

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 immense pleasure to present to you the financial results achieved by your company for the period ending on 30th June 2024.

Al Madina’s adopted strategies continue to yield operational efficiencies which have contributed positively to the Company’s financial performance. The Company has reported a remarkable 43% growth in its Gross contributions for the half year ended 30 June 2024, as compared to the same period last year. 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. The regular events of natural catastrophies including the recent “Al Mateer Rain” impacted the operations and RI markets negatively. 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 25.98 million as of the second quarter of 2024 as against RO 18.23 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 26% growth in Net Earned Contributions amounting to RO 9.57 million in the 2nd Quarter of 2024 as compared to RO 7.58 million in the corresponding period of 2023. However, the incurred claims have also increased by 36% in the second quarter of 2024, partially due to heavy rains in Sultanate of Oman. 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 10% during Q2-2024 as compared to Q2-2023. Investment income of RO 852K was reported for Q2-2024 as against RO 774K 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 773K as compared to RO 728K 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.

Human Resources

At your Company, we cultivate a culture that values teamwork, innovation, and continuous improvement. We are committed to the training and development of our staff, providing opportunities for professional growth and skill enhancement. Our belief in investing in our people ensures that they are well-equipped to meet the evolving demands of our industry.

As of 30th June 2024; there are total of 167 employees in the company with an overall Omanization ratio of 80.24% that is well above the standard regulatory requirement.

Company's Outlook & Vision

As we complete half year of 2024, we are extremely optimistic for the Insurance industry in Oman, as the economic landscape displays notable strengths, including a higher GDP per capita, successful budget reform, and a decreasing government debt-to-GDP ratio.

Long-term growth prospects hinge on the successful diversification of the economy and sustained fiscal discipline. However, key risks include geopolitical uncertainties and reliance

on hydrocarbon revenues. Despite these challenges, Oman is prioritizing debt reduction and aims to shift from cyclical to structural growth through increased non-hydrocarbon revenues.

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 30 JUNE 2024

	Note	Shareholders' fund		Participants' fund						Grand total	
				General takaful		Family takaful		Total participants' fund			
		(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO
ASSETS											
Cash and bank balances	5	2,139,578	3,438,492	5,240,750	6,442,689	143,275	1,423,506	5,384,025	7,866,195	7,523,603	11,304,687
Investments carried at fair value through profit or loss	7	1,473,127	1,016,796	-	-	-	-	-	-	1,473,127	1,016,796
Takaful balance receivable	8	-	-	17,863,547	16,675,146	1,801,425	1,254,827	19,664,972	17,929,973	19,664,972	17,929,973
Retakaful / reinsurance balance receivable	8	-	-	1,334,528	4,339,418	369,799	351,244	1,704,327	4,690,662	1,704,327	4,690,662
Receivable from participants' fund – family takaful		-	-	1,106,114	937,133	-	-	1,106,114	937,133	1,106,114	937,133
Receivable from participants' fund	9	1,880,346	3,386,009	-	-	-	-	-	-	1,880,346	3,386,009
Due from retakaful / reinsurance companies in connection with takaful liabilities	10	-	-	51,006,498	51,315,760	1,882,592	2,013,685	52,889,090	53,329,445	52,889,090	53,329,445
Deferred policy acquisition cost	11	1,151,555	1,029,138	-	3	-	-	-	3	1,151,555	1,029,141
Other receivables and takaful assets	12	1,142,114	897,716	1,628,634	1,678,323	872,362	785,944	2,500,996	2,464,267	3,643,110	3,361,983
Investments at fair value through equity	13	1,673,256	1,755,180	-	-	-	-	-	-	1,673,256	1,755,180
Bank deposits	6	4,300,000	4,300,000	9,175,000	9,175,000	1,475,000	1,475,000	10,650,000	10,650,000	14,950,000	14,950,000
Investments carried at amortised cost	14	5,071,759	2,569,366	460,946	848,981	100,000	100,000	560,946	948,981	5,632,705	3,518,347
Deferred tax asset		287,145	287,146	-	-	-	-	-	-	287,145	287,146
Investment in real estate	15	5,170,000	5,170,000	-	-	-	-	-	-	5,170,000	5,170,000
Property and equipment	16	518,368	572,233	-	-	-	-	-	-	518,368	572,233
Total assets		24,807,248	24,422,076	87,816,017	91,412,453	6,644,453	7,404,206	94,460,470	98,816,659	119,267,718	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 30 JUNE 2024 (CONTINUED)

	Note	Shareholders' fund		Participants' fund						Grand total	
		(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO	General takaful		Family takaful		Total participants' fund		(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO
				(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO		
LIABILITIES, PARTICIPANTS' FUND AND SHAREHOLDERS' EQUITY											
LIABILITIES											
Takaful liabilities	10	-	-	66,686,032	65,830,587	2,429,964	2,507,122	69,115,996	68,337,709	69,115,996	68,337,709
Unearned retakaful commission	18	-	-	119,642	110,104	-	-	119,642	110,104	119,642	110,104
Retakaful/reinsurance payables		-	-	9,756,545	14,561,206	641,441	683,190	10,397,986	15,244,396	10,397,986	15,244,396
Accounts and other payables	19	1,857,230	1,968,835	11,327,053	9,489,892	1,553,227	1,303,236	12,880,280	10,793,128	14,737,510	12,761,963
Charity fund payable		11	6,711	-	-	-	-	-	-	11	6,711
Payable to shareholders	9	-	-	785,273	1,182,358	1,095,073	2,203,651	1,880,346	3,386,009	1,880,346	3,386,009
Payable to participants' fund – general takaful		-	-	-	-	1,106,113	937,133	1,106,113	937,133	1,106,113	937,133
Employees' end of service benefits		544,700	555,768	-	-	-	-	-	-	544,700	555,768
Total liabilities		2,401,941	2,531,314	88,674,545	91,174,147	6,825,818	7,634,332	95,500,363	98,808,479	97,902,304	101,339,793
PARTICIPANTS' FUND											
Surplus in participants' fund – net		-	-	(858,528)	238,306	(181,365)	(230,126)	(1,039,893)	8,180	(1,039,893)	8,180
Total participants' fund		-	-	(858,528)	238,306	(181,365)	(230,126)	(1,039,893)	8,180	(1,039,893)	8,180
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		1,583,508	1,401,361	-	-	-	-	-	-	1,583,508	1,401,361
Fair Value Reserve		143,076	225,000	-	-	-	-	-	-	143,076	225,000
Retained earnings		1,798,572	1,384,250	-	-	-	-	-	-	1,798,572	1,384,250
Total shareholders' equity		22,405,307	21,890,762	-	-	-	-	-	-	22,405,307	21,890,762
Total liabilities, participants' fund and shareholders' equity		24,807,248	24,422,076	87,816,017	91,412,453	6,644,453	7,404,206	94,460,470	98,816,659	119,267,718	123,238,735
Net assets per share attributable to shareholders		0.128	0.125	-	-	-	-	-	-	-	-

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 SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Note	General takaful		Family takaful		Total	
		(Unaudited) 30 June 2024 RO	(Unaudited) 30 June 2023 RO	(Unaudited) 30 June 2024 RO	(Unaudited) 30 June 2023 RO	(Unaudited) 30 June 2024 RO	(Unaudited) 30 June 2023 RO
Takaful revenue							
Gross contributions		24,171,743	16,860,510	1,810,606	1,370,706	25,982,349	18,231,216
Retakaful/reinsurance share		(14,522,383)	(9,649,560)	(1,215,485)	(958,631)	(15,737,868)	(10,608,191)
Retained contributions		9,649,360	7,210,950	595,121	412,075	10,244,481	7,623,025
Movement in unearned contributions reserve		(565,846)	8,436	(110,052)	(54,629)	(675,898)	(46,193)
Net earned contributions		9,083,514	7,219,386	485,069	357,446	9,568,583	7,576,832
Income earned from retakaful contracts	18	67,612	231,368	-	7	67,612	231,375
		9,151,126	7,450,754	485,069	357,453	9,636,195	7,808,207
Takaful expenses							
Gross claims settled	10(a)	(7,581,701)	(5,706,259)	(1,378,094)	(981,930)	(8,959,795)	(6,688,189)
Claims recovered from retakaful/reinsurance	10(a)	2,941,124	1,658,275	1,146,606	838,503	4,087,730	2,496,778
Net claims settled		(4,640,577)	(4,047,984)	(231,488)	(143,427)	(4,872,065)	(4,191,411)
Net movement in outstanding claims		(598,862)	200,610	56,119	(1,344)	(542,743)	199,266
Net claims incurred	20	(5,239,439)	(3,847,374)	(175,369)	(144,771)	(5,414,808)	(3,992,145)
Commission expense		(3)	(126)	-	-	(3)	(126)
		(5,239,442)	(3,847,500)	(175,369)	(144,771)	(5,414,811)	(3,992,271)
Surplus from Takaful operations		3,911,684	3,603,254	309,700	212,682	4,221,384	3,815,936
Takaful expense – net		(262,030)	(205,680)	(9,267)	228	(271,297)	(205,452)
Provision for impairment of receivable		(60,000)	(60,000)	-	-	(60,000)	(60,000)
Surplus from takaful operations before investment income, mudarib share and wakala fees		3,589,654	3,337,574	300,431	212,910	3,890,085	3,550,484
Investment income – net	22	328,581	337,680	44,266	41,553	372,847	379,233
Mudarib share	21	(180,720)	(186,137)	(24,347)	(22,854)	(205,067)	(208,991)
Wakala fees	21	(4,834,349)	(3,372,102)	(271,591)	(205,606)	(5,105,940)	(3,577,708)
(Deficit) / Surplus from takaful operations		(1,096,834)	117,015	48,761	26,003	(1,048,073)	143,018

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 SIX-MONTH PERIOD ENDED 30 JUNE 2024

		Shareholders' fund	
	Note	(Unaudited) 30 June 2024 RO	(Unaudited) 30 June 2023 RO
Wakala fees	21	5,105,940	3,577,708
Investment income – net	22	479,254	394,915
Mudarib share	21	205,067	208,991
		<u>5,790,261</u>	<u>4,181,614</u>
General and administrative expenses		(2,627,593)	(2,496,349)
Commission expense		(1,241,199)	(1,000,093)
Other income		-	63
		<u>(3,868,792)</u>	<u>(3,496,379)</u>
Profit before tax		1,921,469	685,235
Taxation		(100,000)	(100,000)
Profit for the period		<u>1,821,469</u>	<u>585,235</u>
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Net change in fair value of investments at fair value through equity		(81,924)	80,138
Total comprehensive income for the period		<u>1,739,545</u>	<u>665,373</u>
Earnings per share - basic and diluted	29	<u>0.010</u>	<u>0.003</u>

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AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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	-	-	-	-	1,821,469	1,821,469
Other comprehensive income – change in fair value of investments at fair value through equity	-	-	-	(81,924)		(81,924)
	-	-	-	(81,924)	1,821,469	1,739,545
Transaction with owners:						
Dividend paid during the period	-	-	-	-	(1,225,000)	(1,225,000)
Transfer to legal reserve	-	-	182,147	-	(182,147)	-
	-	-	182,147	-	(1,407,147)	(1,225,000)
At 30 June 2024 (Unaudited)	17,500,000	1,380,151	1,583,508	143,076	1,798,572	22,405,307
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	-	-	-	-	585,235	585,235
Other comprehensive income – change in fair value of investments at fair value through equity	-	-	-	80,138	-	80,138
	-	-	-	80,138	585,235	665,373
Transaction with owners:						
Dividend paid during the period	-	-	-	-	(1,225,000)	(1,225,000)
Transfer to legal reserve	-	-	58,523	-	(58,523)	-
	-	-	58,523	-	(1,283,523)	(1,225,000)
At 30 June 2023 (Unaudited)	17,500,000	1,380,151	1,332,220	395,595	761,983	21,369,949

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 SIX-MONTH PERIOD ENDED 30 JUNE 2024**

	Deficit in participants' fund		
	General takaful RO	Family takaful RO	Total RO
At 1 January 2024 (Audited)	238,306	(230,126)	8,180
(Deficit) / Surplus for the period	<u>(1,096,834)</u>	<u>48,761</u>	<u>(1,048,073)</u>
At 30 June 2024 (Unaudited)	<u>(858,528)</u>	<u>(181,365)</u>	<u>(1,039,893)</u>
At 1 January 2023 (Audited)	180,016	(325,540)	(145,524)
Surplus for the period	<u>117,015</u>	<u>26,003</u>	<u>143,018</u>
At 30 June 2023 (Unaudited)	<u>297,031</u>	<u>(299,537)</u>	<u>(2,506)</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 SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Note	(Unaudited) 30 June 2024 RO	(Unaudited) 30 June 2023 RO
Operating activities			
Profit before tax for the period		1,921,469	685,235
Deficit from takaful operations		(1,048,073)	143,018
Adjustments for:			
Depreciation	16	60,958	56,829
Dividend income	21	(110,359)	(92,379)
Income from bank deposit	21	(501,698)	(459,385)
Profit on the Mudarbah investment	21	(4,110)	(20,959)
Profit from investments carried out at amortised cost	21	(151,898)	(158,091)
End of service benefits charge for the period		52,370	36,818
Rental income on investment in real estate	21	(161,074)	(151,899)
Unrealised gain on investments at fair value through profit or loss	21	35,746	102,082
Provision for doubtful debt		60,000	60,000
Realised gain on investments carried at fair value through profit or loss	21	(320)	(434)
		<u>153,011</u>	<u>200,835</u>
Tax paid		(50,000)	(235,305)
Donation paid		(6,700)	-
Payment of end of service benefits		(63,438)	(8,775)
Operating cash flows before working capital changes		<u>32,873</u>	<u>(43,245)</u>
Working capital changes:			
Takaful and retakaful/reinsurance balance receivables		1,191,335	4,987,204
Retakaful share of outstanding claims and unearned contribution reserve		440,354	1,124,302
Other receivables, prepayments and other assets		(215,764)	(49,181)
Deferred policy acquisition cost		(122,415)	(88,108)
Outstanding claims and unearned premium reserve		778,286	(1,277,376)
Accounts and other payables		2,183,061	(2,136,019)
Due to retakaful		(4,846,410)	(6,503,328)
Unearned retakaful commission		9,537	60,927
Net cash used in operating activities		<u>(549,140)</u>	<u>(3,924,824)</u>
Investing activities			
Purchase of property and equipment	16	(7093)	(46,951)
Purchase of investments carried at fair value through equity	13.1	-	-
Purchase of investments fair value through profit or loss	7(a)	(492,076)	(36,661)
Proceeds from disposal of investments at fair value through profit or loss	7(a)	320	214,651
Purchase of investments carried at amortised cost		(2,502,500)	(2,000,000)
Proceeds from disposal of carried at amortised cost		388,159	1,500,000
Movement in bank deposits		-	4,272,500
Rent on investment in real estate received		94,614	40,681
Profit on bank deposits received		401,276	799,181
Dividends received		110,359	92,379
Net cash used investing activities		<u>(2,006,941)</u>	<u>4,835,780</u>
Cash flows from financing activity			
Dividends paid		(1,225,000)	(1,225,000)
Net change in cash and cash equivalents			
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	<u>7,523,603</u>	<u>6,356,462</u>

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

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 Financial Services Authority (FSA) on 15 July 2006. The Company started Takaful operations on 1 January 2014 after being granted the Takaful license by the FSA.

The Company has 8 branches in the Sultanate of Oman (31 December 2023: 8) & 2 Kiosk table (31 December 2023: 1).

2 Summary of significant accounting policies

- (a) This unaudited condensed interim financial information for the six-months period ended 30 June 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 six months period ended 30 June 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.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024(continued)**

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.

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 bank balances

	Shareholders RO	General RO	Participants Family RO	Total RO
30 June 2024 (Unaudited)				
Cash at bank in current accounts	290,566	694,098	49,471	743,569
Cash at bank in call accounts	1,243,832	4,540,364	93,804	4,634,168
Cash balances with investment managers	601,050	1,105	-	1,105
Cash in hand	4,130	5,183	-	5,183
	<u>2,139,578</u>	<u>5,240,750</u>	<u>143,275</u>	<u>5,384,025</u>
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
	<u>3,438,492</u>	<u>6,442,689</u>	<u>1,423,506</u>	<u>7,866,195</u>

6 Bank deposits

	Shareholders RO	General RO	Participants Family RO	Total RO
30 June 2024 (Unaudited)				
Bank deposits with maturity of more than three months	<u>4,300,000</u>	<u>9,175,000</u>	<u>1,475,000</u>	<u>10,650,000</u>
	RO	RO	RO	RO
31 December 2023 (Audited)				
Bank deposits with maturity of more than three months	<u>4,300,000</u>	<u>9,175,000</u>	<u>1,475,000</u>	<u>10,650,000</u>

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 13,100,000 (31 December 2023 - RO 11,850,000) to the FSA. The Company can only transfer these assets with the prior approval of the FSA.

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.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

7 Investments carried at fair value through profit or loss

	Shareholders – (Unaudited) 30 June 2024		Shareholders – (Audited) 31 December 2023	
	Fair value RO	Cost RO	Fair value RO	Cost RO
<i>Local quoted</i>				
Service sector	484,509	484,138	287,716	293,060
Industrial sector	792,629	826,977	729,080	923,445
Financial sector	195,989	197,758	-	-
Total investments	1,473,127	1,508,873	1,016,796	1,216,505

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

	Shareholders	
	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO
At 1 January	1,016,796	857,080
Purchases	492,076	786,529
Disposals	(320)	(444,133)
Realised gain on disposal	321	17,029
Net change in fair value	(35,746)	(199,709)
At 30 June / 31 December	1,473,127	1,016,796

(B) 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 30 June 2024 / 31 December 2023 are:

	% of Portfolio	Number of Securities	Fair value RO	Cost RO
30 June 2024 (Unaudited)				
OQ Gas Networks	18	1,918,839	270,556	293,582
Dubai Electricity & Water Authority PJSC	16	1,043,000	241,484	269,920
31 December 2023 (Audited)				
OQ Gas Networks	29	1,918,839	293,582	268,637
Dubai Electricity & Water Authority PJSC	27	1,043,000	269,920	268,343

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

8 Takaful and retakaful / reinsurance balance receivable

	Participants		
	General RO	Family RO	Total RO
30 June 2024 (Unaudited)			
Takaful receivable including due from related parties	19,588,000	1,896,170	21,484,170
Less: specific and portfolio provision for impairment	(1,724,453)	(94,745)	(1,819,198)
	17,863,547	1,801,425	19,664,972
Retakaful / reinsurance balances receivable	1,640,117	390,664	2,030,781
Less: specific and portfolio provision for impairment	(305,589)	(20,865)	(326,454)
	1,334,528	369,799	1,704,327
	19,198,075	2,171,224	21,369,299

	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	(1,664,453)	(94,745)	(1,759,198)
	16,675,146	1,254,827	17,929,973
Retakaful / reinsurance balances receivable	4,645,007	372,109	5,017,116
Less: specific and portfolio provision for impairment	(305,589)	(20,865)	(326,454)
	4,339,418	351,244	4,690,662
	21,014,564	1,606,071	22,620,635

Normal credit period allowed to takaful debtors and retakaful / reinsurance companies is 120 days after which amounts are considered as past due. As at 30 June 2024, receivables past due above 121 days amounting to RO 11,508,346 (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
30 June 2024 (Unaudited)			
Neither past due nor impaired	8,786,877	1,074,076	9,860,954
Past due but not impaired	10,411,198	1,097,148	11,508,346
Past due and impaired	2,030,042	115,610	2,145,652
	21,228,117	2,286,834	23,514,951

	Participants		
	General RO	Family RO	Total RO
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	1,970,042	115,610	2,085,652
	22,984,606	1,721,681	24,706,287

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

8 Takaful and retakaful / reinsurance balance receivable (continued)

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

	Participants		
	General RO	Family RO	Total RO
At 1 January 2024	1,970,042	115,610	2,085,652
Charge for the period	60,000	-	60,000
At 30 June 2024 (Un-audited)	2,030,042	115,610	2,145,652
At 1 January 2023	1,865,042	100,610	1,965,652
Charge for the year	105,000	15,000	120,000
At 31 December 2023 (Audited)	1,970,042	115,610	2,085,652

(c) At 30 June 2024, 29% of the Company's takaful receivable is from 5 customers (31 December 2023 - 75% from 5 customers).

(d) At 30 June 2024, 90% of the Company's due from retakaful / reinsurance companies are from 5 retakaful / reinsurance companies (31 December 2023 - 85% from 5 retakaful / reinsurance companies).

9 Receivable from participants' fund

	Shareholders	
	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO
At 1 January	3,386,009	2,743,573
Wakala fee income for the period / year	5,105,940	8,411,618
Mudarib share for the period / year	205,067	389,678
Amount received from policyholders & net movement	(6,816,670)	(8,158,860)
At 30 June / 31 December – net	1,880,346	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.

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

	Shareholders	
	(Unaudited) 30 June 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	301,317	698,402
- From family takaful	372,476	1,481,054
	673,793	2,179,456
	1,880,346	3,386,009

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

10 Takaful liabilities

	30 June 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	40,891,461	(35,495,502)	5,395,959	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
	44,792,365	(38,165,184)	6,627,181	46,130,606	(40,102,285)	6,028,321
Unearned contributions reserve	21,893,667	(12,841,314)	9,052,353	19,699,981	(11,213,475)	8,486,506
	66,686,032	(51,006,498)	15,679,534	65,830,587	(51,315,760)	14,514,827
Family takaful						
Claims incurred but not settled	1,230,476	(1,056,230)	174,246	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
	1,600,217	(1,362,426)	237,791	1,939,236	(1,645,326)	293,910
Unearned contributions reserve	829,747	(520,166)	309,581	567,886	(368,359)	199,527
	2,429,964	(1,882,592)	547,372	2,507,122	(2,013,685)	493,437
	69,115,996	(52,889,090)	16,226,906	68,337,709	(53,329,445)	15,008,264

(a) *Claims and loss adjustment expenses*

	30 June 2024 – (Unaudited)			31 December 2023 – (Audited)		
	Gross RO	Retakaful / reinsurance RO	Net RO	Gross RO	Retakaful / 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
Incurred 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	(7,581,701)	2,941,124	(4,640,577)	(24,006,840)	16,325,108	(7,681,732)
Increase in liabilities arising from current and prior period claims	6,243,460	(1,004,023)	5,239,437	23,715,974	(15,599,483)	8,116,491
Total at the end of the period / year	44,792,365	(38,165,184)	6,627,181	46,130,606	(40,102,285)	6,028,321
Notified claims	40,891,461	(35,495,502)	5,395,959	42,229,702	(37,432,603)	4,797,099
Incurred 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	44,792,365	(38,165,184)	6,627,181	46,130,606	(40,102,285)	6,028,321
Family takaful						
Notified claims	1,569,495	(1,339,130)	230,365	939,940	(812,194)	127,746
Incurred 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	(1,378,094)	1,146,606	(231,488)	(1,881,934)	1,589,952	(291,982)
Increase in liabilities arising from current and prior period claims	1,039,075	(863,706)	175,369	2,556,000	(2,139,378)	416,622
Total at the end of the period / year	1,600,217	(1,362,426)	237,791	1,939,235	(1,645,325)	293,910
Notified claims	1,230,476	(1,056,230)	174,246	1,569,495	(1,339,130)	230,365
Incurred but not reported	369,741	(306,196)	63,545	369,741	(306,196)	63,545
Total at the end of the period / year	1,600,217	(1,362,426)	237,791	1,939,236	(1,645,326)	293,910

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

10 Takaful liabilities (continued)

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

	30 June 2024 – (Unaudited)			31 December 2023 – (Audited)		
	Gross RO	Retakaful / reinsurance RO	Net RO	Gross RO	Retakaful / 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	25,982,349	(15,737,868)	10,244,481	42,746,813	(25,423,935)	17,322,878
Net release during the period / year	(23,526,802)	13,958,221	(9,568,581)	(42,824,895)	27,207,578	(15,617,317)
Total at the end of the period / year	22,723,414	(13,361,481)	9,361,933	20,267,867	(11,581,834)	8,686,033
Unearned contributions reserves	21,893,667	(12,841,314)	9,052,353	19,699,981	(11,213,475)	8,486,506
Mathematical reserves	829,747	(520,167)	309,580	567,886	(368,359)	199,527
Total at the end of the period / year	22,723,414	(13,361,481)	9,361,933	20,267,867	(11,581,834)	8,686,033

11 Deferred policy acquisition cost

	Shareholder RO	General takaful RO	Participants Family takaful RO	Total RO
At 1 January 2024	1,029,138	3	-	3
Cost incurred during the period	1,363,616	-	-	-
Amortised during the period	(1,241,199)	(3)	-	(3)
At 30 June 2024 (Un-audited)	1,151,555	-	-	-

	Shareholder RO	General takaful RO	Participants Family takaful RO	Total RO
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 (Audited)	1,029,138	3	-	3

12 Other receivables and takaful assets

	Shareholders RO	General RO	Participants Family RO	Total RO
30 June 2024 – (Unaudited)				
Accrued profit on bank deposits and Sukuks	517,583	554,252	98,615	652,867
Prepayments	67,560	-	-	-
Advances	119,265	-	-	-
Rent receivable	738	14,861	773,747	788,608
Others	436,968	1,059,521	-	1,059,521
	1,142,114	1,628,634	872,362	2,500,996

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

12 Other receivables and takaful assets (continued)

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

13 Investments at fair value through equity

	Shareholders – (Unaudited) 30 June 2024		Shareholders – (Audited) 31 December 2023	
	Fair value RO	Cost RO	Fair value RO	Cost RO
<i>Local quoted</i>				
Service sector	87,300	117,600	97,500	117,600
Real estate development	416,500	392,000	434,000	392,000
Industrial sector	44,925	6,330	33,750	6,330
	<u>548,725</u>	<u>515,930</u>	<u>565,250</u>	<u>515,930</u>
<i>Local unquoted</i>				
Service sector	284,283	71,428	284,283	71,428
Real estate development	133,950	129,600	133,950	129,600
	<u>418,233</u>	<u>201,028</u>	<u>418,233</u>	<u>201,028</u>
Total Local	<u>966,958</u>	<u>716,958</u>	<u>983,483</u>	<u>716,958</u>
<i>Foreign quoted</i>				
Financial sector	48,298	51,340	50,229	51,340
Service sector	620,008	710,690	681,874	710,690
Real estate development	31,099	19,231	32,349	19,231
Industrial sector	6,893	10,610	7,245	10,610
Total Foreign	<u>706,298</u>	<u>791,871</u>	<u>771,697</u>	<u>791,871</u>
Total investments	<u>1,673,256</u>	<u>1,508,829</u>	<u>1,755,180</u>	<u>1,508,829</u>

13.1 Movement in investments at fair value through equity

	Shareholders	
	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO
At the beginning of the period / year	1,755,180	2,068,442
Purchases	-	36,486
Disposals	-	(273,944)
Realised gain	-	30,750
Net change in fair value	<u>(81,924)</u>	<u>(106,554)</u>
At the end of the period / year	<u>1,673,256</u>	<u>1,755,180</u>

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 30 June 2024 / 31 December 2023 are:

	% of portfolio	Basis of valuation	Number of securities	Fair Value RO
30 June 2024 – (Unaudited)				
Investment from shareholders' fund				
Watania International Holding PJSC – listed	36	Fair value	<u>10,504,203</u>	<u>603,785</u>
31 December 2023 – (Audited)				
Investment from shareholders' fund				
Watania International Holding PJSC – listed	38	Fair value	<u>10,504,203</u>	<u>664,273</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

13 Investments at fair value through equity (continued)

13.3 Movement in investments fair value reserve:

	Shareholders	
	(Unaudited) 30 June 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	(81,924)	(106,554)
Impact of deferred tax	-	16,097
At the end of the period / year	143,076	225,000

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

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		Participants – General Takaful		Participants – Family Takaful	
	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO	(Unaudited) 30 June 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	2,502,500	1,976,859	-	388,462	-	-
Disposal during the period / year	-	(5,141,289)	(388,159)	-	-	-
Realised gain	-	22,819	-	-	-	-
Amortised during the period / year	(107)	-	124	-	-	-
Transfer from shareholders to participants	-	-	-	-	-	-
At the end of the period / year	5,071,759	2,569,366	460,946	848,981	100,000	100,000

15 Investment in real estate

Movement of carrying amounts of investment in real estate:

	Shareholders	
	(Unaudited) 30 June 2024 RO	(Audited) 31 December 2023 RO
At 1 January	5,170,000	5,170,000
At the end of the period	5,170,000	5,170,000

As of 30 June 2024, the Company has investment in investment real estate of RO 5,170,000 (31 December 2023 RO 5,170,000) which is 14.00% 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 Financial Services Authority. The Company can only transfer these assets with the prior approval of the FSA.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

16 Property and equipment

	Shareholders	
	(Unaudited) 30 June 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	7,093	77,580
Depreciation for the period / year	(60,958)	(117,274)
At the end of the period / year	<u>518,368</u>	<u>572,233</u>

17 Contingency reserve

The Company has implemented the new takaful regulation and the Company has not created any contingency reserve during the period.

18 Unearned retakaful commission

Movement in unearned retakaful commission is shown below:

	General Takaful RO	Participants Family takaful RO	Total RO
	At 1 January 2024	110,104	-
Income from retakaful contracts accrued during the period	77,150	-	77,150
Amortised during the period	(67,612)	-	(67,612)
At 30 June 2024 – (Unaudited)	<u>119,642</u>	<u>-</u>	<u>119,642</u>
At 1 January 2023	163,979	-	163,979
Income from retakaful contracts accrued during the year	411,655	-	411,655
Amortised during the year	(465,530)	-	(465,530)
At 31 December 2023 – (Audited)	<u>110,104</u>	<u>-</u>	<u>110,104</u>

19 Accounts and other payables

	Shareholders	Participants		Total
		General Takaful	Family Takaful	
Accounts payables	1,512,851	10,940,307	1,543,264	12,483,571
Government levy payable	-	386,746	9,963	396,706
Provision for taxation [note 14 (e)]	90,239	-	-	-
Accrued expenses	138,847	-	-	-
Leave salary provision	80,841	-	-	-
Other payables	34,452	-	-	-
	<u>1,857,230</u>	<u>11,327,053</u>	<u>1,553,227</u>	<u>12,880,280</u>

	Shareholders	Participants		Total
		General Takaful	Family Takaful	
2023				
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>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

20 Net claims incurred

	30 June 2024 – (Unaudited)			30 June 2023 – (Unaudited)		
	Gross RO	Retakaful/ reinsurances' share RO	Net RO	Gross RO	Retakaful / reinsurances' share RO	Net RO
Claims notified and not settled	42,121,937	(36,551,732)	5,570,205	44,329,700	(40,016,635)	4,313,065
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	46,392,582	(39,527,610)	6,864,972	49,102,490	(43,538,924)	5,563,566
Takaful claims paid	8,959,795	(4,087,730)	4,872,065	6,688,189	(2,496,778)	4,191,411
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	7,282,535	(1,867,729)	5,414,806	8,104,038	(4,111,893)	3,992,145

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

	(Unaudited) 30 June 2024 RO	(Unaudited) 30 June 2023 RO
Motor	1,799,608	1,654,145
Fire, accidents, engineering and others	13,251,104	10,332,631
Marine cargo and hull	258,636	215,912
Medical	163,215	93,395
Life	500,402	318,744
	15,972,965	12,614,827

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.

21 Wakala fees and mudarib share

The shareholders manage the general and family takaful operations for the participants and charged 20% for general takaful (2023-20%) 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.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

22 Investment income - net

	(Unaudited) 30 June 2024 RO	(Unaudited) 30 June 2023 RO
Investment property rental income	161,074	151,899
Profit on the Mudarbah investment	4,110	20,959
Profit from investment carried at amortised cost	151,897	158,091
Dividend income	110,359	92,379
Fair value gain on investments held at fair value through profit or loss	(35,746)	(102,082)
Profit on Wakala deposits	501,698	459,385
Realised gain/ (loss) on sale of equity investments	320	434
Investment management costs	(41,612)	(6,917)
	852,100	774,148

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) 30 June 2024 RO	(Unaudited) 30 June 2023 RO
Shareholder's profit for the period - RO	1,821,469	585,235
Weighted average number of shares outstanding - number	175,000,000	175,000,000
Earnings per share – basic and diluted - RO	0.010	0.003

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:

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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) 30 June 2024 RO	(Unaudited) 30 June 2023 RO
Gross contributions	1,049,724	1,952,509
Gross claims settled	429,781	125,563
Gross outstanding claims	225,481	150,286
Directors' sitting fee and remuneration	96,120	104,600
Shari'ah Supervisory Committee sitting fee and remuneration	14,500	22,520
Dividend paid to shareholders'	<u>1,225,000</u>	<u>1,225,000</u>

(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) 30 June 2024 RO	(Audited) 31 December 2023 RO
Contribution balances receivables from related parties	1,937,540	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	1,022,018	1,082,507
Investment at fair value through profit or loss	123,917	136,744
Cash with investment manager – Al Madina Investment	<u>562,603</u>	<u>558,493</u>

(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) 30 June 2024 RO	(Unaudited) 30 June 2023 RO
Short-term benefits	370,608	405,956
Employee end of service benefits	16,043	16,573
	<u>386,651</u>	<u>422,529</u>

27 Contingencies

Contingent liabilities

At 30 June 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 188,198 (31 December 2023 - RO 55,245).

Capital commitment

At 30 June 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.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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.

30 June 2024 (Unaudited)	Fire, energy, medical, engineering, liability and general accident RO	Motor, marine and aviation RO	Total General Takaful RO	Family Takaful RO
Gross contributions	17,898,546	6,273,197	24,171,743	1,810,606
Retakaful/reinsurance share	(13,739,962)	(782,421)	(14,522,383)	(1,215,485)
Retained contributions	4,158,584	5,490,776	9,649,360	595,121
Unearned contributions adjustment – net	(79,196)	(486,650)	(565,846)	(110,052)
Net earned contributions	4,079,388	5,004,127	9,083,514	485,070
Fee and Commission income	98,539	32,959	131,498	2,956
Segment Revenue	4,177,927	5,037,086	9,215,012	488,026
Net claims incurred	(2,196,349)	(3,043,090)	(5,239,439)	(175,369)
Commission expense	(1)	(2)	(3)	-
Takaful expense	(69,978)	(255,938)	(325,916)	(12,225)
Underwriting surplus before wakala fees	1,911,598	1,738,057	3,649,654	300,432
Provision for impairment of receivables	-	-	(60,000)	-
Wakala fees	-	-	(4,834,349)	(271,591)
Surplus from takaful operations after wakala fees	-	-	(1,244,695)	28,841
Investment income – net	-	-	328,581	44,267
Mudarib share	-	-	(180,720)	(24,347)
Surplus / (deficit) from takaful operations	-	-	(1,096,834)	48,761

Identifiable assets and liabilities on 30 June 2024

Identifiable assets	61,471,212	26,344,805	87,816,017	6,644,453
Identifiable liabilities	62,072,182	26,602,363	88,674,545	6,825,818

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 (continued)**

28 Segment information (continued)

Operating segments (continued)

30 June 2023

	Fire, energy, medical, engineering, liability and general accident	Motor, marine and aviation	Total General Takaful	Family Takaful
	RO			
Gross contributions	11,927,264	4,933,247	16,860,511	1,370,706
Retakaful/reinsurance share	(8,276,241)	(1,373,320)	(9,649,561)	(958,631)
Retained contributions	3,651,023	3,559,927	7,210,950	412,075
Unearned contributions adjustment – net	(22,388)	30,825	8,437	(54,630)
Net earned contributions	3,628,635	3,590,752	7,219,387	357,445
Fee and Commission income	177,343	96,670	274,013	430
Segment Revenue	3,805,978	3,687,422	7,493,400	357,876
Net claims incurred	(1,980,242)	(1,867,131)	(3,847,373)	(144,771)
Commission expense	(126)	-	(126)	-
Takaful expense	(51,490)	(196,836)	(248,326)	(195)
Underwriting surplus before wakala fees	1,774,120	1,623,454	3,397,574	212,910
Provision for impairment of receivables	-	-	(60,000)	-
Wakala fees	-	-	(3,372,102)	(205,606)
Surplus from takaful operations after wakala fees	-	-	(34,527)	7,304
Investment income – net	-	-	337,680	41,553
Mudarib share	-	-	(186,137)	(22,854)
Surplus / (deficit) from takaful operations	-	-	117,015	26,003
Identifiable assets and liabilities on 30 June 2023				
Identifiable assets	57,805,481	24,773,778	82,579,258	5,763,455
Identifiable liabilities	57,597,559	24,684,668	82,282,227	6,062,992

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 11 (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.