

**Oman Reinsurance Company SAOG**

**Condensed interim financial information  
for the nine-month period ended 30  
September 2022 (un-audited)**

**Oman Reinsurance Company SAOG**  
**Condensed interim financial information for the nine-month period ended 30 September**  
**2022 (un-audited)**

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**Oman Reinsurance Company SAOG**  
**Condensed interim statement of financial position as at 30 September 2022**  
**(Expressed in Omani Rial)**

|  |       | 30 September<br>2022 | 31 December<br>2021 |
|--|-------|----------------------|---------------------|
|  | Notes | (Un-audited)         | (Audited)           |
| <b>ASSETS</b>  |       |                      |                     |
| <b>Non-current assets</b>                                    |       |                      |                     |
| Property, plant and equipment                                | 5     | 106,899              | 137,643             |
| Intangible assets  | 6     | 119,135              | 163,913             |
| Investment property  | 7     | 1,900,000            | 1,900,000           |
| Investment property under development                        | 8     | 184,592              | 184,592             |
| Investments at fair value through other comprehensive income | 9     | 23,797,910           | 19,788,547          |
| Non-current portion of bank deposits                         | 21    | 10,191,500           | 12,288,000          |
| Deferred tax asset   | 23    | 252,904              | -                   |
| <b>Total non-current assets</b>                              |       | <u>36,552,940</u>    | <u>34,462,695</u>   |
| <b>Current assets</b>  |       |                      |                     |
| Investments at fair value through profit or loss             | 10    | 803,214              | 576,615             |
| Insurance and other receivables                              | 11    | 11,794,833           | 8,360,858           |
| Accrued income   | 12    | 17,097,968           | 11,870,135          |
| Deferred policy acquisition costs                            | 19    | 4,864,342            | 3,081,338           |
| Reinsurers' share of insurance funds                         | 17    | 25,266,338           | 29,898,209          |
| Current portion of bank deposits                             | 21    | 11,840,268           | 11,165,268          |
| Cash and cash equivalents                                    | 22    | 4,435,547            | 5,556,548           |
| <b>Total current assets</b>                                  |       | <u>76,102,510</u>    | <u>70,508,971</u>   |
| <b>Total assets</b>  |       | <u>112,655,450</u>   | <u>104,971,666</u>  |
| <b>EQUITY AND LIABILITIES</b>                                |       |                      |                     |
| <b>Capital and reserves</b>                                  |       |                      |                     |
| Share capital  | 13    | 32,615,926           | 32,615,926          |
| Legal reserve  | 14    | 478,729              | 478,729             |
| Investment fair value reserve                                | 9     | (2,981,393)          | (102,368)           |
| Contingency reserve  | 15    | 4,216,914            | 4,216,914           |
| Accumulated losses   |       | (6,613,228)          | (7,948,515)         |
| <b>Total capital and reserves</b>                            |       | <u>27,716,948</u>    | <u>29,260,686</u>   |
| <b>Non-current liabilities</b>                               |       |                      |                     |
| Employees' benefit liabilities                               | 16    | 316,312              | 243,373             |
| Deferred tax liability                                       | 23    | -                    | 68,358              |
| <b>Total non-current liabilities</b>                         |       | <u>316,312</u>       | <u>311,731</u>      |

**Oman Reinsurance Company SAOG**  
**Condensed interim statement of financial position as at 30 September 2022**  
**(Expressed in Omani Rial)**

|  |       | 30 September<br>2022 | 31 December<br>2021 |
|--|-------|----------------------|---------------------|
|  | Notes | (Un-audited)         | (Audited)           |
| <b>Current liabilities</b>             |       |                      |                     |
| Technical provisions                   | 17    | 69,219,334           | 62,460,289          |
| Reinsurers' premium and other payables | 18    | 15,088,076           | 12,581,149          |
| Deferred commission income             | 19    | 314,780              | 357,811             |
| <b>Total current liabilities</b>       |       | <u>84,622,190</u>    | <u>75,399,249</u>   |
| <b>Total liabilities</b>               |       | <u>84,938,502</u>    | <u>75,710,980</u>   |
| <b>Total equity and liabilities</b>    |       | <u>112,655,450</u>   | <u>104,971,666</u>  |
| <b>Net assets per share</b>            | 29    | <u>0.084</u>         | <u>0.088</u>        |

The unaudited condensed interim financial information, as set out on pages were 2 to 21, were approved and authorised for issue by the Board of Directors on 27 October 2022 and were signed on their behalf by

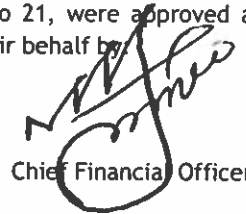


Director



Director

Chief Executive Officer



Chief Financial Officer

**Oman Reinsurance Company SAOG**

**Condensed interim statement of profit or loss and other comprehensive income for the nine-month period ended 30 September 2022 (un-audited)  
(Expressed in Omani Rial)**

|  | Notes | Period from 1<br>January 2022 to 30<br>September 2022<br>(Un-audited) | Period from 1<br>January 2021 to 30<br>September 2021<br>(Un-audited) |
|--|-------|---|---|
| <b>Income</b>  |       |   |   |
| Gross premiums written   | 24    | <u>31,315,592</u>   | <u>24,137,240</u>   |
| Net underwriting results   | 24    | 2,867,513   | 1,265,874   |
| Investment and other income, net   | 25    | <u>1,596,499</u>  | <u>1,518,208</u>  |
|  |       | <u>4,464,012</u>  | <u>2,784,082</u>  |
| <b>Expenses</b>  |       |   |   |
| General and administrative expenses  | 27    | (2,211,042)   | (1,924,603)   |
| Foreign exchange losses, net   |       | <u>(692,219)</u>  | <u>(139,120)</u>  |
|  |       | <u>(2,903,261)</u>  | <u>(2,063,723)</u>  |
| <b>Net profit before tax for the period</b>  |       | 1,560,751   | 720,359   |
| Income tax expense   | 23    | (244,374)   | (100,850)   |
| <b>Net profit after tax for the period</b>   |       | <u>1,316,377</u>  | <u>619,509</u>  |
| <b>Other comprehensive income:</b>   |       |   |   |
| <i>Items that will not be reclassified to profit or loss:</i>  |       |   |   |
| Valuation (losses)/gains on fair value through other comprehensive income on equity investments, net of deferred tax |       | (785,221)   | (177,522)   |
| <i>Items that will or may be reclassified to profit or loss:</i>   |       |   |   |
| Valuation losses on fair value through other comprehensive income on debt instruments, net of deferred tax           |       | (2,074,894)   | 210,003   |
| <b>Other comprehensive (losses)/income for the period</b>  | 9     | <u>(2,860,115)</u>  | <u>32,481</u>   |
| <b>Total comprehensive (loss)/income for the period</b>  |       | <u>(1,543,738)</u>  | <u>651,990</u>  |
| <b>Earnings per share - basic and diluted</b>  | 28    | <u>0.004</u>  | <u>0.002</u>  |

Oman Reinsurance Company SAOG  
Condensed interim statement of changes in shareholders' equity for the nine-month period ended 30 September 2022 (un-audited)  
(Expressed in Omani Rial)

|   | Notes | Share capital            | Legal reserve         | Investment fair value reserve | Contingency reserve     | Accumulated losses        | Total                    |
|---|-------|--------------------------|-----------------------|-------------------------------|-------------------------|---------------------------|--------------------------|
| As at 31 December 2020 (audited)  |       | 30,000,000               | 343,183               | 47,849                        | 2,997,005               | (7,783,883)               | 25,604,154               |
| Net profit after tax for the period   |       | -                        | -                     | -                             | -                       | 619,509                   | 619,509                  |
| Other comprehensive income for the period   |       | -                        | -                     | (32,481)                      | -                       | -                         | (32,481)                 |
| As at 30 September 2021 (un-audited)  |       | <u>30,000,000</u>        | <u>343,183</u>        | <u>15,368</u>                 | <u>2,997,005</u>        | <u>(7,164,374)</u>        | <u>26,191,182</u>        |
| Net profit after tax for the period   |       | -                        | -                     | -                             | -                       | 735,946                   | 735,946                  |
| Additional shares issued through IPO  |       | 2,615,926                | -                     | -                             | -                       | -                         | 2,615,926                |
| Transfer of IPO related cost to equity  |       | -                        | -                     | -                             | -                       | (249,651)                 | (249,651)                |
| Net change in fair value of investments at fair value through other comprehensive income, net of deferred tax |       | -                        | -                     | (32,717)                      | -                       | -                         | (32,717)                 |
| Realised gains on sale of equity instrument at fair value through other comprehensive income                  | 9     | -                        | -                     | (85,019)                      | -                       | 85,019                    | -                        |
| Transferred to legal reserve  | 14    | -                        | 135,546               | -                             | -                       | (135,546)                 | -                        |
| Transferred to contingency reserve  | 15    | -                        | -                     | -                             | 1,219,909               | (1,219,909)               | -                        |
| As at 31 December 2021 (audited)  |       | <u>32,615,926</u>        | <u>478,729</u>        | <u>(102,368)</u>              | <u>4,216,914</u>        | <u>(7,948,515)</u>        | <u>29,260,686</u>        |
| Net profit after tax for the period   |       | -                        | -                     | -                             | -                       | 1,316,377                 | 1,316,377                |
| Other comprehensive income for the period   |       | -                        | -                     | (2,860,115)                   | -                       | -                         | (2,860,115)              |
| Realised gains on sale of equity instrument at fair value through other comprehensive income                  | 9     | -                        | -                     | (18,910)                      | -                       | 18,910                    | -                        |
| As at 30 September 2022 (un-audited)  |       | <u><u>32,615,926</u></u> | <u><u>478,729</u></u> | <u><u>(2,981,393)</u></u>     | <u><u>4,216,914</u></u> | <u><u>(6,613,228)</u></u> | <u><u>27,716,948</u></u> |

**Oman Reinsurance Company SAOG**

**Condensed interim statement of cash flows for the nine-month period ended 30 September 2022  
(un-audited)  
(Expressed in Omani Rial)**

|  | Notes | Period from 1<br>January 2022 to<br>30 September 2022<br>(un-audited) | Period from 1<br>January 2021 to<br>30 September 2021<br>(un-audited) |
|--|-------|---|---|
| <b>Operating activities</b>  |       |   |   |
| Net profit after tax for the period  |       | 1,316,377   | 619,509   |
| <b>Adjustments for:</b>  |       |   |   |
| Depreciation on property, plant and equipment  | 5     | 44,537  | 54,317  |
| Loss / (gain) on sale of investments at fair value through other comprehensive income  |       | 1,256   | (129,319)   |
| Amortisation of intangible assets  | 6     | 46,778  | 41,559  |
| Gain on disposal of property, plant and equipment                                      |       | (684)   | -   |
| Unrealised fair value loss on investments at fair value through profit or loss         | 10    | 142,207   | 6,488   |
| Provision for employees' benefit liabilities   | 16    | 72,939  | 56,649  |
| Interest income from bank deposits   | 25    | (1,649,185)   | (1,350,720)   |
| Dividend income  | 25    | (71,520)  | (58,777)  |
| Deferred tax recognised in profit or loss  | 23    | 5,102   | -   |
| <b>Operating loss before working capital changes</b>                                   |       | <b>(92,193)</b>   | <b>(760,294)</b>  |
| <b>Working capital changes</b>   |       |   |   |
| Insurance and other receivables  |       | (3,433,975)   | (2,692,577)   |
| Accrued income   |       | (5,299,391)   | (3,752,147)   |
| Deferred policy acquisition costs  |       | (1,826,035)   | (1,566,075)   |
| Insurance funds  |       | 11,390,916  | 9,900,797   |
| Reinsurers' premium and other payables   |       | 2,506,927   | 1,571,702   |
| <b>Cash generated from operating activities</b>  |       | <b>3,246,249</b>  | <b>2,701,406</b>  |
| Employees' benefit liabilities paid  | 16    | -   | (11,945)  |
| <b>Net cash generated from operating activities</b>                                    |       | <b>3,246,249</b>  | <b>2,689,461</b>  |
| <b>Investing activities</b>  |       |   |   |
| Purchase of property, plant and equipment  | 5     | (13,793)  | (69,363)  |
| Proceeds from disposal of property, plant and equipment                                |       | 684   | -   |
| Purchase of investments at fair value through other comprehensive income               | 9     | (8,812,134)   | (5,492,111)   |
| Purchase of investments at fair value through profit or loss                           | 10    | (617,987)   | (865,125)   |
| Proceeds from disposal of investments at fair value through other comprehensive income |       | 1,636,733   | 3,332,355   |
| Proceeds from disposal of investments at fair value through profit or loss             | 10    | 249,181   | 1,159,375   |
| Cost of acquisition of intangible assets   | 6     | (2,000)   | (167,434)   |
| Net change in bank deposits  |       | 1,421,500   | (1,500,000)   |
| Interest income received from bank deposits  |       | 1,699,046   | 1,356,589   |
| Dividend income received   | 25    | 71,520  | 58,777  |
| <b>Net cash used in investing activities</b>   |       | <b>(4,367,250)</b>  | <b>(2,186,937)</b>  |
| <b>Net change in cash and cash equivalents</b>   |       | <b>(1,121,001)</b>  | <b>502,524</b>  |
| Cash and cash equivalents, beginning of the period                                     |       | 5,556,548   | 4,124,776   |
| <b>Cash and cash equivalents, end of the period</b>                                    | 22    | <b>4,435,547</b>  | <b>4,627,300</b>  |

## Oman Reinsurance Company SAOG

### Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (un-audited)

(Expressed in Omani Rial)

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#### 1 Legal status and principal activities

Oman Reinsurance Company SAOG ("the Company") is a publicly listed Omani joint stock company (SAOG) registered with the Ministry of Commerce, Industry and Investment Promotion, in accordance with the provisions of the Commercial Companies Law and Regulations and the Insurance Companies Law of the Sultanate of Oman. The Company was registered on 4 August 2008 and obtained a license to operate reinsurance business on 2 July 2009 from the Capital Market Authority (CMA). The Company is principally engaged in underwriting reinsurance business including fire, engineering, accident, medical, motor and aviation classes. The Company had changed its legal structure from a closed Omani joint stock company (SAOC) to an SAOG during the financial year 31 December 2021 through an Initial Public Offering (IPO).

The Company's principal place of business is located at Al Khuwair, Muscat, Sultanate of Oman. The Company is also registered and has started operations through a Branch in Qatar. The Branch is registered in the Qatar Investment and Financial Center (QIFC). These condensed interim financial information include the combined operations and assets and liabilities of the Company and the Branch.

The condensed interim financial information was approved for issue by the Board of Directors on \_\_\_\_\_.

#### 2 Basis of preparation

##### (a) Statement of compliance

The condensed interim financial information for the nine-month period ended 30 September 2022 has been presented in accordance with International Accounting Standard 34 - "Interim Financial Reporting". The accounting policies adopted in preparation of the condensed interim financial information are the same that were followed as at, and for the year ended, 31 December 2021. These condensed interim financial information should therefore be read in conjunction with the audited annual financial statements prepared as at, and for the year ended, 31 December 2021, which have been prepared in accordance with the International Financial Reporting Standards (IFRS).

##### (b) Basis of presentation

The condensed interim financial information for the nine-month period ended 30 September 2022 has been prepared in accordance with IAS 34 "Interim Financial Reporting".

##### (c) Functional currencies

The condensed interim financial information is presented in Omani Rials (RO) which is the functional and reporting currency for the Company.

#### 3 Adoption of new and revised IFRS

##### New and amended standards effective and adopted at 1 January 2022

A number of new or amended standards became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

##### Standards, amendments and interpretations issued but not yet effective at 1 January 2022

The Company has not early adopted any standard, interpretation or amendment that has been issued by the International Accounting Standards Board but is not yet effective.

##### Standards, amendments and interpretations issued but not yet effective in the period 2022

###### IFRS 17 "Insurance Contracts"

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 "Insurance Contracts".

IFRS 17, "Insurance Contracts" requires entities to identify portfolios of insurance contracts, which comprises contracts that are subject to similar risks and are managed together. Each portfolio of insurance contracts issued shall be divided into a minimum of three groups:



## Oman Reinsurance Company SAOG

### Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (un-audited)

(Expressed in Omani Rial)

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#### 3 Adoption of new and revised IFRS (continued)

Standards, amendments and interpretations issued but not yet effective in the period 2022 (continued)  
IFRS 17 "Insurance Contracts" (continued)

- a group of contracts that are onerous at initial recognition, if any;
- a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and
- a group of the remaining contracts in the portfolio, if any.

The Company is not permitted to include contracts issued more than one year apart in the same group. Furthermore, if a portfolio would fall into different groups only because law or regulation constrains the Company's practical ability to set a different price or level of benefits for policyholders with different characteristics, the Company may include those contracts in the same group.

There would have been a material change in the operational results of the Company for the period ended 30 June 2022, had the Company early adopted the above standard as the Company is engaged in underwriting reinsurance business. However, the management is expected to apply the standard from its effective date of 1 January 2023.

#### 4 Significant accounting policies, critical accounting estimates and key source of estimation uncertainty

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual figures may differ from these estimates and judgements. While preparing the unaudited condensed interim financial information, the significant judgements made by the management in applying the accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual audited financial statements prepared as at, and for the year ended, 31 December 2021.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The condensed interim financial information does not include all financial risk management information and disclosures required in the annual audited financial statements, and should therefore be read in conjunction with the annual audited financial statements prepared as at, and for the year ended, 31 December 2021. There has been no change in the risk management policies since 31 December 2021.

**Oman Reinsurance Company SAOG**

**Notes to the condensed interim financial information for the nine-month period ended  
30 September 2022 (un-audited)  
(Expressed in Omani Rial)**

**5 Property, plant and equipment**

(a) The movement in property and equipment is as set out below:

| <b>2022</b>                       | <b>Motor<br/>vehicles</b> | <b>Furniture and<br/>fixtures</b> | <b>Office<br/>equipment</b> | <b>Total</b>   |
|-----------------------------------|---------------------------|-----------------------------------|-----------------------------|----------------|
| <b>Cost</b>                       |                           |                                   |                             |                |
| At 1 January 2022                 | 68,624                    | 228,502                           | 215,922                     | 513,048        |
| Additions during the period       | 5,498                     | 352                               | 7,943                       | 13,793         |
| Disposals during the period       | -                         | (1,142)                           | (9,223)                     | (10,365)       |
| At 30 September 2022 (un-audited) | <u>74,122</u>             | <u>227,712</u>                    | <u>214,642</u>              | <u>516,476</u> |
| <b>Accumulated depreciation</b>   |                           |                                   |                             |                |
| At 1 January 2022                 | 29,569                    | 182,945                           | 162,891                     | 375,405        |
| Charge for the period             | 13,671                    | 15,331                            | 15,535                      | 44,537         |
| Relating to disposals             | -                         | (1,142)                           | (9,223)                     | (10,365)       |
| At 30 September 2022 (un-audited) | <u>43,240</u>             | <u>197,134</u>                    | <u>169,203</u>              | <u>409,577</u> |
| <b>Net book amount</b>            |                           |                                   |                             |                |
| At 30 September 2022 (un-audited) | <u>30,882</u>             | <u>30,578</u>                     | <u>45,439</u>               | <u>106,899</u> |
| <b>2021</b>                       |                           |                                   |                             |                |
| <b>Cost</b>                       |                           |                                   |                             |                |
| At 1 January 2021                 | 37,260                    | 206,439                           | 171,140                     | 414,839        |
| Additions during the year         | 31,364                    | 22,063                            | 44,782                      | 98,209         |
| At 31 December 2021 (audited)     | <u>68,624</u>             | <u>228,502</u>                    | <u>215,922</u>              | <u>513,048</u> |
| <b>Accumulated depreciation</b>   |                           |                                   |                             |                |
| At 1 January 2021                 | 14,373                    | 152,806                           | 138,124.00                  | 305,303        |
| Charge for the year               | 15,196                    | 30,139                            | 24,767                      | 70,102         |
| At 31 December 2021 (audited)     | <u>29,569</u>             | <u>182,945</u>                    | <u>162,891</u>              | <u>375,405</u> |
| <b>Net book amount</b>            |                           |                                   |                             |                |
| At 31 December 2021 (audited)     | <u>39,055</u>             | <u>45,557</u>                     | <u>53,031</u>               | <u>137,643</u> |

Oman Reinsurance Company SAOG

Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (un-audited)  
(Expressed in Omani Rial)

6 Intangible assets

The movement in intangible assets is as follows:-

|                                  | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Year ended 31<br>December 2021<br>(audited) |
|----------------------------------|---|---|
| <b>Cost</b>                      |   |   |
| Opening balance                  | 390,456   | 198,243                                     |
| Additions during the period/year | 2,000   | 192,213                                     |
| Closing balance                  | <u>392,456</u>  | <u>390,456</u>                              |
| <b>Accumulated amortisation</b>  |   |   |
| Opening balance                  | 226,543   | 163,057                                     |
| Charge for the period/year       | 46,778  | 63,486                                      |
| Closing balance                  | <u>273,321</u>  | <u>226,543</u>                              |
| <b>Net book amount</b>           |   |   |
| As at 30 September/31 December   | <u>119,135</u>  | <u>163,913</u>                              |

Intangible assets comprise of multiple software license fees which are being amortised over a period of 4 years. The management of the Company has performed an impairment testing of the license fees and, concluded that, no impairment is considered necessary.

7 Investment property

|                                     | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Year ended 31<br>December 2021<br>(audited) |
|-------------------------------------|---|---|
| <b>Cost</b>                         |   |   |
| Opening balance and closing balance | <u>1,900,000</u>  | <u>1,900,000</u>                            |

The carrying amount of the investment properties is the aggregate fair value (Level-3 fair value hierarchy) as determined by an independent property valuer on the basis of unobservable inputs. Fair value was determined as being the most probable price the property can fetch in a competitive open market. The property has been valued by an independent valuer on an open market basis as at 31 December 2021 at RO 2,100,000. However, based on current market situation and management's estimate of costs involved in disposing-off the property (land), management considers that the fair market value of the investment property of RO 1,900,000 is appropriate. The land located at Ghala, Muscat, Sultanate of Oman is currently under development

8 Investment property under development

|                                     | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Year ended 31<br>December 2021<br>(audited) |
|-------------------------------------|---|---|
| Opening balance and Closing balance | <u>184,592</u>  | <u>184,592</u>                              |

Investment property under development represents amounts spent on designing and planning of the office building and other costs directly attributable towards the development of the investment property located in Ghala, Muscat, Sultanate of Oman.

Oman Reinsurance Company SAOG

Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (un-audited)  
(Expressed in Omani Rial)

9 Investments at fair value through other comprehensive income

|                   | Fair value                        |                               | Average cost                      |                               |
|-------------------|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|
|                   | 30 September 2022<br>(un-audited) | 31 December 2021<br>(audited) | 30 September 2022<br>(un-audited) | 31 December 2021<br>(audited) |
| Bonds             | 20,380,547                        | 15,813,298                    | 21,463,616                        | 14,585,830                    |
| Equity securities | 3,417,363                         | 3,975,249                     | 5,414,519                         | 4,992,536                     |
|                   | <u>23,797,910</u>                 | <u>19,788,547</u>             | <u>26,878,135</u>                 | <u>19,578,366</u>             |

(a) Movement in investments at fair value through other comprehensive income can be summarised as below:

|   | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Year ended 31<br>December 2021<br>(audited) |
|---|---|---|
| At 1 January                            | 19,788,547  | 17,377,803                                  |
| Purchases during the period/year        | 8,812,134   | 6,535,303                                   |
| Sales during the period/year            | (1,619,079)   | (4,243,257)                                 |
| Net realised change in fair value       | (18,910)  | (85,019)                                    |
| Net unrealised change in fair value     | (3,186,479)   | 162,332                                     |
| Amortisation charge for the period/year | 21,697  | 41,385                                      |
| At 30 June/31 December                  | <u>23,797,910</u>   | <u>19,788,547</u>                           |

(b) Investment fair value reserve:

Movement in the investment fair value reserve can be summarised as below:

|  | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Year ended 31<br>December 2021<br>(audited) |
|--|---|---|
| Opening balance  | (102,368)   | 47,849                                      |
| Net change in fair value during the period/year  | (3,186,479)   | 162,332                                     |
| Deferred tax charge  | 326,364   | (227,530)                                   |
| Realised gains on loss of investments at fair value through other comprehensive income | (18,910)  | (85,019)                                    |
| Closing balance  | <u>(2,981,393)</u>  | <u>(102,368)</u>                            |

10 Investments at fair value through profit or loss

Debt instruments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income are as follows:

|                              | Fair value                        |                               | Average cost                      |                               |
|------------------------------|-----------------------------------|-------------------------------|-----------------------------------|-------------------------------|
|                              | 30 September 2022<br>(un-audited) | 31 December 2021<br>(audited) | 30 September 2022<br>(un-audited) | 31 December 2021<br>(audited) |
| Multi-reverse callable notes | 803,214                           | 576,615                       | 945,420                           | 576,750                       |
|                              | <u>803,214</u>                    | <u>576,615</u>                | <u>945,420</u>                    | <u>576,750</u>                |

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10 Investments at fair value through profit or loss (continued)

| (a) Movement in investments at fair value through profit or loss can be summarised as below: | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Year ended 31<br>December 2021<br>(audited) |
|--|---|---|
| At 1 January   | 576,615   | 871,000                                     |
| Purchases during the period/year   | 617,987   | 1,153,500                                   |
| Sales during the period/year   | (249,181)   | (1,447,752)                                 |
| Net change in fair value recognised in profit or loss  | (142,207)   | (133)                                       |
| At 30 June/31 December   | <u>803,214</u>  | <u>576,615</u>                              |

Multi-Reverse callable notes are denominated in US Dollars and EURO, having a nominal redemption value of the investment (equivalent to RO 945,420), subject to certain conditions being met. The notes carry fixed income coupon rates ranging between 8.00% and 15.88% per annum. These notes have a maturity date till 2023, unless auto recalled at an earlier date based on the terms agreed upon.

The maximum exposure to credit risk at the reporting date is the fair value of the investments classified as investments at fair value through profit or loss.

11 Insurance and other receivables

|  | 30 September 2022<br>(un-audited) | 31 December 2021<br>(audited) |
|--|-----------------------------------|-------------------------------|
| Due from insurance and reinsurance companies (gross)               | 9,919,492                         | 6,876,335                     |
| Less: provision for impaired insurance and reinsurance receivables | (1,053,719)                       | (1,053,719)                   |
| Due from insurance and reinsurance companies (net)                 | <u>8,865,773</u>                  | <u>5,822,616</u>              |
| Loans and advances (gross)   | 197,497                           | 314,556                       |
| Less: provision for impaired loans and advances                    | (18,380)                          | (18,380)                      |
| Loans and advances (net)   | <u>179,117</u>                    | <u>296,176</u>                |
| Reserves withheld by cedents                                       | 2,574,966                         | 2,129,525                     |
| Prepaid expenses   | 174,977                           | 112,541                       |
|  | <u>11,794,833</u>                 | <u>8,360,858</u>              |

The movement in provision for impaired insurance and reinsurance receivables is as follows:

|                                     | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Year ended 31<br>December 2021<br>(audited) |
|-------------------------------------|---|---|
| Opening balance and closing balance | <u>1,053,719</u>  | <u>1,053,719</u>                            |

The movement in impaired loans and advances is as follows:

|                                     | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Year ended 31<br>December 2021<br>(audited) |
|-------------------------------------|---|---|
| Opening balance and closing balance | <u>18,380</u>   | <u>18,380</u>                               |

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| 12 Accrued income   | 30 September 2022<br>(un-audited)                                     | 31 December 2021<br>(audited)               |
|---|---|---|
| Accrued insurance premium   | 16,136,353  | 10,836,962                                  |
| Impairment provision  | (15,000)  | (15,000)                                    |
|   | <u>16,121,353</u>   | <u>10,821,962</u>                           |
| Interest accrued on investments   | 976,615   | 1,048,173                                   |
|   | <u>17,097,968</u>   | <u>11,870,135</u>                           |
| The movement in provision for impaired accrued insurance premium is as follows: | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Year ended 31<br>December 2021<br>(audited) |
| Opening balance and closing balance   | <u>15,000</u>   | <u>15,000</u>                               |

### 13 Share capital

The authorised share capital of the Company is RO 40 million. The issued and fully paid-up share capital of the Company, registered with the Ministry of Commerce, Industry and Investment Promotion, is RO 32,615,926 (2021: RO 32,615,926), comprising of 330,775,600 shares (2021: 330,775,600).

The shareholders of the Company who own 5% or more of the Company's shares, whether in their name, or through a nominee account, and the percentage of shares held by them are as follows:

|  | 30 September 2022<br>(un-audited) | 31 December 2021<br>(audited) |
|--|-----------------------------------|-------------------------------|
| Trust International Insurance & Reinsurance Company B.S.C. (Bahrain) | 27.18%                            | 27.18%                        |
| Qatar General Insurance & Reinsurance Company S.A.Q.                 | 22.30%                            | 22.30%                        |
| Omar Zawawi Establishment LLC  | 8.36%                             | 14.06%                        |
| Ziliano Investments  | 9.07%                             | 9.07%                         |
| Al Zawawi Trading Company LLC  | <u>8.62%</u>                      | <u>8.62%</u>                  |

### 14 Legal reserve

In accordance with Article 106 of the Commercial Companies Law of the Sultanate of Oman, 10% of the Company's net profit for the year is to be transferred to a non-distributable legal reserve until such time as the amount of the legal reserve becomes equal to one-third of the Company's issued and fully paid-up share capital. During the period from 1 January 2022 to 30 September 2022, the Company has not transferred any amount to the legal reserve as this will be transferred at the year-end (31 December 2021: RO 135,546).

### 15 Contingency reserve

In accordance with the Capital Market Authority Decision No. 19/2007, issued on 4 June 2007 as authorised by Royal Decree number 34/2007, 10% of the outstanding claims at the reporting date is required to be transferred to a contingency reserve which is not distributable without the prior approval of the Capital Market Authority. The Company may discontinue such annual transfers when the contingency reserve equals the Company's paid-up share capital.

For the period from 1 January 2022 to 30 September 2022, no amount has been transferred to the contingency reserve as the Company intends to transfer this amount at the year-end (31 December 2021: RO 1,219,909).

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| 16 Employees' benefit liabilities | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Year ended 31<br>December 2021<br>(audited) |
|-----------------------------------|---|---|
| As at 1 January                   | 243,373   | 188,961                                     |
| Provision for the period/year     | 72,939  | 71,370                                      |
| Payments during the period/year   | -   | (16,958)                                    |
| As at 30 September/31 December    | <u>316,312</u>  | <u>243,373</u>                              |

17 Reinsurers share of insurance funds and technical provisions

The movement in reinsurer's share of insurance funds and technical provisions is given below.

| 30 September 2022 (un-audited)          | Gross             | Reinsurance       | Net               |
|---|-------------------|-------------------|-------------------|
| <b>Claims</b>                           |                   |                   |                   |
| At 1 January 2022                       | 49,977,309        | 27,379,561        | 22,597,748        |
| Increase in provision during the period | 10,069,152        | (458,988)         | 10,528,140        |
| Claims settled during the period        | (10,368,380)      | (5,683,675)       | (4,684,705)       |
| At 30 September 2022                    | <u>49,678,081</u> | <u>21,236,898</u> | <u>28,441,183</u> |
| <b>Unearned premium</b>                 |                   |                   |                   |
| At 1 January 2022                       | 12,482,980        | 2,518,648         | 9,964,332         |
| Increase in provision during the period | 19,541,253        | 4,029,440         | 15,511,813        |
| Release of unearned premium             | (12,482,980)      | (2,518,648)       | (9,964,332)       |
| At 30 September 2022                    | <u>19,541,253</u> | <u>4,029,440</u>  | <u>15,511,813</u> |
| Total technical provisions              | <u>69,219,334</u> | <u>25,266,338</u> | <u>43,952,996</u> |
| <b>31 December 2021 (audited)</b>       |                   |                   |                   |
| <b>Claims</b>                           |                   |                   |                   |
| At 1 January 2021                       | 44,479,752        | 28,392,727        | 16,087,025        |
| Increase in provision during the year   | 16,902,471        | 5,602,703         | 11,299,768        |
| Claims settled during the year          | (11,404,914)      | (6,615,869)       | (4,789,045)       |
| At 31 December 2021                     | <u>49,977,309</u> | <u>27,379,561</u> | <u>22,597,748</u> |
| <b>Unearned premium</b>                 |                   |                   |                   |
| At 1 January 2021                       | 11,418,709        | 4,035,643         | 7,383,066         |
| Increase in provision during the year   | 12,482,980        | 2,518,648         | 9,964,332         |
| Release of unearned premium             | (11,418,709)      | (4,035,643)       | (7,383,066)       |
| At 31 December 2021                     | <u>12,482,980</u> | <u>2,518,648</u>  | <u>9,964,332</u>  |
| Total technical provisions              | <u>62,460,289</u> | <u>29,898,209</u> | <u>32,562,080</u> |

Claims include incurred but not reported (IBNR) provision which is as follows:

| 30 September 2022 (un-audited)     | Gross             | Reinsurance      | Net               |
|------------------------------------|-------------------|------------------|-------------------|
| <b>IBNR</b>                        |                   |                  |                   |
| At the beginning of the period     | 8,799,336         | 1,619,951        | 7,179,385         |
| Movement of IBNR during the period | 4,970,714         | (220,042)        | 5,190,756         |
| At the end of the period           | <u>13,770,050</u> | <u>1,399,909</u> | <u>12,370,141</u> |

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Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (un-audited)  
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| 17 Reinsurers share of insurance funds and technical provisions (continued) |                  |                           |                         |
|---|------------------|---------------------------|-------------------------|
| 31 December 2021 (audited)  | Gross            | Reinsurance               | Net                     |
| <b>IBNR</b>   |                  |                           |                         |
| At the beginning of the year  | 8,452,440        | 3,264,042                 | 5,188,398               |
| Movement of IBNR during the year  | 346,896          | (1,644,091)               | 1,990,987               |
| At the end of the year  | <u>8,799,336</u> | <u>1,619,951</u>          | <u>7,179,385</u>        |
| <b>18 Reinsurance premium and other payables</b>                            |                  |                           |                         |
|   |                  | <b>30 September 2022</b>  | <b>31 December 2021</b> |
|   |                  | <b>(un-audited)</b>       | <b>(audited)</b>        |
| Reinsurance premium accrued   |                  | 6,622,410                 | 4,433,220               |
| Payable to cedents and retro-cessionairs                                    |                  | 7,119,576                 | 6,620,989               |
| Advances and deposits retained  |                  | 816,563                   | 885,802                 |
| Other payables  |                  | 529,527                   | 641,138                 |
|   |                  | <u>15,088,076</u>         | <u>12,581,149</u>       |
| <b>19 Deferred policy acquisition costs and deferred commission income</b>  |                  |                           |                         |
| <b>(a) The movement in deferred policy acquisition costs is as follows:</b> |                  |                           |                         |
|   |                  | <b>Period from 1</b>      | <b>Year ended 31</b>    |
|   |                  | <b>January 2022 to 30</b> | <b>December 2021</b>    |
|   |                  | <b>September 2022</b>     | <b>(audited)</b>        |
|   |                  | <b>(un-audited)</b>       |                         |
| As at 1 January   |                  | 3,081,338                 | 2,702,382               |
| Charge for the period/year  |                  | (5,653,805)               | (6,128,169)             |
| Payments during the period/year   |                  | 7,436,809                 | 6,507,125               |
| As at 30 September/31 December (a)  |                  | <u>4,864,342</u>          | <u>3,081,338</u>        |
| <b>(b) The movement in deferred commission income is as follows:</b>        |                  |                           |                         |
|   |                  | <b>Period from 1</b>      | <b>Year ended 31</b>    |
|   |                  | <b>January 2022 to 30</b> | <b>December 2021</b>    |
|   |                  | <b>September 2022</b>     | <b>(audited)</b>        |
|   |                  | <b>(un-audited)</b>       |                         |
| As at 1 January   |                  | 357,811                   | 953,716                 |
| Income during the period/year   |                  | (411,682)                 | (1,572,736)             |
| Received during the period/year   |                  | 368,651                   | 976,831                 |
| As at 30 September/31 December (b)  |                  | <u>314,780</u>            | <u>357,811</u>          |
| <b>Deferred policy acquisition costs, net (c)= (a) - (b)</b>                |                  | <u>4,549,562</u>          | <u>2,723,527</u>        |

**20 Related party transactions and balances**

Related parties comprise the shareholders, directors, business entities in which they have the ability to control or exercise significant influence in financial and operating decisions and senior management. The Company has entered into transactions with entities related to the shareholders or directors. In the ordinary course of business, such related parties provide services to the Company. The transactions are carried on mutually agreed terms, are at arms length and approved by the management. During the period, the following transactions were carried out with the related parties:



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| 20 Related party transactions and balances (continued)                              |   |   |
|---|---|---|
| (a) Significant transactions during the period with related parties are as follows: |   |   |
|   | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Period from 1<br>January 2021 to 30<br>September 2021<br>(un-audited) |
| Shareholders with significant influence:  |   |   |
| Gross   |   |   |
| Gross premium   | 2,811,317   | 1,849,143   |
| Commission expense  | 799,157   | 589,351   |
| Claims expense  | 85,973  | 2,014,474   |
| Reinsurance   |   |   |
| Premium ceded   | 1,398,943   | 607,302   |
| Commission income   | 117,044   | 40,069  |
| Claims recovery   | 79,897  | 2,606,315   |
| (b) Key management compensation:  |   |   |
| Directors' remuneration   |   |   |
| Directors' sitting fees   | 38,400  | 57,000  |
| Key management remuneration   |   |   |
| Salaries and employment benefits  | 272,558   | 279,050   |
| (c) Related party balances  |   |   |
| Shareholders with significant influence:  |   |   |
|   | 30 September 2022<br>(un-audited)                                     | 31 December 2021<br>(audited)   |
| Gross   |   |   |
| Premiums receivables, net of commissions and claims                                 | (2,103,561)   | (373,249)   |
| Outstanding claims payable  | 6,889,716   | 10,154,091  |
| Reinsurance   |   |   |
| Premiums payable, net of commissions and claims                                     | 362,916   | 173,735   |
| Outstanding claims receivable   | 2,570,204   | 1,433,841   |
| 21 Bank deposits  |   |   |
|   | 30 September 2022<br>(un-audited)                                     | 31 December 2021<br>(audited)   |
| Non-current portion of bank deposits  | 10,191,500  | 12,288,000  |
| Current portion of bank deposits  | 11,840,268  | 11,165,268  |
|   | 22,031,768  | 23,453,268  |

Bank deposits represent deposits placed with commercial banks and earn interest at commercial rates ranging between 4.10% and 4.75% per annum (31 December 2021: between 3.25% and 4.90% per annum). The deposits which are due for maturity after one year have been disclosed as part of non-current assets.

The current portion of bank deposits represents deposits which will mature within 1 year.

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### Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (un-audited) (Expressed in Omani Rial)

#### 22 Cash and cash equivalents

For the purposes of the condensed interim statement of cash flows, cash and cash equivalents comprise the following:

|  | 30 September 2022<br>(un-audited) | 31 December 2021<br>(audited) |
|--|-----------------------------------|-------------------------------|
| Cash on hand                                 | 4,111                             | 1,992                         |
| Current and call account balances with banks | 4,431,436                         | 5,554,556                     |
|  | <u>4,435,547</u>                  | <u>5,556,548</u>              |

The current account balances with banks are non-interest bearing.

Balances in call accounts with local commercial banks earn interest rates ranging between 0.1% and 2.5% per annum (31 December 2021: between 0.1% and 2.5% per annum).

#### 23 Taxation

Tax assessments of the Company for the years upto 2018 have been finalised. Tax assessments for the years 2019 to 2021 have not yet been agreed with the Oman Tax Authority. The Company's management is of the opinion that additional taxes, if any, assessed for the open tax years would not be material to the Company's financial position as at 30 June 2022.

Provision for income tax amounting to RO 244,374 (30 September 2021: RO 100,850) has been made after giving due consideration to adjustments for potential allowances and disallowances.

| (i) Tax expense  | 30 September 2022<br>(un-audited) | 30 September 2021<br>(un-audited) |
|--|-----------------------------------|-----------------------------------|
| <b>Current tax</b>                                       |                                   |                                   |
| Charge for the current period                            | 231,664                           | 92,927                            |
| Charge for prior periods                                 | 7,608                             | 7,923                             |
|  | <u>239,272</u>                    | <u>100,850</u>                    |
| <b>Deferred tax</b>                                      |                                   |                                   |
| Charge for the current year (profit or loss)             | 5,102                             | -                                 |
| Credit for the current year (other comprehensive income) | (326,364)                         | -                                 |
|  | <u>(321,262)</u>                  | <u>-</u>                          |
| Net charge to the profit or loss                         | 244,374                           | 100,850                           |
| Net credit to other comprehensive income                 | (326,364)                         | -                                 |
|  | <u>(81,990)</u>                   | <u>100,850</u>                    |

The Company is subject to income tax at the rate of 15% of taxable profit (2021 : 15%).

The reasons for the difference between actual tax charge for the year and the standard rate of corporate tax applied to the net profit for the year are as follows:-

|  | 30 September 2022<br>(un-audited) | 30 September 2021<br>(un-audited) |
|--|-----------------------------------|-----------------------------------|
| Net profit before taxation               | 1,560,751                         | 720,359                           |
| Tax at the applicable rate (15%)         | 234,113                           | 108,054                           |
| Expenses not deductible for tax purposes | 5,102                             | -                                 |
| Prior years adjustments in provision     | 5,159                             | (7,204)                           |
| Total tax expenses as per profit or loss | <u>244,374</u>                    | <u>100,850</u>                    |

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|  | 30 September 2022<br>(un-audited)                                     | 31 December 2021<br>(audited)   |
|--|---|---|
| <b>23 Taxation (continued)</b>   |   |   |
| <b>(ii) Movement in current tax liability is as under:</b>   |   |   |
| At the beginning of the period/year  | 244,852   | 31,261  |
| Charge for the period  | 239,272   | 252,775   |
| Tax receivable adjusted from payment   | (10,056)  | -   |
| Paid during the period   | (234,796)   | (39,184)  |
| At the end of the period/year  | <u>239,272</u>  | <u>244,852</u>  |
| <b>(iii) Deferred tax</b>  |   |   |
| Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 15% (2021: 15%). Deferred tax arises on account of temporary differences between the tax base of assets, liabilities and losses and their carrying values in the statement of financial position. Deferred tax (asset) and liabilities are attributable as under: |   |   |
|  | 30 September 2022<br>(un-audited)                                     | 31 December 2021<br>(audited)   |
| As at 1 January  | 68,358  | -   |
| Charge recognised in profit or loss  | 5,102   | (159,172)   |
| (Credit) recognised in other comprehensive income  | (326,364)   | 227,530   |
| At 30 September / 31 December  | <u>(252,904)</u>  | <u>68,358</u>   |
| <b>24 Net underwriting results</b>   |   |   |
|  | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Period from 1<br>January 2021 to 31<br>September 2021<br>(un-audited) |
| <b>Income</b>  |   |   |
| Gross premiums written   | 31,315,592  | 24,137,240  |
| Movement in unearned premium reserve   | (7,058,280)   | (4,544,327)   |
| Insurance premium revenue (a)  | <u>24,257,312</u>   | <u>19,592,913</u>   |
| Reinsurance premium ceded  | (7,130,326)   | (6,735,236)   |
| Movement in unearned premium reserve   | 1,510,790   | (360,609)   |
| Insurance premium retroceded to reinsurers (b)   | <u>(5,619,536)</u>  | <u>(7,095,845)</u>  |
| Net insurance premium earned (c) = (a) + (b)   | <u>18,637,776</u>   | <u>12,497,068</u>   |
| Gross claims paid  | (10,368,380)  | (7,276,578)   |
| Reinsurance recoveries   | 5,683,675   | 4,244,945   |
| Net claims paid  | (4,684,705)   | (3,031,633)   |
| Change in provision for outstanding claims, gross  | 299,228   | (6,112,025)   |
| Change in provision for outstanding claims, reinsurance  | (6,142,663)   | 1,116,165   |
| Claims and related expenses (d)  | <u>(10,528,140)</u>   | <u>(8,027,493)</u>  |
| Policy acquisition costs   | (7,449,610)   | (5,674,361)   |
| Policy acquisition costs recovered from reinsurers   | 368,651   | 893,673   |
| Change in deferred policy acquisition costs  | 1,826,035   | 1,566,072   |
| Interest on premium reserve  | 12,801  | 10,915  |
| Total policy acquisition costs (e)   | <u>(5,242,123)</u>  | <u>(3,203,701)</u>  |
| Net insurance benefits and claims (f) = (d) + (e)  | <u>(15,770,263)</u>   | <u>(11,231,194)</u>   |
| Net underwriting results (g) = (c) + (f)   | <u>2,867,513</u>  | <u>1,265,874</u>  |

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| 25 Investment and other income - net   | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Period from 1<br>January 2021 to 31<br>September 2021<br>(un-audited) |
|--|---|---|
| Interest on term deposits and bonds  | 1,649,185   | 1,350,720   |
| Dividend income  | 71,520  | 58,777  |
| Realised (loss) /gains on sale of investments at fair value through other comprehensive income | (1,256)   | 129,319   |
| Unrealised fair value (loss) / profit on investments at fair value through profit or loss      | (142,207)   | (6,488)   |
| Gain on sale of property, plant and equipment  | 684   | -   |
| Investment expenses  | (9,687)   | (14,120)  |
| Miscellaneous income   | 28,260  | -   |
|  | <u>1,596,499</u>  | <u>1,518,208</u>  |
| <br>   |   |   |
| 26 Salaries and other related staff costs  | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Period from 1<br>January 2021 to 31<br>September 2021<br>(un-audited) |
| Salaries and allowances  | 1,373,196   | 1,211,198   |
| Provision for leave salary   | 99,114  | 101,751   |
| Contribution to employees' benefits  | 72,939  | 56,649  |
| Social security costs  | 60,123  | 53,715  |
| Other staff costs  | 28,136  | 18,997  |
|  | <u>1,633,508</u>  | <u>1,442,310</u>  |
| <br>   |   |   |
| 27 General and administrative expenses   | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Period from 1<br>January 2021 to 31<br>September 2021<br>(un-audited) |
| Salaries and other related staff costs (Note 26)   | 1,633,508   | 1,442,310   |
| Depreciation and amortisation (Notes 5 and 6)  | 91,315  | 95,876  |
| Computer expenses  | 69,367  | 22,573  |
| Meeting related expenses   | 48,968  | 71,001  |
| Rent (short-term leases)   | 59,961  | 56,673  |
| Business travel expenses   | 67,199  | 11,483  |
| Legal and professional fees  | 53,421  | 32,096  |
| Advertising and business promotion expenses  | 32,828  | 31,113  |
| Telephone, fax and postage   | 15,822  | 16,705  |
| Consultancy services   | 48,225  | 104,744   |
| Office maintenance   | 14,119  | 12,424  |
| Miscellaneous expenses   | 76,309  | 27,605  |
|  | <u>2,211,042</u>  | <u>1,924,603</u>  |

## Oman Reinsurance Company SAOG

### Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (un-audited)

(Expressed in Omani Rial)

#### 28 Earnings per share

Earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

|  | Period from 1<br>January 2022 to 30<br>September 2022<br>(un-audited) | Period from 1<br>January 2021 to 30<br>September 2021<br>(un-audited) |
|--|---|---|
| Weighted average number of shares (number) | <u>330,775,600</u>  | <u>300,000,000</u>  |
| Net profit for the period                  | <u>1,316,377</u>  | <u>619,509</u>  |
| Earnings per share - Basic and diluted     | <u>0.004</u>  | <u>0.002</u>  |

As there are no dilutive potential shares issued by the Company, the diluted earnings per share is same as the basic earnings per share.

#### 29 Net assets per share

The calculation of the net assets per share is based on net assets as at 30 September 2022/31 December 2021 attributable to ordinary shareholders divided by the number of shares outstanding at the period-end.

|   | 30 September 2022<br>(un-audited) | 31 December 2021<br>(audited) |
|---|-----------------------------------|-------------------------------|
| Net assets as at the period/year-end (RO) | <u>27,716,948</u>                 | <u>29,260,686</u>             |
| Number of shares outstanding              | <u>330,775,600</u>                | <u>330,775,600</u>            |
| Net assets per share (RO)                 | <u>0.084</u>                      | <u>0.088</u>                  |

#### 30 Operating segment

The Company has two reportable 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 Board of Directors and senior management reviews internal management reports on at least a quarterly basis.

## Oman Reinsurance Company SAOG

### Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (un-audited) (Expressed in Omani Rial)

#### 30 Operating segment (continued)

The Company has the following operating segments:

|  | 30 September 2022 (un-audited) |                  |                   | 30 September 2021 (un-audited) |                  |                   |
|--|--------------------------------|------------------|-------------------|--------------------------------|------------------|-------------------|
|  | Facultative                    | Treaty           | Total             | Facultative                    | Treaty           | Total             |
| <b>Reinsurance revenue:</b>                          |                                |                  |                   |                                |                  |                   |
| Gross written premiums                               | 15,345,533                     | 15,970,059       | 31,315,592        | 10,848,428                     | 13,288,812       | 24,137,240        |
| Less: premiums ceded                                 | (4,490,461)                    | (2,639,865)      | (7,130,326)       | (3,778,295)                    | (2,956,941)      | (6,735,236)       |
| Net written premium (a)                              | 10,855,072                     | 13,330,194       | 24,185,266        | 7,070,133                      | 10,331,871       | 17,402,004        |
| Gross unearned premium (movement)                    | (2,922,887)                    | (4,135,393)      | (7,058,280)       | (822,264)                      | (3,722,063)      | (4,544,327)       |
| Less: reinsurance unearned premiums (movement)       | 1,130,010                      | 380,780          | 1,510,790         | (803,252)                      | 442,643          | (360,609)         |
| Net unearned premiums (b)                            | (1,792,877)                    | (3,754,613)      | (5,547,490)       | (1,625,516)                    | (3,279,420)      | (4,904,936)       |
| <b>Net insurance premium earned (c) = (a) + (b)</b>  | <b>9,062,195</b>               | <b>9,575,581</b> | <b>18,637,776</b> | <b>5,444,617</b>               | <b>7,052,451</b> | <b>12,497,068</b> |
| <b>Cost of reinsurance revenue:</b>                  |                                |                  |                   |                                |                  |                   |
| Commission and tax paid                              | (3,059,541)                    | (4,390,069)      | (7,449,610)       | (2,177,244)                    | (3,497,117)      | (5,674,361)       |
| Reinsurance commission and tax recoveries            | 227,846                        | 140,805          | 368,651           | 394,531                        | 499,142          | 893,673           |
| Net commission (d)                                   | (2,831,695)                    | (4,249,264)      | (7,080,959)       | (1,782,713)                    | (2,997,975)      | (4,780,688)       |
| Deferred acquisition costs (movement)                | 577,591                        | 1,205,413        | 1,783,004         | 144,196                        | 1,008,807        | 1,153,003         |
| Reinsurance deferred acquisition costs (movement)    | (42,224)                       | 85,255           | 43,031            | 382,762                        | 30,307           | 413,069           |
| Net deferred acquisition costs (e)                   | 535,367                        | 1,290,668        | 1,826,035         | 526,958                        | 1,039,114        | 1,566,072         |
| Interest on premium reserves (net)(f)                | -                              | 12,801           | 12,801            | -                              | 10,915           | 10,915            |
| Net incurred acquisition costs (g) = (d) + (e) + (f) | (2,296,328)                    | (2,945,795)      | (5,242,123)       | (1,255,755)                    | (1,947,946)      | (3,203,701)       |
| Gross claims paid                                    | (6,133,009)                    | (4,235,371)      | (10,368,380)      | (4,180,001)                    | (3,096,577)      | (7,276,578)       |
| Less: reinsurance claims recovered                   | 4,317,503                      | 1,366,172        | 5,683,675         | 3,031,912                      | 1,213,033        | 4,244,945         |
| Net claims paid (h)                                  | (1,815,506)                    | (2,869,199)      | (4,684,705)       | (1,148,089)                    | (1,883,544)      | (3,031,633)       |
| Change in gross out-standing claims                  | 5,596,806                      | (326,865)        | 5,269,941         | (2,505,536)                    | (2,676,744)      | (5,182,280)       |
| Less: change in reinsurance claims                   | (5,323,699)                    | (598,921)        | (5,922,620)       | 658,459                        | 1,027,259        | 1,685,718         |
| Net out-standing claims (i)                          | 273,107                        | (925,786)        | (652,679)         | (1,847,077)                    | (1,649,485)      | (3,496,562)       |
| IBNR movement (j)                                    | (3,360,184)                    | (1,830,572)      | (5,190,756)       | (422,827)                      | (1,076,471)      | (1,499,298)       |
| Net incurred claims (k) = (h) + (i) + (j)            | (4,902,583)                    | (5,625,557)      | (10,528,140)      | (3,417,993)                    | (4,609,500)      | (8,027,493)       |
| Total cost of insurance (l) = (k) + (g)              | (7,198,911)                    | (8,571,352)      | (15,770,263)      | (4,673,748)                    | (6,557,446)      | (11,231,194)      |
| <b>Net underwriting profit (m) = (c) + (l)</b>       | <b>1,863,284</b>               | <b>1,004,229</b> | <b>2,867,513</b>  | <b>770,869</b>                 | <b>495,005</b>   | <b>1,265,874</b>  |
| Loss ratio   | 54.1%                          | 58.7%            | 56.5%             | 62.8%                          | 65.4%            | 64.2%             |

Assets and liabilities of the Company are commonly used across the primary segments.

#### 31 Comparative figures

Certain comparative figures of the previous period/year have been either regrouped or reclassified, wherever necessary, in order to conform with the presentation adopted in the current period's condensed interim financial information. Such regrouping or reclassification did not affect previously reported net profit or shareholders' equity.

**Oman Reinsurance Company SAOG**

**Notes to the condensed interim financial information for the nine-month period ended 30 September 2022 (un-audited)  
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**32 Significant events and transactions**

**COVID-19 impact**

The outbreak of COVID-19, declared as a global pandemic by the World Health Organisation in March 2020, continues to spread across the world. The pandemic had significant impact on the Sultanate of Oman and other world economies and this is expected to continue for the near future.

The ongoing COVID-19 pandemic is a concern for reinsurers as the market is expected to be exposed across many lines of business. However, the robust risk adjusted capitalisation will ensure that the reinsurers are in a good position to absorb any potential COVID-19 losses on both the underwriting and investments of the Company.

The Company's management has prudently and with a conservative approach, reviewed the potential impact of COVID-19 on its operations and is confident that most of the business areas are not expected to have any material impact from COVID-19 related stress.