

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 Sept 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 29% growth in its Gross contributions for the period ended 30 Sept 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 Participant’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 increased natural catastrophic events in the region impact the operations performance 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 34.3 million as of the third quarter of 2024, an increase of 29% as against 26.6 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 27% growth in Net Earned Contributions amounting to RO 14.5 million in the third Quarter of 2024 as compared to RO 11.5 million in the corresponding period of 2023. However, the incurred claims have also increased by 36% in the third quarter of 2024, partially due to heavy rains in Sultanate of Oman. Despite the increase in incurred claims your company achieved 6% growth in the underwriting surplus

from Takaful operations before investment income, mudarib share and Wakala fees, after adjustment for commission expenses.

Investment Income

Your Company prudently manages its investment portfolio, while ensuring that the investment book is well diversified and constantly monitored for Shariah' Compliance.

The investment income of your company has grown significantly and reported an impressive growth of 21% amounting to RO 1.29 million for Q3-2024 as against RO 1.06 million for the corresponding period.

Profitability of the company

Al Madina achieved another period of successful financial performance despite of an extraordinary increase of 36% in incurred claims, the Company reported a 13% increase in profit after tax of RO 1.20mn as compared to RO 1.07mn 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. Your Company continues to maintain the legally mandated Omanization in support of national objectives.

Company's Outlook & Vision

As we complete three quarters 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.

The recent upgrade of Oman's credit rating from 'BB+' to 'BBB-' by S&P Global Ratings highlights the country's fiscal and economic reforms. This achievement will boost investor confidence, potentially attracting more foreign investment.

For Oman's economy, the upgrade is expected to enhance the financial sector's stability and support economic diversification, accelerating non-hydrocarbon growth and fostering a more resilient and robust economic environment

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. Your company has fulfilled the licensing requirement and is following the directions of the Financial Services Authority for its successful implementation.

Your 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, expense management and superior customer service.

Your 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 SEPTEMBER 2024

	Shareholders' fund				Participants' fund				Grand total		
	Note	(Unaudited)		General takaful		Family takaful		Total participants' fund		(Unaudited)	(Audited)
		30 September 2024	(Audited) 31 December 2023	30 September 2024	(Audited) 31 December 2023	30 September 2024	(Audited) 31 December 2023	30 September 2024	(Audited) 31 December 2023		
	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO	
ASSETS											
Cash and bank balances	5	902,297	3,438,492	6,580,276	6,442,689	212,610	1,423,506	6,792,886	7,866,195	7,695,183	11,304,687
Investments carried at fair value through profit or loss	7	1,530,276	1,016,796	-	-	-	-	-	-	1,530,276	1,016,796
Takaful balance receivable	8	-	-	14,200,858	16,675,146	1,491,127	1,254,827	15,691,985	17,929,973	15,691,985	17,929,973
Retakaful / reinsurance balance receivable	8	-	-	11,119,787	4,339,418	495,010	351,244	11,614,797	4,690,662	11,614,797	4,690,662
Receivable from participants' fund – family takaful	9	1,160,459	2,203,651	915,803	937,133	-	-	915,803	937,133	2,076,262	3,140,784
Receivable from participants' fund General takaful	9	694,085	1,182,358	-	-	-	-	-	-	694,085	1,182,358
Due from retakaful / reinsurance companies in connection with takaful liabilities	10	-	-	41,376,851	51,315,760	1,824,833	2,013,685	43,201,684	53,329,445	43,201,684	53,329,445
Deferred policy acquisition cost	11	1,167,851	1,029,138	-	3	-	-	-	3	1,167,851	1,029,141
Other receivables and takaful assets	12	1,229,038	897,716	1,842,425	1,678,323	880,137	785,944	2,722,562	2,464,267	3,951,600	3,361,983
Investments at fair value through equity	13	2,028,108	1,755,180	-	-	-	-	-	-	2,028,108	1,755,180
Bank deposits	6	4,300,000	4,300,000	10,175,000	9,175,000	1,475,000	1,475,000	11,650,000	10,650,000	15,950,000	14,950,000
Investments carried at amortised cost	14	6,233,840	2,569,366	1,257,625	848,981	100,000	100,000	1,357,625	948,981	7,591,465	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	492,172	572,233	-	-	-	-	-	-	492,172	572,233
Total assets		25,195,271	24,422,076	87,468,625	91,412,453	6,478,717	7,404,206	93,947,342	98,816,659	119,142,613	123,238,735

The notes on pages 8 to 24 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 SEPTEMBER 2024 (CONTINUED)

	Shareholders' fund		Participants' fund						Grand total		
	(Unaudited) 30 September 2024	(Audited) 31 December 2023	General takaful		Family takaful		Total participants' fund		(Unaudited) 30 September 2024	(Audited) 31 December 2023	
			(Unaudited) 30 September 2024	(Audited) 31 December 2023	(Unaudited) 30 September 2024	(Audited) 31 December 2023	(Unaudited) 30 September 2024	(Audited) 31 December 2023			
LIABILITIES, PARTICIPANTS' FUND AND SHAREHOLDERS' EQUITY	Note	RO	RO	RO	RO	RO	RO	RO	RO	RO	
LIABILITIES											
Takaful liabilities	10	-	-	57,135,935	65,830,587	2,489,099	2,507,122	59,625,034	68,337,709	59,625,034	68,337,709
Unearned retakaful commission	18	-	-	102,986	110,104	-	-	102,986	110,104	102,986	110,104
Retakaful/reinsurance payables		-	-	10,151,091	14,561,206	541,049	683,190	10,692,140	15,244,396	10,692,140	15,244,396
Accounts and other payables	19	2,041,184	1,968,835	19,776,608	9,489,892	1,647,608	1,303,236	21,424,216	10,793,128	23,465,400	12,761,963
Charity fund payable		11	6,711	-	-	-	-	-	-	11	6,711
Payable to shareholders	9	-	-	694,085	1,182,358	1,160,459	2,203,651	1,854,544	3,386,009	1,854,544	3,386,009
Payable to participants' fund – general takaful		-	-	-	-	915,803	937,133	915,803	937,133	915,803	937,133
Employees' end of service benefits		537,235	555,768	-	-	-	-	-	-	537,235	555,768
Total liabilities		2,578,430	2,531,314	87,860,705	91,174,147	6,754,018	7,634,332	94,614,723	98,808,479	97,193,153	101,339,793
PARTICIPANTS' FUND											
(Deficit) / Surplus in participants' fund – net		-	-	(392,080)	238,306	(275,301)	(230,126)	(667,381)	8,180	(667,381)	8,180
Total participants' fund		-	-	(392,080)	238,306	(275,301)	(230,126)	(667,381)	8,180	(667,381)	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		1,589,176	1,401,361	-	-	-	-	-	-	1,589,176	1,401,361
Investment fair value reserve	13.3	297,928	225,000	-	-	-	-	-	-	297,928	225,000
Retained earnings		1,849,586	1,384,250	-	-	-	-	-	-	1,849,586	1,384,250
Total shareholders' equity		22,616,841	21,890,762	-	-	-	-	-	-	22,616,841	21,890,762
Total liabilities, participants' fund and shareholders' equity		25,195,271	24,422,076	87,468,625	91,412,453	6,478,717	7,404,206	93,947,342	98,816,659	119,142,613	123,238,735
Net assets per share attributable to shareholders		0.129	0.125	-	-	-	-	-	-	-	-

The interim condensed financial statements were approved by the board of directors on 28 October 2024

Director

Director

The notes on pages 8 to 24 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

	<i>Note</i>	General takaful		Family takaful		Total	
		(Unaudited) 30 September 2024 RO	(Unaudited) 30 September 2023 RO	(Unaudited) 30 September 2024 RO	(Unaudited) 30 September 2023 RO	(Unaudited) 30 September 2024 RO	(Unaudited) 30 September 2023 RO
Takaful revenue							
Gross contributions		32,068,686	24,539,158	2,189,341	2,066,209	34,258,027	26,605,367
Retakaful/reinsurance share		(17,628,457)	(13,140,716)	(1,437,134)	(1,486,834)	(19,065,591)	(14,627,550)
Retained contributions		14,440,229	11,398,442	752,207	579,375	15,192,436	11,977,817
Movement in unearned contributions reserve		(574,248)	(488,764)	(92,188)	(31,921)	(666,436)	(520,685)
Net earned contributions		13,865,981	10,909,678	660,019	547,454	14,526,000	11,457,132
Income earned from retakaful contracts	18	75,869	363,723	-	-	75,869	363,723
		13,941,850	11,273,401	660,019	547,454	14,601,869	11,820,855
Takaful expenses							
Gross claims settled	10(a)	(19,073,136)	(16,452,439)	(1,794,417)	(1,481,829)	(20,867,553)	(17,934,268)
Claims recovered from retakaful/reinsurance	10(a)	11,541,820	10,524,854	1,484,315	1,256,483	13,026,135	11,781,337
Net claims settled		(7,531,316)	(5,927,585)	(310,102)	(225,346)	(7,841,418)	(6,152,931)
Net movement in outstanding claims		(670,011)	(161,591)	(78,641)	(7,329)	(748,652)	(168,920)
Net claims incurred	20	(8,201,327)	(6,089,176)	(388,743)	(232,675)	(8,590,070)	(6,321,851)
Commission expense		(3)	(161)	-	-	(3)	(161)
		(8,201,330)	(6,089,337)	(388,743)	(232,675)	(8,590,073)	(6,322,012)
Surplus from Takaful operations		5,740,520	5,184,064	271,276	314,779	6,011,796	5,498,843
Takaful expense – net		(91,334)	(256,594)	(17,054)	123	(108,388)	(256,471)
Provision for impairment of receivables		(90,000)	(90,000)	-	-	(90,000)	(90,000)
Surplus from takaful operations before investment income, mudarib share and wakala fees		5,559,186	4,837,470	254,222	314,902	5,813,408	5,152,372
Investment income – net	22	498,144	452,552	64,452	61,543	562,596	514,095
Mudarib share	21	(273,979)	(248,903)	(35,448)	(33,848)	(309,427)	(282,751)
Wakala fees	21	(6,413,737)	(4,907,832)	(328,401)	(309,931)	(6,742,138)	(5,217,763)
(Deficit) / Surplus from takaful operations		(630,386)	133,287	(45,175)	32,666	(675,561)	165,953

The notes on pages 8 to 24 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

	<i>Note</i>	Shareholders' fund	
		(Unaudited) 30 September 2024 RO	(Unaudited) 30 September 2023 RO
Wakala fees	21	6,742,138	5,217,763
Investment income – net	22	725,048	548,467
Mudarib share	21	309,427	282,751
		<u>7,776,613</u>	<u>6,048,981</u>
General and administrative expenses		(3,721,146)	(3,485,768)
Commission expense		(1,970,823)	(1,511,572)
Other income		1	335
		<u>(5,691,968)</u>	<u>(4,997,005)</u>
Profit before tax		2,084,645	1,051,976
Taxation		(206,494)	(150,000)
Profit for the period		1,878,151	<u>901,976</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		72,928	(147,713)
Total comprehensive income for the period		1,951,079	<u>754,263</u>
Earnings per share - basic and diluted	24	0.011	0.005

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AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

	Share Capital RO	Share premium RO	Legal Reserve RO	Fair value reserve RO	Retained earnings RO	Net equity 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	-	-	-	-	1,878,151	1,878,151
Other comprehensive profit – change in fair value of investments at fair value through equity	-	-	-	72,928	-	72,928
	-	-	-	72,928	1,878,151	1,951,079
Transaction with owners:						
Dividend declared during the period	-	-	-	-	(1,225,000)	(1,225,000)
Transfer to legal reserve	-	-	187,815	-	(187,815)	-
	-	-	187,815	-	(1,412,815)	(1,225,000)
At 30 September 2024 (Unaudited)	17,500,000	1,380,151	1,589,176	297,928	1,849,586	22,616,841

	Share Capital RO	Share premium RO	Legal Reserve RO	Fair value reserve RO	Retained earnings RO	Net equity 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	-	-	-	-	901,976	901,976
Other comprehensive loss – change in fair value of investments at fair value through equity	-	-	-	(147,713)	-	(147,713)
	-	-	-	(147,713)	901,976	754,263
Transaction with owners:						
Dividend declared during the period	-	-	-	-	(1,225,000)	(1,225,000)
Transfer to legal reserve	-	-	90,197	-	(90,197)	-
	-	-	90,197	-	(1,315,197)	(1,225,000)
At 30 September 2023 (Unaudited)	17,500,000	1,380,151	1,363,894	167,744	1,047,050	21,458,839

The notes on pages 8 to 24 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 for the period	(630,386)	(45,175)	(675,561)
At 30 September 2024 (Unaudited)	(392,080)	(275,301)	(667,381)
At 1 January 2023 (Audited)	180,016	(325,540)	(145,524)
Surplus for the period	133,287	32,666	165,953
At 30 September 2023 (Unaudited)	313,303	(292,874)	20,429

The notes on pages 8 to 24 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024

	<i>Note</i>	(Unaudited) 30 September 2024 RO	(Unaudited) 30 September 2023 RO
Cash flows from operating activities			
Profit before tax for the period		2,084,645	1,051,976
(Deficit) / Surplus from takaful operations		(675,561)	165,953
<u>Adjustments for:</u>			
Depreciation	16	87,983	86,649
Dividend income	22	(130,479)	(92,379)
Income from bank deposit	22	(767,664)	(666,881)
Profit on the Mudarbah investment	22	(12,466)	(25,000)
Profit from investments carried out at amortised cost	22	(168,793)	(270,906)
End of service benefits charge for the period		44,905	101,113
Rental income on investment in real estate	22	(246,096)	(226,321)
Unrealised loss on investments at fair value through profit or loss	22	(45,910)	155,498
Realised gain on investments carried at fair value through profit or loss	22	(13,431)	(28,496)
Provision for doubtful debt		90,000	90,000
		247,133	341,206
Tax paid		(257,508)	(235,305)
Donation paid		(6,700)	(20,763)
Payment of end of service benefits		(63,438)	(13,012)
Operating cash flows before working capital changes		(80,513)	72,126
Working capital changes:			
Takaful and retakaful/reinsurance balance receivables		(4,776,148)	3,428,627
Retakaful / reinsurance share of outstanding claims and unearned contribution reserve		10,127,761	15,144,497
Other receivables, prepayments and other assets		(488,772)	153,507
Deferred policy acquisition cost		(138,710)	(172,114)
Outstanding claims and unearned premium reserve		(8,712,675)	(14,454,892)
Accounts and other payables		10,754,548	2,497,557
Due to retakaful / reinsurance		(4,552,256)	(7,353,677)
Unearned retakaful/reinsurance commission		(7,118)	(2,060)
Net cash used in operating activities		2,126,11¥	(686,429)
Investing activities			
Purchase of property and equipment	16	(7,921)	(50,136)
Purchase of investments carried at fair value through equity	13.1	(200,000)	-
Purchase of investments carried at amortised cost	14	(4,458,323)	(2,000,000)
Purchase of investments fair value through profit or loss	7(b)	(492,077)	(36,662)
Proceeds from disposal of investments at fair value through profit or loss	7(b)	37,938	214,651
Proceeds from redemption of investment at fair value through equity	13.1	-	234,770
Proceeds from maturity of investment carried at amortised cost	14	388,159	1,500,000
Movement in bank deposits	6	(1,000,000)	1,388,750
Rent on investment in real estate received		112,271	49,388
Profit on bank deposits received		978,853	919,599
Dividends received		130,479	92,379
Net cash used in investing activities		(4,510,621)	2,312,739
Cash flows from financing activity			
Dividends paid		(1,225,000)	(1,225,000)
Net change in cash and cash equivalents		(3,609,504)	401,310
Cash and cash equivalents at the beginning of the period		11,304,687	6,670,506
Cash and cash equivalents at the end of the period		7,695,183	7,071,816

The notes on pages 8 to 24 form an integral part of this unaudited condensed interim financial information.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 nine month period ended 30 September 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 does 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 nine month period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the year ending 31 December 2024.

(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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 cash equivalents

(Unaudited)	Shareholders RO	Participants		
		General RO	Family RO	Total RO
30 September 2024				
Cash at bank in current accounts	244,023	1,089,578	205,162	1,294,740
Cash at bank in call accounts	805	5,471,221	7,448	5,478,669
Cash balances with investment managers	653,335	16,620	-	16,620
Cash in hand	4,134	2,857	-	2,857
	902,297	6,580,276	212,610	6,792,886
(Audited)				
31 December 2023				
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

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

6 Bank deposits

	Shareholders	Participants		
		General	Family	Total
(Unaudited)				
30 September 2024	RO	RO	RO	RO
Bank deposits with maturity of less than three months	-	850,000	150,000	1,000,000
Bank deposits with maturity of more than three months	4,300,000	9,325,000	1,325,000	10,650,000
	4,300,000	10,175,000	1,475,000	11,650,000
(Audited)				
31 December 2023				
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 4.50 % to 5.90 % 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 has pledged 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.

7 Investments carried at fair value through profit or loss

	(Unaudited) Shareholders 30 September 2024		(Audited) Shareholders 31 December 2023	
	Fair value RO	Cost RO	Fair value RO	Cost RO
Local quoted				
Service sector	17,631	17,796	17,796	24,717
Industrial sector	679,521	729,080	729,080	923,445
Total Local	697,152	746,876	746,876	948,162
Foreign quoted				
Service sector	502,475	441,834	269,920	268,343
Industrial sector	100,096	97,897	-	-
Financial sector	230,553	197,758	-	-
Total Foreign	833,124	737,489	269,920	268,343
Total investments	1,530,276	1,484,365	1,016,796	1,216,505

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

	Shareholders	
	30 September 2024 RO	31 December 2023 RO
At 1 January	1,016,796	857,080
Purchases	492,077	786,529
Disposals	(37,938)	(444,133)
Realised gain (loss) on disposal	13,431	17,029
Net change in fair value	45,910	(199,709)
At 30 September / 31 December	1,530,276	1,016,796

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024** (Continued)

7 Investments carried at fair value through profit or loss (continued)

(c) Details of the Company's total investments carried at fair value through profit or loss for which the Company's holding exceeds 15% of the fair value of total investments held at fair value through profit or loss at 30 September 2024 / 31 December 2023 are:

	% of Portfolio	Number of Securities	Fair value RO	Cost RO
(Unaudited)				
30 September 2024				
OQ Gas Networks	<u>18</u>	<u>1,918,839</u>	<u>278,232</u>	<u>293,582</u>
Dubai Electricity & Water Authority PJSC	<u>18</u>	<u>1,043,000</u>	<u>279,777</u>	<u>269,920</u>
(Audited)				
31 December 2023				
OQ Gas Networks	<u>29</u>	<u>1,918,839</u>	<u>293,582</u>	<u>268,637</u>
Dubai Electricity & Water Authority PJSC	<u>27</u>	<u>1,043,000</u>	<u>269,920</u>	<u>268,343</u>

8 Takaful and retakaful / reinsurance balance receivable

	Participants		
	General RO	Family RO	Total RO
(Unaudited)			
30 September 2024			
Takaful receivable including due from related parties	<u>15,955,311</u>	<u>1,585,872</u>	<u>17,541,183</u>
Less: specific and portfolio provision for impairment	<u>(1,754,453)</u>	<u>(94,745)</u>	<u>(1,849,198)</u>
	<u>14,200,858</u>	<u>1,491,127</u>	<u>15,691,985</u>
Retakaful / reinsurance balances receivable	<u>11,425,376</u>	<u>515,875</u>	<u>11,941,251</u>
Less: specific and portfolio provision for impairment	<u>(305,589)</u>	<u>(20,865)</u>	<u>(326,454)</u>
	<u>11,119,787</u>	<u>495,010</u>	<u>11,614,797</u>
	<u>25,320,645</u>	<u>1,986,137</u>	<u>27,306,782</u>

	Participants		
	General RO	Family RO	Total RO
(Audited)			
31 December 2023			
Takaful receivable including due from related parties	<u>18,339,599</u>	<u>1,349,572</u>	<u>19,689,171</u>
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	<u>4,645,007</u>	<u>372,109</u>	<u>5,017,116</u>
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>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024** (Continued)

8 Takaful and retakaful / reinsurance balance receivable (continued)

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 September 2024, receivables past due above 121 days amounting to RO 10,956,433 (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	Family	Total
(Unaudited)	RO	RO	RO
30 September 2024			
Neither past due nor impaired	15,646,475	703,873	16,350,348
Past due but not impaired	9,674,169	1,282,264	10,956,433
Past due and impaired	2,060,042	115,610	2,175,652
	27,380,686	2,101,747	29,482,433

	Participants		
	General	Family	Total
(Audited)	RO	RO	RO
31 December 2023			
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

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

	Participants		
	General	Family	Total
(Unaudited)	RO	RO	RO
30 September 2024			
At 1 January 2024	1,970,042	115,610	2,085,652
Charge for the period	90,000	-	90,000
At 30 September 2024	2,060,042	115,610	2,175,652
(Audited)			
31 December 2023			
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	1,970,042	115,610	2,085,652

(c) At 30 September 2024, 23% of the Company's takaful receivable is from 5 customers (31 December 2023 - 75% from 5 customers).

(d) At 30 September 2024, 96% of the Company's due from retakaful / reinsurance companies are from 5 retakaful / reinsurance companies (31 December 2023 - 85% from 5 retakaful / reinsurance companies).

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

9 Receivable from participants and payable to shareholders

	Shareholders	
	(Unaudited) 30 September 2024 RO	(Audited) 31 December 2023 RO
At 1 January	3,386,009	2,743,573
Wakala fee income for the period / year	6,742,138	8,411,618
Mudarib share for the period / year	309,427	389,678
Amount received from policyholders	(8,559,500)	(8,120,000)
Net movement in policyholders' account	(23,530)	(38,860)
At 30 September / 31 December – net	1,854,544	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 September 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	210,129	698,402
- From family takaful	437,862	1,481,054
	647,991	2,179,456
	1,854,544	3,386,009

10 Takaful liabilities

	30 September 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	35,085,802	(29,618,695)	5,467,107	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
	38,986,706	(32,288,377)	6,698,329	46,130,606	(40,102,285)	6,028,321
Unearned contributions reserve	18,149,229	(9,088,474)	9,060,755	19,699,981	(11,213,475)	8,486,506
	57,135,935	(41,376,851)	15,759,084	65,830,587	(51,315,760)	14,514,827
Family takaful						
Claims incurred but not settled	1,418,747	(1,109,741)	309,006	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
	1,788,488	(1,415,937)	372,551	1,939,236	(1,645,326)	293,910
Unearned contributions reserve	700,611	(408,896)	291,715	567,886	(368,359)	199,527
	2,489,099	(1,824,833)	664,266	2,507,122	(2,013,685)	493,437
	59,625,034	(43,201,684)	16,423,350	68,337,709	(53,329,445)	15,008,264

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

10 Takaful liabilities (continued)

(a) *Claims and loss adjustment expenses*

	30 September 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	(19,073,136)	11,541,820	(7,531,316)	(24,006,840)	16,325,108	(7,681,732)
Increase in liabilities arising from current and prior period claims	11,929,236	(3,727,912)	8,201,324	23,715,974	(15,599,483)	8,116,491
Total at the end of the period / year	38,986,706	(32,288,377)	6,698,329	46,130,606	(40,102,285)	6,028,321
Notified claims	35,085,802	(29,618,695)	5,467,107	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	38,986,706	(32,288,377)	6,698,329	46,130,606	(40,102,285)	6,028,321
	30 September 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	(1,794,417)	1,484,315	(310,102)	(1,881,934)	1,589,952	(291,982)
Increase in liabilities arising from current and prior period claims	1,643,669	(1,254,926)	388,743	2,556,000	(2,139,378)	416,622
Total at the end of the period / year	1,788,488	(1,415,937)	372,551	1,939,235	(1,645,325)	293,910
Notified claims	1,418,747	(1,109,741)	309,006	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	1,788,488	(1,415,937)	372,551	1,939,236	(1,645,326)	293,910

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

10 Takaful liabilities (continued)

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

	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
	Retakaful /		Net	Retakaful /		Net
	Gross	reinsurance		Gross	reinsurance	
	RO	RO	RO	RO	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	34,258,027	(19,065,591)	15,192,436	42,746,813	(25,423,935)	17,322,878
Net release during the period / year	(35,676,054)	21,150,056	(14,525,998)	(42,824,895)	27,207,578	(15,617,317)
Total at the end of the period / year	18,849,840	(9,497,369)	9,352,471	20,267,867	(11,581,834)	8,686,033
Unearned contributions reserves	18,149,229	(9,088,474)	9,060,755	19,699,981	(11,213,475)	8,486,506
Mathematical reserves	700,611	(408,895)	291,716	567,886	(368,359)	199,527
Total at the end of the period / year	18,849,840	(9,497,369)	9,352,471	20,267,867	(11,581,834)	8,686,033

11 Deferred policy acquisition cost

	Shareholder RO	General takaful RO	Family takaful RO	Total RO
(Unaudited)				
At 1 January 2024	1,029,138	3	-	3
Cost incurred during the period	2,109,536	-	-	-
Amortised during the period	(1,970,823)	(3)	-	(3)
At 30 September 2024	1,167,851	0	-	-
(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

12 Other receivables and takaful assets

	Shareholders	Participants		Total RO
	RO	General takaful RO	Family takaful RO	
(Unaudited)				
30 September 2024				
Rent receivable	186,630	-	-	-
Accrued profit on bank deposits and Sukuks	426,611	340,640	116,839	457,479
Advances	96,387	14,861	763,298	778,159
Prepayments	43,909	-	-	-
Others	475,501	1,486,924	-	1,486,924
	1,229,038	1,842,425	880,137	2,722,562

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

12 Other receivables and takaful assets (continued)

	Shareholders		Participants	
		General takaful	Family takaful	Total
(Audited)				
31 December 2023	RO	RO	RO	RO
Rent receivable	52,805	-	-	-
Accrued profit on bank deposits and Sukul	420,095	427,189	66,736	493,925
Advances	56,207	14,861	719,208	734,069
Prepayments	26,895	-	-	-
Other	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			
	30 September 2024 (Unaudited)		31 December 2023 (Audited)	
	Fair value	Cost	Fair value	Cost
	RO	RO	RO	RO
Local quoted				
Service sector	283,418	317,600	97,500	117,600
Real estate development	406,000	392,000	434,000	392,000
Industrial sector	40,500	6,330	33,750	6,330
	<u>729,918</u>	<u>715,930</u>	<u>565,250</u>	<u>515,930</u>
Local unquoted				
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>1,148,151</u>	<u>916,958</u>	<u>983,483</u>	<u>716,958</u>
Foreign quoted				
Financial sector	48,254	51,340	50,229	51,340
Service sector	795,419	710,690	681,874	710,690
Real estate development	29,536	19,231	32,349	19,231
Industrial sector	6,748	10,610	7,245	10,610
Total Foreign	<u>879,957</u>	<u>791,871</u>	<u>771,697</u>	<u>791,871</u>
Total investments	<u>2,028,108</u>	<u>1,708,829</u>	<u>1,755,180</u>	<u>1,508,829</u>

13.1 Movement in investments at fair value through equity

	Shareholders	
	(Unaudited)	(Audited)
	30 September 2024 RO	31 December 2023 RO
At the beginning of the period / year	1,755,180	2,068,442
Purchases	200,000	36,486
Disposals	-	(273,944)
Realised gain (Loss)	-	30,750
Net change in fair value	72,928	(106,554)
At the end of the period / year	<u>2,028,108</u>	<u>1,755,180</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

13 Investments at fair value through equity (continued)

13.2 At the reporting date, details of the Company's investments at fair value through equity for which the Company's holding exceeds 20% of total investments held at fair value through equity at 30 September 2024 / 31 December 2023 are:

	% of portfolio	Basis of valuation	Number of securities	Fair Value
(Unaudited)				RO
30 September 2024				
Investment from shareholders' fund				
Watania International Holding PJSC	38	Fair value	10,504,203	778,651
(Audited)				
31 December 2023				
Watania International Holding PJSC	38	Fair value	10,504,203	664,273

13.3 *Movement in investments fair value reserve:*

	Shareholders	
	30 September 2024 (Unaudited) RO	31 December 2023 (Audited) RO
At 1 January	225,000	315,457
Net change in fair value of investment during the period / year	72,928	(106,554)
Impact of deferred tax (note 13.5)	-	16,097
	72,928	(90,457)
At the end of the period / year	297,928	225,000

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

13.5 Deferred tax was not calculated at period end. The impact of deferred tax will be assessed and recognised at year end.

14 Investments carried at amortised cost

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

	Shareholders		Participants – General Takaful		Participants – Family Takaful	
	30 September 2024 (Unaudited) RO	31 December 2023 (Audited) RO	30 September 2024 (Unaudited) RO	31 December 2023 (Audited) RO	30 September 2024 (Unaudited) RO	31 December 2023 (Audited) RO
At 1 January	2,569,366	5,710,977	848,981	460,519	100,000	100,000
Purchased during the period / year	3,662,269	1,976,859	796,054	388,462	-	-
Matured during the period / year	-	(5,141,289)	(388,159)	-	-	-
Realised gain (note 26)	-	22,819	-	-	-	-
Amortised during the period / year	2,205	-	749	-	-	-
At the end of the period / year	6,233,840	2,569,366	1,257,625	848,981	100,000	100,000

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

15 Investment in real estate

Movement of carrying amounts of investment in real estate:

	Shareholders	
	(Unaudited) 30 September 2024	(Audited) 31 December 2023
	RO	RO
At 1 January	5,170,000	5,170,000
At 30 September	5,170,000	5,170,000

As of 30 September 2024, the Company has investment in real estate of RO 5,170,000 (31 December 2023 – RO 5,170,000) which is 13% (31 December 2023 – 13.71%) 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.

16 Property and equipment

	Shareholders	
	(Unaudited) 30 September 2024	(Audited) 31 December 2023
	RO	RO
Net book value		
At beginning of the period / year	572,234	611,927
Additions during the period / year	7,921	77,580
Depreciation for the period / year	(87,983)	(117,274)
At the end of the period / year	492,172	572,233

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:

	Participants		
	General Takaful RO	Family takaful RO	Total RO
At 1 January 2024	110,104	-	110,104
Income from retakaful contracts accrued during the period	68,751	-	68,751
Amortised during the period	(75,869)	-	(75,869)
At 30 September 2024 (Unaudited)	102,986	-	102,986

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

18 Unearned retakaful commission (continued)

	General Takaful	Family Takaful	Total
	RO	RO	RO
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)	110,104	-	110,104

19 Accounts and other payables

	Shareholders	Participants		Total
		General Takaful	Family Takaful	
(Unaudited)	Ro	Ro	Ro	Ro
30 September 2024				
Accounts payables	1,639,603	19,263,509	1,635,567	20,899,076
Government levy payable	-	513,099	12,041	525,140
Accrued expenses	207,418	-	-	-
Leave salary provision	80,841	-	-	-
Other payables	113,322	-	-	-
	2,041,184	19,776,608	1,647,608	21,424,216

	Shareholders	Participants		Total
		General Takaful	Family Takaful	
(Audited)	Ro	Ro	Ro	Ro
31 December 2023				
Accounts payables	1,321,934	8,850,021	1,288,084	10,138,105
Government levy payable	-	639,871	15,152	655,023
Accrued expenses	174,233	-	-	-
Leave salary provision	129,055	-	-	-
Other payables	343,613	-	-	-
	1,968,835	9,489,892	1,303,236	10,793,128

20 Net claims incurred

	30 September 2024 – (Unaudited)			30 September 2023 – (Unaudited)		
	Retakaful / reinsurance		Net	Retakaful / reinsurances ⁷		Net
	Gross RO	s' share RO		Gross RO	share RO	
Claims notified and not settled	36,504,549	(30,728,436)	5,776,113	33,770,449	(29,089,198)	4,681,251
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	40,775,195	(33,704,314)	7,070,880	38,543,239	(32,611,487)	5,931,752
Takaful claims paid	20,867,553	(13,026,135)	7,841,418	17,934,268	(11,781,337)	6,152,931
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	13,572,905	(4,982,838)	8,590,068	8,790,866	(2,469,015)	6,321,851

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

20 Net claims incurred (continued)

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

	(Unaudited) 30 September 2024 RO	(Unaudited) 30 September 2023 RO
Motor	3,113,176	2,478,785
Fire, accidents, engineering and others	17,984,455	19,643,731
Marine cargo and hull	503,023	394,270
Medical	74,083	(157,933)
Life	395,894	510,508
	<u>22,070,630</u>	<u>22,869,361</u>

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

22 Investment income - net

	(Unaudited) 30 September 2024 RO	(Unaudited) 30 September 2023 RO
Investment property rental income	246,096	226,321
Profit on the Mudarbah investment	12,466	25,000
Profit from investment carried at amortised cost	168,793	270,906
Dividend income	130,479	92,379
Fair value loss on investments held at fair value through profit or loss	45,910	(155,498)
Profit on Wakala deposits	767,663	666,881
Gain on sale of investments held at fair value – net	13,431	28,496
Investment management costs	(97,194)	(91,923)
	<u>1,287,644</u>	<u>1,062,562</u>

(a) Allocation of investment income to participants and shareholders is as follows:

	(Unaudited) September 2024 RO	(Unaudited) September 2023 RO
General takaful	498,144	452,552
Family takaful	64,452	61,453
Shareholders	725,048	548,467
	<u>1,287,644</u>	<u>1,062,562</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 Shareholders. 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, principles and standards.

24 Earnings per share

	(Unaudited) 30 September 2024	(Unaudited) 30 September 2023
Shareholders' profit for the period – RO	<u>1,878,151</u>	901,976
Weighted average number of shares outstanding – number	<u>175,000,000</u>	175,000,000
Earnings per share – basic and diluted – RO	<u>0.011</u>	0.005

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.

25 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

25 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 September 2024 RO	(Unaudited) 30 September 2023 RO
Gross contributions	<u>1,883,294</u>	3,364,811
Gross claims settled	<u>599,664</u>	206,447
Gross outstanding claims	<u>474,601</u>	115,705
Directors' sitting fee and remuneration	<u>107,270</u>	115,800
Shari'ah Supervisory Committee sitting fee and remuneration	<u>19,000</u>	23,520
Dividend paid to shareholders'	<u>1,225,000</u>	1,225,000

(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 September 2024 RO	(Audited) 31 December 2023 RO
Contribution balances receivables from related parties	<u>2,191,233</u>	2,992,337
Investment in Tilal Sukuk SAOC	<u>2,502,167</u>	-
Investment in Mohammed Al Barwani Sukuk	<u>358,341</u>	358,341
Investments at fair value through equity	<u>1,196,885</u>	1,082,507
Investment at fair value through profit or loss	<u>126,995</u>	136,744
Cash with investment manager – Al Madina Investment	<u>570,959</u>	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) 30 September 2024 RO	(Unaudited) 30 September 2023 RO
Short-term benefits	<u>482,235</u>	530,282
Employee end of service benefits	<u>21,514</u>	36,469
	<u>503,749</u>	566,751

26 Contingencies

Contingent liabilities

At 30 September 2024, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business amounting to RO 112,109 (31 December 2023 - RO 55,245).

Capital commitment

At 30 September 2024, the Company has no capital commitment (31 December 2023 - Nil).

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

26 Contingencies (continued)

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.

27 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 September 2024

(Unaudited)	Fire, energy, medical, engineering, liability and general accident	Motor, marine and aviation	Total General Takaful	Family Takaful
	RO	RO	RO	RO
Gross contributions	22,183,006	9,885,680	32,068,686	2,189,341
Retakaful/reinsurance share	(16,259,657)	(1,368,800)	(17,628,457)	(1,437,134)
Retained contributions	5,923,349	8,516,880	14,440,229	752,207
Unearned contributions adjustment – net	190,484	(764,732)	(574,248)	(92,188)
Net earned contributions	6,113,833	7,752,148	13,865,980	660,020
Fee and Commission income	145,824	385,334	531,158	3,251
Segment Revenue	6,259,657	8,137,481	14,397,138	663,271
Net claims incurred	(3,570,804)	(4,630,522)	(8,201,327)	(388,743)
Commission expense	(1)	(2)	(3)	-
Takaful expense	(113,627)	(432,996)	(546,623)	(20,305)
Underwriting surplus before wakala fees	2,575,224	3,073,962	5,649,186	254,223
Provision for impairment of receivables	-	-	(90,000)	-
Wakala fees	-	-	(6,413,737)	(328,401)
Deficit from takaful operations after wakala fees	-	-	(854,551)	(74,178)
Investment income – net	-	-	498,144	64,450
Mudarib share	-	-	(273,979)	(35,447)
Deficit from takaful operations			(630,386)	(45,175)
Identifiable assets and liabilities on 30 September 2024				
Identifiable assets	61,228,038	26,240,587	87,468,625	6,478,717
Identifiable liabilities	61,502,494	26,358,211	87,860,705	6,754,018

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024 (Continued)**

27 Segment information (continued)

Operating segments (continued)

30 September 2023

(Unaudited)	Fire, energy, medical, engineering, liability and general accident	Motor, marine and aviation	Total General Takaful	Family Takaful
	RO	RO	RO	RO
Gross contributions	16,752,500	7,786,658	24,539,158	2,066,209
Retakaful/reinsurance share	(11,440,017)	(1,700,699)	(13,140,716)	(1,486,834)
Retained contributions	5,312,483	6,085,959	11,398,442	579,375
Unearned contributions adjustment – net	150,334	(639,098)	(488,764)	(31,921)
Net earned contributions	5,462,817	5,446,861	10,909,678	547,454
Fee and Commission income	278,415	284,138	562,553	574
Segment Revenue	5,741,232	5,730,999	11,472,231	548,028
Net claims incurred	(2,893,377)	(3,195,799)	(6,089,176)	(232,675)
Commission expense	(161)	-	(161)	-
Takaful expense	(159,844)	(295,580)	(455,424)	(451)
Underwriting surplus before wakala fees	2,687,850	2,239,620	4,927,470	314,902
Provision for impairment of receivables	-	-	(90,000)	-
Wakala fees	-	-	(4,907,832)	(309,931)
(Deficit) / surplus from takaful operations after wakala fees	-	-	(70,362)	4,971
Investment income – net	-	-	452,552	61,543
Mudarib share	-	-	(248,903)	(33,848)
Surplus from takaful operations	-	-	133,287	32,666
Identifiable assets and liabilities on 30 September 2023				
Identifiable assets	51,086,388	21,894,167	72,980,555	6,049,621
Identifiable liabilities	50,867,077	21,800,175	72,667,252	6,342,495

The activities of the Company are restricted to carrying out takaful, on the principles of Shari'ah a 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.

28 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 and amounted to RO 11 (31 December 2023 – RO 6,711). All non-Islamic income is credited to a charity account where the Company uses these funds for charitable purposes.