

Dear Shareholders,

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

On behalf of the Board of Directors, and Management team of Al Madina Insurance Co (“Al Madina”), it gives me great pleasure to present to you the financial results achieved by your company for the period ending on 31st March 2022.

Al Madina Started the year 2022 with an impressive 16% growth on Gross Written Contributions (GWC) as compared to the corresponding period last year.

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, professional expertise, efficient claims servicing, adopt best international practices in the field of insurance operations.

Operating Environment

Economic environment is challenging where pressure on pricing prevail in the insurance market, and the global insurance & reinsurance markets have been witnessing rate corrections and insurers operating margins are shrinking. In these tough circumstances your Company achieved a Gross written contribution of RO 9.29 million as of first quarter of 2022 as against RO 8.04 million during the same period of 2021.

Results from Operations

Your Company continues to deliver stable growth while strengthening adequacy & sufficiency of its reserves. The Company registered a 7% growth in Net Earned Contributions amounting to RO 3.63 million in the 1st Quarter of 2022 as compared to RO 3.41 million in the corresponding period of 2021. However simultaneously a 10% increase in the incurred claims was witnessed in the first quarter of 2022 due to easing out of COVID related restriction this year. This resulted in 2% decline in the Surplus from Takaful Operations, (before Investment income, Mudarib Share & Wakala fee) adjusted for Commission expense for the first quarter.

However, the claims are expected to normalize as the year progresses and there would not be any significant impact on the annual performance of the Company.

Investment Income

The investment performance of your company has been encouraging and achieved a 6% growth in Q1-2022 as compared to Q1-2021. Investment income of RO 422 K was registered for Q1-2022 as against RO 400K for the corresponding period.

Your Company 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

Despite the increase in incurred claims, the Company was able to maintain the same level of Profit after tax at RO 446K in this quarter as compared to RO 445K for the corresponding period.

Risk Management

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

Company's Outlook & Vision

Going forward, the outlook looks positive, supported by improvement in the economic growth leading to higher employment levels as well as disposal income which should drive the demand for discretionary products such as insurance.

There have been positive signs of recovery and improvement has been seen in the Oil Prices. However, the claims intimations in the coming Quarters will continue to remain higher than last year when the Partial lockdowns and closures were in place due to the 2nd wave of COVID-19 in 2021. The Insurance industry in Oman will continue to feel the effects of the economic fallout, mainly on its revenue, which will remain stressed. Market credit issue and cash flow will continue to be a challenging concern to most Industries.

We expect to maintain our market position with continued growth in GWC. Mandatory health insurance is expected to be launched soon and it will give a thrust to Health Insurance in Oman Focus will be more on further increasing bottom line business and expect to show sustainable growth and profitability in 2022.

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 focus on its mission of Superior Customer service with many technology-driven innovation and consumer centric strategies. The Company, with its well-planned growth strategy and business continuity plan is well positioned to achieve stable growth and Operational Profit in 2022 through disciplined underwriting, Process efficiency, Expense management and focused sales planning.

The Company continues to invest on IT upgrades, Process automations and digitization of Insurance processes which is expected to provide the necessary platform for a positive engagement with customers and grow on the back of a superior customer service.

The Company will continue to look at growing opportunities within the Islamic finance space for optimizing the Investment Income in line with the Company's risk appetite.

Acknowledgements

On behalf of the Board, we extend our thanks to our customers, business partners, shareholders, and staff members for their support. We also thank and appreciate the Capital Market Authority for their constant support and their initiatives oriented towards the Insurance Market, with special emphasis on the development of Takaful Insurance in the country.

We extend our gratitude and appreciation to His Majesty Haitham bin Tariq Al Said for his inspiring visionary leadership for setting the path that will achieve the aspirations of every citizen of this blessed Country for further progress and prosperity.

May God Bless you all.

Dr. Mohammed Ali Al Barwani
Chairman of the Board.

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	Shareholders' fund		Participants' fund						Grand total	
		Unaudited 31 March 2022 RO	Audited 31 December 2021 RO	General takaful		Family takaful		Total participants' fund		Unaudited 31 March 2022 RO	Audited 31 December 2021 RO
				Unaudited 31 March 2022 RO	Audited 31 December 2021 RO	Unaudited 31 March 2022 RO	Audited 31 December 2021 RO	Unaudited 31 March 2022 RO	Audited 31 December 2021 RO		
ASSETS											
Cash and bank balances	5	1,770,102	1,883,878	3,075,248	4,769,100	615,185	613,196	3,690,433	5,382,296	5,460,535	7,266,174
Investments carried at fair value through profit or loss	7	1,209,683	1,252,303	-	-	-	-	-	-	1,209,683	1,252,303
Takaful balance receivable	8	-	-	15,034,548	15,208,309	1,165,255	1,058,288	16,199,803	16,266,597	16,199,803	16,266,597
Retakaful / reinsurance balance receivable	8	-	-	174,318	222,890	471,818	649,132	646,136	872,022	646,136	872,022
Receivable from participants' fund – family takaful		-	-	1,114,988	1,563,545	-	-	1,114,988	1,563,545	1,114,988	1,563,545
Receivable from participants' fund	9	2,906,251	2,666,587	-	-	-	-	-	-	2,906,251	2,666,587
Due from retakaful / reinsurance companies in connection with takaful liabilities	10	-	-	58,115,594	60,664,527	1,797,564	1,647,732	59,913,158	62,312,259	59,913,158	62,312,259
Deferred policy acquisition cost	11	808,199	776,080	7,436	13,711	395	724	7,831	14,435	816,030	790,515
Other receivables and takaful assets	12	894,469	587,373	1,360,724	1,182,090	546,370	501,227	1,907,094	1,683,317	2,801,563	2,270,690
Investments at fair value through equity	13	2,334,597	2,266,624	-	-	-	-	-	-	2,334,597	2,266,624
Bank deposits	6	3,350,000	3,350,000	8,025,000	8,025,000	1,075,000	1,075,000	9,100,000	9,100,000	12,450,000	12,450,000
Investments carried at amortised cost	14	6,228,892	6,229,113	-	-	100,000	100,000	100,000	100,000	6,328,892	6,329,113
Deferred tax asset		201,925	201,925	-	-	-	-	-	-	201,925	201,925
Investment in real estate	15	5,170,000	5,170,000	-	-	-	-	-	-	5,170,000	5,170,000
Property and equipment	16	681,829	686,092	-	-	-	-	-	-	681,829	686,092
Total assets		25,555,947	25,069,975	86,907,856	91,649,172	5,771,587	5,645,299	92,679,443	97,294,471	118,235,390	122,364,446

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

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022 (CONTINUED)

	Note	Shareholders' fund		Participants' fund						Grand total	
		(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO	General takaful		Family takaful		Total participants' fund		(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO
				(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO	(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO	(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO		
LIABILITIES, PARTICIPANTS' FUND AND SHAREHOLDERS' EQUITY											
LIABILITIES											
Takaful liabilities	10	-	-	70,487,466	73,349,399	2,248,041	2,023,619	72,735,507	75,373,018	72,735,507	75,373,018
Unearned retakaful commission	18	-	-	151,887	162,408	-	-	151,887	162,408	151,887	162,408
Retakaful/reinsurance payables		-	-	11,172,581	12,674,381	306,665	140,950	11,479,246	12,815,331	11,479,246	12,815,331
Accounts and other payables		3,163,369	1,762,731	3,536,664	4,213,971	1,041,629	969,008	4,578,293	5,182,979	7,741,662	6,945,710
Charity fund payable		6,327	6,327	-	-	-	-	-	-	6,327	6,327
Payable to shareholders	9	-	-	1,308,729	1,259,707	1,597,522	1,406,880	2,906,251	2,666,587	2,906,251	2,666,587
Payable to participants' fund – general takaful		-	-	-	-	1,114,988	1,563,546	1,114,988	1,563,546	1,114,988	1,563,546
Employees' end of service benefits		639,106	572,083	-	-	-	-	-	-	639,106	572,083
Total liabilities		3,808,802	2,341,141	86,657,327	91,659,866	6,308,845	6,104,003	92,966,172	97,763,869	96,774,974	100,105,010
PARTICIPANTS' FUND											
Surplus / (deficit) in participants' fund – net		-	-	250,529	(10,694)	(537,258)	(458,704)	(286,729)	(469,398)	(286,729)	(469,398)
Total participants' fund		-	-	250,529	(10,694)	(537,258)	(458,704)	(286,729)	(469,398)	(286,729)	(469,398)
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		1,193,856	1,167,573	-	-	-	-	-	-	1,193,856	1,167,573
Investment fair value reserve		931,438	863,465	-	-	-	-	-	-	931,438	863,465
Retained earnings		741,700	1,817,645	-	-	-	-	-	-	741,700	1,817,645
Total shareholders' equity		21,747,145	22,728,834	-	-	-	-	-	-	21,747,145	22,728,834
Total liabilities, participants' fund and shareholders' equity		25,555,947	25,069,975	86,907,856	91,649,172	5,771,587	5,645,299	92,679,443	97,294,471	118,235,390	122,364,446

Director

Director

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

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF PARTICIPANTS' REVENUE AND EXPENSES FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	General takaful		Family takaful		Total	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	31 March 2022 RO	31 March 2021 RO	31 March 2022 RO	31 March 2021 RO	31 March 2022 RO	31 March 2021 RO
Takaful revenue						
Gross contributions	8,365,454	7,523,409	928,847	512,789	9,294,301	8,036,198
Retakaful/reinsurance share	(4,561,896)	(3,863,406)	(693,868)	(375,471)	(5,255,764)	(4,238,877)
Retained contributions	3,803,558	3,660,003	234,979	137,318	4,038,537	3,797,321
Movement in unearned contributions reserve	(316,550)	(382,063)	(89,923)	(7,860)	(406,473)	(389,923)
Net earned contributions	3,487,008	3,277,940	145,056	129,458	3,632,063	3,407,398
Income earned from retakaful contracts	18 105,314	96,656	-	-	105,314	96,656
	3,592,322	3,374,596	145,056	129,458	3,737,378	3,504,054
Takaful expenses						
Gross claims settled	19 (3,283,439)	(3,481,417)	(383,903)	(292,441)	(3,667,342)	(3,773,858)
Claims recovered from retakaful/reinsurance	19 1,039,700	1,974,349	324,127	253,911	1,363,827	2,228,260
Net claims settled	(2,243,739)	(1,507,068)	(59,776)	(38,530)	(2,303,515)	(1,545,598)
Net movement in outstanding claims	629,550	51,204	15,334	(7,552)	644,884	43,652
Net claims incurred	19 (1,614,189)	(1,455,864)	(44,442)	(46,082)	(1,658,631)	(1,501,946)
Commission expense	(6,275)	(345,154)	(329)	(21,252)	(6,604)	(366,406)
	(1,620,464)	(1,801,018)	(44,771)	(67,334)	(1,665,235)	(1,868,352)
Surplus from Takaful operations	1,971,858	1,573,578	100,285	62,124	2,072,143	1,635,702
Takaful (expense) / income – net	(61,884)	48,670	110	(16)	(61,774)	48,654
Provision for impairment of receivable	(30,000)	(45,000)	-	-	(30,000)	(45,000)
Surplus from takaful operations	1,879,974	1,577,248	100,395	62,108	1,980,369	1,639,356
Investment income – net	21 120,755	81,617	15,155	7,307	135,910	88,924
Mudarib share	20 (66,415)	(44,889)	(8,335)	(4,019)	(74,750)	(48,908)
Wakala fees	20 (1,673,091)	(1,504,682)	(185,769)	(102,558)	(1,858,860)	(1,607,240)
Surplus / (Deficit) from takaful operations	261,223	109,294	(78,554)	(37,162)	182,669	72,132

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

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	<i>Note</i>	Shareholders' fund	
		(Unaudited) 31 March 2022 RO	(Unaudited) 31 March 2021 RO
Wakala fees	20	1,858,860	1,607,240
Investment income – net	21	286,399	310,950
Mudarib share	20	74,750	48,908
		<u>2,220,009</u>	<u>1,967,098</u>
General and administrative expenses		(1,465,238)	(1,450,495)
Commission expense		(441,938)	(81,746)
Other income		5	44
		<u>(1,907,171)</u>	<u>(1,532,197)</u>
Profit before tax		312,838	434,901
Taxation		(50,000)	(62,500)
Profit for the period		262,838	372,401
Earnings per share - basic and diluted	24	0.002	0.002

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AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	Share Capital RO	Share premium RO	Legal Reserve RO	Fair value reserve RO	Retained earnings RO	Total RO
At 1 January 2022 (Audited)	17,500,000	1,380,151	1,167,573	863,465	1,817,645	22,728,834
Comprehensive income:						
Profit for the period	-	-	-	-	262,838	262,838
Other comprehensive income – change in fair value of investments at fair value through equity	-	-	-	67,973	-	67,973
	-	-	-	67,973	262,838	330,811
Transaction with owners:						
Dividend declared during the period	-	-	-	-	(1,312,500)	(1,312,500)
Transfer to legal reserve	-	-	26,283	-	(26,283)	-
	-	-	26,283	-	(1,338,783)	(1,312,500)
At 31 March 2022 (Unaudited)	17,500,000	1,380,151	1,193,856	931,438	741,700	21,747,145

	Share capital RO	Share premium RO	Legal Reserve RO	Fair value reserve RO	Retained earnings RO	Total RO
At 1 January 2021 (Audited)	17,500,000	1,380,151	1,072,093	741,124	2,708,315	23,401,683
Comprehensive income:						
Profit for the period	-	-	-	-	372,401	372,401
Other comprehensive income – change in fair value of investments at fair value through equity	-	-	-	(64,364)	-	(64,364)
	-	-	-	(64,364)	372,401	308,037
Transaction with owners:						
Dividend declared during the period	-	-	-	-	(1,750,000)	(1,750,000)
Transfer to legal reserve	-	-	37,240	-	(37,240)	-
	-	-	37,240	-	(1,787,240)	(1,750,000)
At 31 March 2021 (Unaudited)	17,500,000	1,380,151	1,109,333	676,760	1,293,476	21,959,720

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

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN PARTICIPANTS' FUND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	Deficit in participants' fund		
	General takaful RO	Family takaful RO	Total RO
At 1 January 2022 (Audited)	(10,694)	(458,704)	(469,398)
Surplus / (deficit) for the period	261,223	(78,554)	182,669
At 31 March 2022 (Unaudited)	250,529	(537,258)	(286,729)
At 1 January 2021 (Audited)	(288,215)	(619,229)	(907,444)
Surplus / (deficit) for the period	109,294	(37,162)	72,132
At 31 March 2021 (Unaudited)	(178,921)	(656,391)	(835,312)

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

AL MADINA INSURANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	<i>Note</i>	(Unaudited) 31 March 2022 RO	(Unaudited) 31 March 2021 RO
Operating activities			
Profit before tax for the period		312,838	434,901
Surplus from takaful operations		182,669	72,132
Adjustments for:			
Depreciation	16	39,477	30,184
Dividend income	21	(72,543)	(51,251)
Income from bank deposit	21	(179,731)	(170,995)
Profit from investments carried out at amortised cost	21	(100,889)	(99,811)
End of service benefits charge for the period		67,023	43,541
Rental income on investment in real estate	21	(75,639)	(86,735)
Unrealised gain on investments at fair value through profit or loss	21	(4,362)	(13,311)
Provision for doubtful debt		30,000	45,000
Realised gain on investments carried at fair value through profit or loss	21	(4,889)	(15,404)
		193,954	188,251
Working capital changes:			
Takaful and retakaful/reinsurance balance receivables		262,680	(1,004,566)
Retakaful / reinsurance share of outstanding claims and unearned contribution reserve		2,399,101	2,359,176
Other receivables, prepayments and other assets		(245,369)	1,775
Deferred policy acquisition cost		(25,515)	6,120
Outstanding claims and unearned premium reserve		(2,637,511)	(2,012,905)
Accounts and other payables		(566,548)	275,246
Due to retakaful / reinsurance		(1,336,085)	(1,374,147)
Unearned retakaful/reinsurance commission		(10,521)	8,701
Net cash (uses in) / generated from operating activities		(1,965,814)	(1,552,349)
Investing activities			
Purchase of property and equipment	16	(35,214)	(5,581)
Proceeds from disposal of investments at fair value through profit or loss	7	51,871	-
Proceeds from disposal of investments at fair value through equity	13	-	70,404
Rent on investment in real estate received		24,168	28,350
Profit on bank deposits received		46,807	37,218
Dividends received		72,543	51,251
Net cash generated from investing activities		160,175	181,642
Net change in cash and cash equivalents		(1,805,639)	(1,370,707)
Cash and cash equivalents at the beginning of the period	5	7,266,174	7,260,386
Cash and cash equivalents at the end of the period	5	5,460,535	5,889,679

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 THREE-MONTH PERIOD ENDED 31 MARCH 2022****1 Legal status and principal activities**

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

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

The Company has 9 branches in the Sultanate of Oman (31 December 2021: 9).

2 Summary of significant accounting policies

(a) This unaudited condensed interim financial information for the three month period ended 31 March 2022 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 2021.

(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 2021. In addition, results for the three month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the year ending 31 December 2022.

(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 applied the following standards and amendments to standards in preparation of these unaudited condensed interim financial information. The adoption of the below standards and amendments to standards did not result in changes to previously reported net profit or equity of the Company, however, may result in additional disclosures at year end.

(i) FAS 38 Wa’ad, Khiyar and Tahawwut (effective 1 January 2022)

AAOIFI has issued FAS 38 “Wa’ad, Khiyar and Tahawwut” in 2020. The objective of this standard is to prescribe the accounting and reporting principles for recognition, measurement and disclosure in relation to Shari’ah compliant Wa’ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions. Wa’ad and Khiyar are used by institutions in various forms. Some are ancillary to other transactions, whereas a few are used as primary products. This standard intends to provide accounting principles for both of these, as well as the Tahawwut transactions which are normally based on Wa’ad or Khiyar, or a series or combination thereof.

The Company's management has assessed the impact of the above standard on the Company's financial statements and based on preliminary assessment there is no significant change in respect of recognition, measurement and disclosure in relation to Shari’ah compliant Wa’ad (promise), Khiyar (option) and Tahawwut (hedging) arrangements for Islamic financial institutions.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (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 2021.

The Company has been closely monitoring the impact of coronavirus outbreak on the Company's business and has put in place adequate contingency measures to ensure business continuity. As the situation is fast evolving, currently the effect of the outbreak is uncertain, with the possible effects currently unknown. The Company will keep its contingency measures under review as the situation evolves.

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 2021. There have been no changes in the risk management policies since year end.

5 Cash and cash equivalents

	Shareholders RO	Participants		
		General RO	Family RO	Total RO
31 March 2022 (Unaudited)				
Cash at bank in current accounts	45,110	596,811	175,054	771,865
Cash at bank in call accounts	1,151,860	2,477,594	440,131	2,917,725
Cash balances with investment managers	569,353	-	-	-
Cash in hand	3,779	843	-	843
	1,770,102	3,075,248	615,185	3,690,433
31 December 2021 (Audited)				
Cash at bank in current accounts	319,036	1,505,475	58,402	1,563,877
Cash at bank in call accounts	893,841	3,262,807	554,794	3,817,601
Cash balances with investment managers	667,210	-	-	-
Cash in hand	3,791	818	-	818
	1,883,878	4,769,100	613,196	5,382,296

6 Bank deposits

	Shareholders RO	Participants		
		General RO	Family RO	Total RO
31 March 2022 (Unaudited)				
Bank deposits with maturity of more than three months	3,350,000	8,025,000	1,075,000	9,100,000
31 December 2021 (Audited)				
Bank deposits with maturity of more than three months	3,350,000	8,025,000	1,075,000	9,100,000

6.1 Bank deposits carry profit rates in range of 4.75% to 5.1% per annum (31 December 2021 – 4.75% to 5.1% 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 4,250,000 (31 December 2021 - RO 4,250,000) to the CMA. The Company can only transfer these assets with the prior approval of the CMA.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)**

6 Bank deposits (continued)

6.3 The Company has kept a deposit of RO 50,000 (31 December 2021 - 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

(a)

	Shareholders – (Unaudited)		Shareholders – (Audited)	
	31 March 2022		31 December 2021	
	Fair value	Cost	Fair value	Cost
	RO	RO	RO	RO
<i>Local quoted</i>				
Service sector	269,410	271,898	318,880	310,470
Industrial sector	934,273	927,370	927,370	678,315
Financial sector	6,000	6,053	6,053	6,008
Total investments	1,209,683	1,205,321	1,252,303	994,793

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

	Shareholders	
	(Unaudited)	(Audited)
	31 March	31 December
	2021	2020
	RO	RO
At 1 January	1,252,303	1,212,211
Purchases	-	44,576
Disposals	(51,871)	(283,717)
Realised gain on disposal	4,889	21,722
Net change in fair value	4,362	257,511
At 31 March / 31 December	1,209,683	1,252,303

(c) Details of the Company's investments carried at fair value through profit or loss for which the Company's holding exceeds 10% of the fair value of investments held at fair value through profit or loss at 31 March 2022 / 31 December 2021 are:

	% of	Number of	Fair value	Cost
	Portfolio	Securities	RO	RO
31 March 2022 (Unaudited)				
Al Maha Ceramic Company SAOG	25%	587,443	297,246	262,000
Salalah Mill Company SAOG	23%	256,556	282,212	282,212
Oman Refreshment Company SAOG	11%	76,978	134,712	134,712
	% of	Number of	Fair value	Cost
	Portfolio	Securities	RO	RO
31 December 2021 (Audited)				
Salalah Mill Company SAOG	22	256,556	282,212	141,106
Al Maha Ceramic Company SAOG	21	587,443	262,000	129,237
Oman Refreshment Company SAOG	11	76,978	134,712	81,597

(d) **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 investments with the carrying value of RO 2,500 (31 December 2021 – RO 2,500) to the CMA. The Company can only transfer these assets with the prior approval of the CMA.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)**

8 Takaful and retakaful / reinsurance balance receivable

	Participants		
	General RO	Family RO	Total RO
31 March 2022 (Unaudited)			
Takaful receivable including due from related parties	16,519,001	1,230,000	17,749,001
Less: specific and portfolio provision for impairment	(1,484,453)	(64,745)	(1,549,198)
	15,034,548	1,165,255	16,199,803
Retakaful / reinsurance balances receivable	479,907	492,683	972,590
Less: specific and portfolio provision for impairment	(305,589)	(20,865)	(326,454)
	174,318	471,818	646,136
	15,208,866	1,637,073	16,845,939

	Participants		
	General RO	Family RO	Total RO
31 December 2021 (Audited)			
Takaful receivable including due from related parties	16,662,762	1,123,033	17,785,795
Less: specific and portfolio provision for impairment	(1,454,453)	(64,745)	(1,519,198)
	15,208,309	1,058,288	16,266,597
Retakaful / reinsurance balances receivable	528,479	669,997	1,198,476
Less: specific and portfolio provision for impairment	(305,589)	(20,865)	(326,454)
	222,890	649,132	872,022
	15,431,199	1,707,420	17,138,619

Normal credit period allowed to takaful debtors and retakaful / reinsurance companies is 120 days after which amounts are considered as past due. As at 31 March 2022, receivables past due above 121 days amounting to RO 6,515,473 (31 December 2021 RO 6,220,743) are not considered impaired as these are due from government, quasi-government entities, brokers and corporate clients with which the Company deals in the normal course of business and with which there is no recent history of default.

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

	Participants		
	General RO	Family RO	Total RO
31 March 2022 (Unaudited)			
Neither past due nor impaired	9,510,507	819,959	10,330,466
Past due but not impaired	5,698,359	817,114	6,515,473
Past due and impaired	1,790,042	85,610	1,875,652
	16,998,908	1,722,683	18,721,591
31 December 2021 (Audited)			
Neither past due nor impaired	9,758,945	1,158,932	10,917,877
Past due but not impaired	5,672,254	548,488	6,220,742
Past due and impaired	1,760,042	85,610	1,845,652
	17,191,241	1,793,030	18,984,271

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (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
<u>31 March 2022 (Unaudited)</u>			
At 1 January 2022	1,760,042	85,610	1,845,652
Charge for the period	30,000	-	30,000
At 31 March 2022	1,790,042	85,610	1,875,652
<u>31 December 2021 (Audited)</u>			
At 1 January 2021	1,311,351	75,610	1,386,961
Charge for the year	448,691	10,000	458,691
At 31 December 2021	1,760,042	85,610	1,845,652

(c) At 31 March 2022, 31% of the Company's takaful receivable is from 5 customers (31 December 2021 - 41% from 5 customers).

(d) At 31 March 2022, 71% of the Company's due from retakaful / reinsurance companies are from 5 retakaful / reinsurance companies (31 December 2021 - 70% from 5 retakaful / reinsurance companies).

9 Receivable from participants and payable to shareholders

	Shareholders	
	(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO
At 1 January	2,666,587	1,637,332
Wakala fee income for the period / year	1,858,860	8,824,814
Mudarib share for the period / year	74,751	205,953
Amount received from policyholders	(1,650,000)	(7,750,000)
Net movement in policyholders' account	(43,947)	(251,512)
At 31 March / 31 December – net	2,906,251	2,666,587

(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 31 March 2022 RO	Audited 31 December 2021 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	824,773	775,751
- From family takaful	874,925	684,283
	1,699,698	1,460,034
	2,906,251	2,666,587

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)**

10 Takaful liabilities

	31 March 2022 – (Unaudited)			31 December 2021 – (Audited)		
	Gross RO	Retakaful / reinsurance RO	Net RO	Gross RO	Retakaful / reinsurance RO	Net RO
General takaful						
Claims incurred but not settled	47,251,838	(42,906,089)	4,345,749	47,769,540	(42,894,241)	4,875,299
Claims incurred but not reported	5,669,474	(4,589,154)	1,080,320	5,769,474	(4,589,154)	1,180,320
	52,921,312	(47,495,243)	5,426,069	53,539,014	(47,483,395)	6,055,619
Unearned contributions reserve	17,566,154	(10,620,351)	6,945,803	19,810,385	(13,181,132)	6,629,253
	70,487,466	(58,115,594)	12,371,872	73,349,399	(60,664,527)	12,684,872
Family takaful						
Claims incurred but not settled	893,490	(771,491)	121,999	962,721	(825,388)	137,333
Claims incurred but not reported	509,051	(439,351)	69,700	509,051	(439,351)	69,700
	1,402,541	(1,210,842)	191,699	1,471,772	(1,264,739)	207,033
Unearned contributions reserve	845,500	(586,722)	258,778	551,847	(382,993)	168,854
	2,248,041	(1,797,564)	450,477	2,023,619	(1,647,732)	375,887
	72,735,507	(59,913,158)	12,822,349	75,373,018	(62,312,259)	13,060,759

(a) Claims and loss adjustment expenses

	31 March 2022 – (Unaudited)			31 December 2021 – (Audited)		
	Gross RO	Retakaful / reinsurance RO	Net RO	Gross RO	Retakaful / reinsurance RO	Net RO
General takaful						
Notified claims	47,769,540	(42,894,241)	4,875,299	33,185,634	(28,669,955)	4,515,679
Incurred but not reported	5,769,474	(4,589,154)	1,180,320	5,827,961	(4,441,263)	1,386,698
Total at the beginning of the period / year	53,539,014	(47,483,395)	6,055,619	39,013,595	(33,111,218)	5,902,377
Cash paid for claims settled during the period / year	(3,283,439)	1,039,700	(2,243,739)	(14,103,250)	7,280,848	(6,822,402)
Increase in liabilities arising from current and prior period claims	2,665,737	(1,051,548)	1,614,189	28,628,669	(21,653,025)	6,975,644
Total at the end of the period / year	52,921,312	(47,495,243)	5,426,069	53,539,014	(47,483,395)	6,055,619
Notified claims	47,251,838	(42,906,089)	4,345,749	47,769,540	(42,894,241)	4,875,299
Incurred but not reported	5,669,474	(4,589,154)	1,080,320	5,769,474	(4,589,154)	1,180,320
Total at the end of the period / year	52,921,312	(47,495,243)	5,426,069	53,539,014	(47,483,395)	6,055,619

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)**

10 Takaful liabilities (continued)

(a) Claims and loss adjustment expenses (continued)

	31 March 2022 – (Unaudited)			31 December 2021 – (Audited)		
	Gross	Retakaful / reinsurance	Net	Gross	Retakaful / reinsurance	Net
	RO	RO	RO	RO	RO	RO
Family takaful						
Notified claims	962,721	(825,388)	137,333	948,609	(815,407)	133,202
Incurring but not reported	509,051	(439,351)	69,700	302,083	(254,557)	47,526
Total at the beginning of the period / year	1,471,772	(1,264,739)	207,033	1,250,692	(1,069,964)	180,728
Cash paid for claims settled during the period / year	(383,902)	324,127	(59,775)	(3,160,991)	2,744,110	(416,881)
Increase in liabilities arising from current and prior period claims	314,671	(270,230)	44,441	3,382,071	(2,938,885)	443,186
Total at the end of the period / year	1,402,541	(1,210,842)	191,699	1,471,772	(1,264,739)	207,033
Notified claims	893,490	(771,491)	121,999	962,721	(825,388)	137,333
Incurring but not reported	509,051	(439,351)	69,700	509,051	(439,351)	69,700
Total at the end of the period / year	1,402,541	(1,210,842)	191,699	1,471,772	(1,264,739)	207,033

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

	31 March 2022 – (Unaudited)			31 December 2021 – (Audited)		
	Gross	Retakaful / reinsurance	Net	Gross	Retakaful / reinsurance	Net
	RO	RO	RO	RO	RO	RO
Unearned contributions reserves	19,810,385	(13,181,132)	6,629,253	16,337,747	(10,220,911)	6,116,836
Mathematical reserves	551,847	(382,993)	168,854	551,373	(364,055)	187,318
Total at the beginning of the period / year	20,362,232	(13,564,125)	6,798,107	16,889,120	(10,584,966)	6,304,154
Gross contributions during the period / year	9,294,301	(5,255,764)	4,038,537	44,124,069	(29,289,097)	14,834,972
Net release during the period / year	(11,244,879)	7,612,816	(3,632,063)	(40,650,957)	26,309,938	(14,341,019)
Total at the end of the period / year	18,411,654	(11,207,073)	7,204,581	20,362,232	(13,564,125)	6,798,107
Unearned contributions reserves	17,566,154	(10,620,351)	6,945,803	19,810,385	(13,181,132)	6,629,253
Mathematical reserves	845,500	(586,722)	258,778	551,847	(382,993)	168,854
Total at the end of the period / year	18,411,654	(11,207,073)	7,204,581	20,362,232	(13,564,125)	6,798,107

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)**

11 Deferred policy acquisition cost

	Shareholder RO	General takaful RO	Family takaful RO	Total RO
(Unaudited)				
At 1 January 2022	776,080	13,711	724	14,435
Cost incurred during the period	474,057	-	-	-
Amortised during the period	(441,938)	(6,275)	(329)	(6,604)
At 31 March 2022	808,199	7,436	395	7,831

	Shareholder RO	General takaful RO	Family takaful RO	Total RO
(Audited)				
At 1 January 2021	7,875	762,721	53,358	816,079
Cost incurred during the year	1,877,430	-	-	-
Amortised during the year	(1,109,225)	(749,010)	(52,634)	(801,644)
At 31 December 2021	776,080	13,711	724	14,435

12 Other receivables and takaful assets

	Shareholders	Participants		Total RO
	RO	General takaful RO	Family takaful RO	
31 March 2022 – (Unaudited)				
Rent receivable	63,642	-	-	-
Accrued profit on bank deposits and Sukuks	478,844	339,261	55,061	394,322
Advances	103,506	14,861	491,309	506,170
Prepayments	97,984	-	-	-
Others	150,493	1,006,602	-	1,006,602
	894,469	1,360,724	546,370	1,907,094

	Shareholders	Participants		Total RO
	RO	General takaful RO	Family takaful RO	
31 December 2021 – (Audited)				
Rent receivable	12,171	-	-	-
Accrued profit on bank deposits and Sukuks	341,481	254,732	42,921	297,653
Advances	102,990	14,861	458,306	473,167
Prepayments	51,253	-	-	-
Other	79,478	912,497	-	912,497
	587,373	1,182,090	501,227	1,683,317

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)**

13 Investments at fair value through equity

	Shareholders			
	31 March 2022 – (Unaudited)		31 December 2021 – (Audited)	
	Fair value	Cost	Fair value	Cost
	RO	RO	RO	RO
<i>Local quoted</i>				
Service sector	99,600	117,600	114,000	117,600
Industrial sector	15,750	6,330	15,525	6,330
	115,350	123,930	129,525	123,930
<i>Local unquoted</i>				
Service sector	230,784	71,428	221,355	71,428
Real estate development	129,600	129,450	129,750	129,450
	360,384	200,878	351,105	200,878
Total Local	475,734	324,808	480,630	324,808
<i>Foreign quoted</i>				
Financial sector	258,888	207,698	225,740	207,698
Service sector	1,561,961	710,690	1,518,362	710,690
Real estate development	38,014	19,231	41,892	19,231
Total Foreign	1,858,863	937,619	1,785,994	937,619
Total investments	2,334,597	1,262,427	2,266,624	1,262,427

13.1 Movement in investments at fair value through equity

	Shareholders	
	(Unaudited)	(Audited)
	31 March 2022 RO	31 December 2021 RO
At the beginning of the period / year	2,266,624	2,225,974
Purchases	-	21,142
Disposals	-	(70,405)
Realised gain	-	15,404
Net change in fair value	67,973	141,333
Impairment loss on investment	-	(66,824)
At the end of the period / year	2,334,597	2,266,624

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (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 10% of investments held at fair value through equity at 31 March 2022 / 31 December 2021 are:

	% of portfolio	Basis of valuation	Number of securities	Fair Value RO
31 March 2022 – (Unaudited)				
Investment from shareholders' fund				
National Takaful Company (Watania) – listed	66	Fair value	14,303,596	1,542,514
31 December 2021 – (Audited)				
National Takaful Company (Watania) - listed	66	Fair value	14,303,596	1,497,587

13.3 *Movement in investments fair value reserve:*

	Shareholders	
	(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO
At 1 January	863,465	741,124
Net change in fair value of investment during the period / year	67,973	141,333
Impact of deferred tax	-	(18,992)
	67,973	122,341
At the end of the period / year	931,438	863,465

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	
	(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO
At 1 January	6,329,113	6,229,587
Purchased during the period / year	-	100,182
Amortised during the period / year	(221)	(656)
At the end of the period / year	6,328,892	6,329,113

14.1 *Restrictions on transfer of assets*

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Company identified 2,986,068 units (31 December 2021 – 2,986,068 units) with the carrying value of RO 5,429,098 (31 December 2021 - RO 5,429,098) to the Capital Market Authority. The Company can only transfer these assets with the prior approval of the CMA.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)**

15 Investment in real estate

Movement of carrying amounts of investment in real estate:

	Shareholders	
	(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO
At 1 January	5,170,000	5,468,830
Impairment on investment in real estate	-	(298,830)
At the beginning and end of the period / year	5,170,000	5,170,000

As of 31 March 2022, the Company has investment in investment real estate of RO 5,170,000 (31 December 2021 – RO 5,170,000) which is 15.69% 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 governing properties amounting to RO 5,170,000 (31 December 2021 – RO 5,170,000) to the Capital Market Authority. The Company can only transfer these assets with the prior approval of the CMA.

16 Property and equipment

	Shareholders	
	(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO
Net book value		
At beginning of the period / year	686,092	729,144
Additions during the period / year	35,214	74,542
Depreciation for the period / year	(39,477)	(117,594)
At the end of the period / year	681,829	686,092

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 2022	162,408	-	162,408
Income from retakaful contracts accrued during the period	94,793	-	94,793
Amortised during the period	(105,314)	-	(105,314)
At 31 March 2022 – (Unaudited)	151,887	-	151,887

	General Takaful RO	Family Takaful RO	Total RO
At 1 January 2021	160,625	-	160,625
Income from retakaful contracts accrued during the year	449,137	-	449,137
Amortised during the year	(447,354)	-	(447,354)
At 31 December 2021 – (Audited)	162,408	-	162,408

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
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19 Net claims incurred

	31 March 2022 – (Unaudited)			31 March 2021 – (Unaudited)		
	Retakaful / reinsurances'			Retakaful / reinsurances'		
	Gross RO	share RO	Net RO	Gross RO	share RO	Net RO
Claims notified and not settled	48,145,328	(43,677,580)	4,467,748	33,193,422	(28,588,193)	4,605,229
Claims incurred but not reported	6,178,525	(5,028,505)	1,150,020	6,130,044	(4,695,820)	1,434,224
Outstanding at end of the period	54,323,853	(48,706,085)	5,617,768	39,323,466	(33,284,013)	6,039,453
Takaful claims paid	3,667,342	(1,363,827)	2,303,515	3,773,858	(2,228,260)	1,545,598
Claims notified and not settled	48,732,261	(43,719,629)	5,012,632	34,134,243	(29,485,362)	4,648,881
Claims incurred but not reported	6,278,525	(5,028,505)	1,250,020	6,130,044	(4,695,820)	1,434,224
Outstanding at beginning of the period	55,010,786	(48,748,134)	6,262,652	40,264,287	(34,181,182)	6,083,105
Claims incurred	2,980,409	(1,321,778)	1,658,631	2,833,037	(1,331,091)	1,501,946

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

	(Unaudited) 31 March 2022 RO	(Unaudited) 31 March 2021 RO
Motor	945,498	731,317
Fire, accidents, engineering and others	6,416,199	4,697,975
Marine cargo and hull	138,822	109,230
Medical	375,271	257,772
Life	320,305	161,198
	8,196,095	5,957,492

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.

20 Wakala fees and mudarib share

The shareholders manage the general and family takaful operations for the participants and has charged 20% (2021 20%) 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% (2021 - 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% and 55% (2021 – 20% and 55%) respectively.

21 Investment income - net

	(Unaudited) 31 March 2022 RO	(Unaudited) 31 March 2021 RO
Investment property rental income	75,639	86,735
Profit from investment carried at amortised cost	100,889	99,811
Dividend income	72,543	51,251
Fair value gain on investments held at fair value through profit or loss	4,362	13,311
Profit on Wakala deposits	179,731	170,995
Gain on sale of investments held at fair value through profit or loss – net	4,889	15,404
Investment management costs	(15,744)	(37,633)
	422,309	399,874

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)**

22 Shari'ah Supervisory Committee

The Company business activities are subject to the supervision of a Shari'ah Supervisory Committee consisting of four 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.

23 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.

24 Earnings per share

	(Unaudited) 31 March 2022	(Unaudited_ 31 March 2021
Shareholder's profit for the period - RO	262,838	372,401
Weighted average number of shares outstanding - number	175,000,000	175,000,000
Earnings per share – basic and diluted - RO	0.002	0.002

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:

(a) Transactions with related parties

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

	(Unaudited) 31 March 2022 RO	(Unaudited) 31 March 2021 RO
Gross contributions	568,391	806,284
Gross claims settled	56,242	162,847
Gross outstanding claims	391,356	3,476,264
Directors' sitting fee	13,600	21,400
Shari'ah Supervisory Committee sitting fee	3,500	3,500

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)**

25 Related parties (continued)

(b) Balances with related parties

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

	(Unaudited) 31 March 2022 RO	(Audited) 31 December 2021 RO
Contribution balances receivables from related parties	2,955,405	3,126,552
Investment in Tilal Sukuk SAOC	2,500,468	2,500,597
Investment in Mohammed Al Barwani Sukuk	1,500,000	1,500,000
Investments at fair value through equity	1,902,898	1,848,692
Investment at fair value through profit or loss	334,885	340,663
Cash with investment manager – Al Madina Investment	525,000	525,000

(c) Compensation of key management personnel of the Company

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

	(Unaudited) 31 March 2022 RO	(Unaudited) 31 March 2021 RO
Short-term benefits	318,951	317,448
Employee end of service benefits	30,252	12,784
	<u>349,203</u>	<u>330,232</u>

26 Contingencies

Contingent liabilities

At 31 March 2022, 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 46,282 (31 December 2021 - RO 67,109).

Capital commitment

At 31 March 2022, the Company has no capital commitment (31 December 2021 - 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.

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.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)**

27 Segment information (continued)

Operating segments (continued)

31 March 2022

	Fire, energy, medical, engineering, liability and general accident	Motor, marine and aviation	Total General Takaful	Family Takaful
	RO			
Gross contributions	5,830,601	2,534,853	8,365,454	928,847
Retakaful/reinsurance share	(3,845,774)	(716,122)	(4,561,896)	(693,868)
Retained contributions	1,984,827	1,818,731	3,803,558	234,979
Unearned contributions adjustment – net	(116,960)	(199,590)	(316,550)	(89,923)
Net earned contributions	1,867,867	1,619,141	3,487,008	145,056
Fee and Commission income	76,897	31,076	107,972	160
Segment Revenue	1,944,764	1,650,216	3,594,980	145,216
Net claims incurred	(821,553)	(792,636)	(1,614,189)	(44,442)
Commission expense	(6,265)	(10)	(6,275)	(329)
Takaful expense	(1,816)	(62,726)	(64,542)	(50)
Underwriting surplus before wakala fees	1,115,130	794,844	1,909,974	100,395
Provision for impairment of receivables			(30,000)	-
Wakala fees			(1,673,091)	(185,769)
Surplus from takaful operations after wakala fees			206,883	(85,374)
Investment income – net			120,755	15,155
Mudarib share			(66,415)	(8,335)
Surplus / (deficit) from takaful operations			261,223	(78,554)
Identifiable assets and liabilities on 31 March 2022				
Identifiable assets	60,835,499	26,072,357	86,907,856	5,771,587
Identifiable liabilities	60,660,128	25,997,199	86,657,327	6,308,845

31 December 2021

	Fire, energy, medical, engineering, liability and general accident	Motor, marine and aviation	Total General Takaful	Family Takaful
	RO			
Gross contributions	32,886,404	8,419,575	41,305,979	2,818,090
Retakaful/reinsurance share	(25,139,515)	(1,928,253)	(27,067,768)	(2,221,329)
Retained contributions	7,746,889	6,491,322	14,238,211	596,761
Unearned contributions adjustment - net	18,764	(531,181)	(512,417)	18,464
Net earned contributions	7,765,653	5,960,141	13,725,794	615,225
Fee and Commission income	375,041	197,023	572,064	486
Segment Revenue	8,140,694	6,157,164	14,297,858	615,711
Net claims incurred	(3,546,210)	(3,429,434)	(6,975,644)	(443,186)
Commission expense	(544,661)	(204,350)	(749,011)	(52,634)
Takaful expense	(28,410)	(211,460)	(239,870)	(180)
Underwriting surplus before wakala fees	4,021,413	2,311,920	6,333,333	119,711
Provision for impairment of receivables	-	-	(448,691)	(10,000)
Wakala fees	-	-	(8,261,196)	(563,618)
Surplus from takaful operations after wakala fees	-	-	(2,376,554)	(453,907)
Investment income – net			342,388	32,072
Mudarib share			(188,313)	(17,640)
Hiba from Shareholder's to Policyholder's			2,500,000	600,000
Surplus from takaful operations			277,521	160,525
Identifiable assets and liabilities on 31 December 2021				
Identifiable assets	64,154,421	27,494,751	91,649,172	5,645,299
Identifiable liabilities	64,161,909	27,497,957	91,659,866	6,104,003

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022 (Continued)****27 Segment information (continued)****Operating segments (continued)**

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.

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 amounted to RO 6,327 (31 December 2021 – RO 6,327). 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.