued)

31 March 2023

	Fire, energy, medical, engineering, liability and general accident	Motor, marine and aviation	Total General Takaful	Family Takaful
	RO			
Gross contributions	5,234,457	2,710,149	7,944,606	584,548
Retakaful/reinsurance share	(3,755,839)	(845,060)	(4,600,899)	(397,947)
Retained contributions	1,478,618	1,865,089	3,343,707	186,601
Unearned contributions adjustment – net	301,622	(78,444)	223,178	(26,508)
Net earned contributions	1,780,240	1,786,645	3,566,885	160,093
Fee and Commission income	106,173	47,647	153,820	214
Segment Revenue	1,886,413	1,834,292	3,720,705	160,307
Net claims incurred	(1,051,176)	(637,126)	(1,688,302)	(103,827)
Commission expense	(62)	-	(62)	-
Takaful expense	(2,691)	(96,001)	(98,692)	(132)
Underwriting surplus before wakala fees	832,484	1,101,165	1,933,649	56,348
Provision for impairment of receivables			(30,000)	-
Wakala fees			(1,588,921)	(87,682)
Surplus from takaful operations after wakala fees			314,728	(31,334)
Investment income – net			168,743	21,699
Mudarib share			(92,809)	(11,934)
Surplus / (deficit) from takaful operations			390,662	(21,569)
Identifiable assets and liabilities on 31 March 2023				
Identifiable assets	62,417,424	26,750,324	89,167,748	5,149,025
Identifiable liabilities	62,017,949	26,579,121	88,597,071	5,496,134

The activities of the Company are restricted to carrying out takaful, on the principles of Shari'ah significant portion of which is subject to similar risks and rewards. Accordingly, no segmental information relating to products and services has been presented.

Geographical segments – secondary reporting segment

The Company has one geographical segment as all their operations are carried inside the Sultanate of Oman.

29 Earnings prohibited under Shari'ah

Earnings retained during the previous year from transactions which are not permitted under Shari'ah are recorded as part of accounts and other payables amounted to RO 6,711 (31 December 2023 – RO 6,711). As there is no movement in the fund, the 'statement of sources and uses of funds in the charity fund' is not presented in this unaudited condensed interim financial information.