

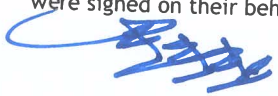

**Oman Reinsurance Company SAOG**

**Condensed interim financial information  
for the six-month period ended 30 June  
2023 (un-audited)**


Oman Reinsurance Company SAOG  
Condensed interim statement of financial position as at 30 June 2023  
(Expressed in Omani Rial)

		30 June 2023	31 December 2022
	Notes	(Un-audited)	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	80,890	92,568
Investment property	7	1,900,000	1,900,000
Investment property under development	8	184,592	184,592
Intangible assets	6	108,947	120,887
Investments at fair value through other comprehensive income	9	31,109,492	29,191,780
Non-current portion of bank deposits	21	6,267,996	6,590,268
Deferred tax asset	24	369,260	339,946
<b>Total non-current assets</b>		<u>40,021,177</u>	<u>38,420,041</u>
<b>Current assets</b>			
Investments at fair value through profit or loss	10	386,672	637,539
Insurance and other receivables	11	13,697,441	11,025,292
Accrued income	12	22,815,817	13,964,880
Deferred policy acquisition costs	19	5,792,195	3,936,555
Reinsurers' share of insurance funds	17	27,296,260	23,015,386
Current portion of bank deposits	21	16,070,518	15,826,000
Cash and cash equivalents	22	1,076,355	2,755,277
<b>Total current assets</b>		<u>87,135,258</u>	<u>71,160,929</u>
<b>Total assets</b>		<u>127,156,435</u>	<u>109,580,970</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	13	32,615,926	32,615,926
Legal reserve	14	641,431	641,431
Investment fair value reserve	9	(1,476,973)	(1,738,919)
Contingency reserve	15	5,681,236	5,681,236
Accumulated losses		(7,224,376)	(8,110,588)
<b>Total capital and reserves</b>		<u>30,237,244</u>	<u>29,089,086</u>
<b>Non-current liabilities</b>			
Employees' benefit liabilities	16	340,479	324,998
<b>Total non-current liabilities</b>		<u>340,479</u>	<u>324,998</u>
<b>Current liabilities</b>			
Technical provisions	17	81,355,879	67,541,322
Reinsurers' premium and other payables	18	14,991,509	12,356,990
Deferred commission income	19	231,324	268,574
<b>Total current liabilities</b>		<u>96,578,712</u>	<u>80,166,886</u>
<b>Total liabilities</b>		<u>96,919,191</u>	<u>80,491,884</u>
<b>Total equity and liabilities</b>		<u>127,156,435</u>	<u>109,580,970</u>
<b>Net assets per share</b>	29	<u>0.0914</u>	<u>0.0879</u>

The financial statements, were approved and authorised for issue by the Board of Directors on 26 July 2023 and were signed on their behalf by:

   
Director Director

  
CEO

  
CFO

The attached notes 1 to 31 form part of these financial statements.

Oman Reinsurance Company SAOG

Condensed interim statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2023 (un-audited)  
(Expressed in Omani Rial)

		Period from 1 January 2023 to 30 June 2023 (Un-audited)	Period from 1 January 2022 to 30 June 2022 (Un-audited)
<b>Income</b>			
Gross premiums written	24	<u>29,256,675</u>	<u>21,945,531</u>
Net underwriting results	24	1,737,769	1,589,873
Investment and other income, net	25	<u>1,224,099</u>	<u>1,095,957</u>
<b>Expenses</b>		<u>2,961,868</u>	<u>2,685,830</u>
General and administrative expenses			
Foreign exchange losses, net	27	(1,709,099)	(1,518,069)
		<u>(442,177)</u>	<u>(353,713)</u>
		<u>(2,151,276)</u>	<u>(1,871,782)</u>
<b>Net profit before tax for the period</b>		810,592	814,048
Income tax expense	23	(103,544)	(140,986)
<b>Net profit after tax for the period</b>		<u>707,048</u>	<u>673,062</u>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Valuation gains / (losses) on fair value through other comprehensive income on equity instruments, net of deferred tax		309,652	(506,236)
<i>Items that will or may be reclassified to profit or loss:</i>			
Valuation gains / (losses) on fair value through other comprehensive income on debt instruments, net of deferred		131,458	(1,346,859)
<b>Other comprehensive income / (loss) for the period</b>	9	<u>441,110</u>	<u>(1,853,095)</u>
<b>Total comprehensive income / (loss) for the period</b>		<u>1,148,158</u>	<u>(1,180,033)</u>
<b>Earnings per share - basic and diluted</b>	28	<u>0.002</u>	<u>0.002</u>

**Oman Reinsurance Company SAOG**  
**Condensed interim statement of changes in shareholders' equity for the six-month period ended 30 June 2023 (un-audited)**  
**(Expressed in Omani Rial)**

	Notes	Share capital	Legal reserve	Investment fair value reserve	Contingency reserve	Accumulated losses	Total
As at 31 December 2021 (audited)		32,615,926	478,729	(102,368)	4,216,914	(7,948,515)	29,260,686
Net profit after tax for the period		-	-	-	-	673,062	673,062
Other comprehensive income for the period		-	-	(1,853,095)	-	-	(1,853,095)
Realised gains on sale of equity instrument at fair value through other comprehensive income	0	-	-	(34,330)	-	34,330	-
As at 30 June 2022 (un-audited)		32,615,926	478,729	(1,989,793)	4,216,914	(7,241,123)	28,080,653
Net profit after tax for the period		-	-	-	-	953,962	953,962
Net change in fair value of investments at fair value through other comprehensive income, net of deferred tax		-	-	54,471	-	-	54,471
Realised gains on sale of equity instrument at fair value through other comprehensive income	9	-	-	196,403	-	(196,403)	-
Transferred to legal reserve	14	-	162,702	-	-	(162,702)	-
Transferred to contingency reserve	15	-	-	-	1,464,322	(1,464,322)	-
As at 31 December 2022 (audited)		32,615,926	641,431	(1,738,919)	5,681,236	(8,110,588)	29,089,086
Net profit after tax for the period		-	-	-	-	707,048	707,048
Net change in fair value of investments at fair value through other comprehensive income, net of deferred tax		-	-	441,110	-	-	441,110
Realised gains on sale of equity instrument at fair value through other comprehensive income		-	-	(179,164)	-	179,164	-
As at 30 June 2023 (un-audited)		32,615,926	641,431	(1,476,973)	5,681,236	(7,224,376)	30,237,244

**Oman Reinsurance Company SAOG**

**Condensed interim statement of cash flows for the six-month period ended 30 June 2023**

**(un-audited)**

**(Expressed in Omani Rial)**

	Notes	Period from 1 January 2023 to 30 June 2023 (un-audited)	Period from 1 January 2022 to 30 June 2022 (un-audited)
<b>Operating activities</b>			
Net profit after tax for the period		707,048	673,062
Adjustments for:			
Depreciation on property, plant and equipment	5	29,200	30,233
Loss on sale of investments at fair value through other comprehensive income		(1,906)	1,256
Amortisation of intangible assets	6	31,401	31,158
Gain on disposal of property, plant and equipment		34	(529)
Unrealised fair value loss on investments at fair value through profit or loss	10	(2,316)	56,753
Provision for employees' benefit liabilities	16	33,333	30,001
Interest income from bank deposits	25	(1,218,277)	(1,060,247)
Dividend income	25	(46,570)	(67,018)
Deferred tax recognised in profit or loss	23	(73,810)	5,102
<b>Operating loss before working capital changes</b>		<u>(541,863)</u>	<u>(300,229)</u>
<b>Working capital changes</b>			
Insurance and other receivables		(2,672,149)	(2,155,687)
Accrued income		(8,777,711)	(6,005,303)
Deferred policy acquisition costs		(1,892,890)	(1,888,003)
Insurance funds		9,533,683	7,630,457
Reinsurers' premium and other payables		2,634,519	4,542,266
<b>Cash generated from operating activities</b>		<u>(1,716,411)</u>	<u>1,823,501</u>
Employees' benefit liabilities paid	16	(17,852)	-
<b>Net cash generated from operating activities</b>		<u>(1,734,263)</u>	<u>1,823,501</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	5	(17,995)	(8,643)
Proceeds from disposal of property, plant and equipment		439	529
Purchase of investments at fair value through other comprehensive income	9	(5,016,001)	(5,266,923)
Purchase of investments at fair value through profit or loss	10	(384,500)	(422,951)
Proceeds from disposal of investments at fair value through other comprehensive income		3,606,962	1,331,869
Proceeds from disposal of investments at fair value through profit or loss		637,683	288,375
Cost of acquisition of intangible assets	6	(19,461)	(2,000)
Net change in bank deposits		77,754	(694,000)
Interest income received from bank deposits		1,123,890	1,065,621
Dividend income received	25	46,570	67,018
<b>Net cash generated from/(used in) investing activities</b>		<u>55,341</u>	<u>(3,641,105)</u>
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents, beginning of the period		(1,678,922)	(1,817,604)
Cash and cash equivalents, end of the period	22	<u>2,755,277</u>	<u>5,556,548</u>
		<u>1,076,355</u>	<u>3,738,944</u>

# Oman Reinsurance Company SAOG

## Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (un-audited) (Expressed in Omani Rial)

---

### 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 changed its legal structure from a closed Omani joint stock company (SAOC) to an SAOG during the financial year ended 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 financial statements 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 26 July 2023.

### 2 Basis of preparation

#### (a) Statement of compliance

The condensed interim financial information for the six-month period ended 30 June 2023 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 2022. 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 2022, which have been prepared in accordance with the International Financial Reporting Standards (IFRS). The changes of IFRS 17 are not taken into account in this financial information.

#### (b) Basis of presentation

The condensed interim financial information for the six-month period ended 30 June 2023 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 2023

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 adopted at 1 January 2023

The following new/amended accounting standards and interpretations have been issued, but have not been adopted in preparing the financial statements for the period ended 30 June 2023:

#### IFRS 17 "Insurance Contracts"

IFRS 17 supersedes IFRS 4 "Insurance Contracts" and establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts. The Company also needs to implement IFRS 9 "Financial Instruments" along with IFRS 17.

In June 2020, the IASB issued amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments deferred the date of initial application of IFRS 17 to annual reporting periods beginning on or after 1 January 2023, along with the application of IFRS 9. To ensure the systematic implementation, the Company is following the three-phased approach which is "Phase 1 - Evaluation", "Phase 2- Design" and "Phase 3 - Implementation and Commissioning" and is currently in Phase 3.

**Oman Reinsurance Company SAOG**

**Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (un-audited)  
(Expressed in Omani Rial)**

---

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

**Standards, amendments and interpretations issued but not yet adopted at 1 January 2023 (continued)  
IFRS 17 "Insurance Contracts" (continued)**

The implementation of IFRS 17 and IFRS 9 requires the Company to perform complex and technical analysis/assessments for selection of measurement models (General Measurement Model, Premium Allocation Approach, Variable Fee Approach), classification of insurance contracts into groups, discount rates used, risk adjustment factors, reserving levels, distinction of expenses, basis of segregation of the cohorts, assessment of coverage periods, assessment of expected credit losses on insurance receivables, transition adjustments and assessment of liabilities at each reported period-end, including the comparatives for the year 2022.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. After careful consideration and necessary consultations, the Company has decided to adopt the modified retrospective approach and the changes in the accounting policies will be based on this approach.

There would have been a material change in the operational results of the Company for the period ended 30 June 2023 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 to annual reporting of December 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 2022.

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 2022. There has been no change in the risk management policies since 31 December 2022.

Oman Reinsurance Company SAOG

Notes to the condensed interim financial information for the six-month period ended  
30 June 2023 (un-audited)  
(Expressed in Omani Rial)

5 Property, plant and equipment

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

2023	Motor vehicles	Furniture and fixtures	Office equipment	Total
<b>Cost</b>				
At 1 January 2023	74,122	227,713	214,200	516,035
Additions during the period	7,817	300	9,878	17,995
Disposals during the period	-	-	(1,116)	(1,116)
At 30 June 2023 (un-audited)	<u>81,939</u>	<u>228,013</u>	<u>222,962</u>	<u>532,914</u>
<b>Accumulated depreciation</b>				
At 1 January 2023	47,870	201,686	173,911	423,467
Charge for the period	9,843	9,024	10,333	29,200
Relating to disposals	-	-	(643)	(643)
At 30 June 2023 (un-audited)	<u>57,713</u>	<u>210,710</u>	<u>183,601</u>	<u>452,024</u>
<b>Net book amount</b>				
At 30 June 2023 (un-audited)	<u>24,226</u>	<u>17,303</u>	<u>39,361</u>	<u>80,890</u>
<b>2022</b>				
<b>Cost</b>				
At 1 January 2022	68,624	228,502	215,922	513,048
Additions during the year	5,498	353	8,226	14,077
Disposals during the year	-	(1,142)	(9,948)	(11,090)
At 31 December 2022 (audited)	<u>74,122</u>	<u>227,713</u>	<u>214,200</u>	<u>516,035</u>
<b>Accumulated depreciation</b>				
At 1 January 2022	29,569	182,945	162,891	375,405
Charge for the year	18,301	19,883	20,814	58,998
Relating to disposals	-	(1,142)	(9,794)	(10,936)
At 31 December 2022 (audited)	<u>47,870</u>	<u>201,686</u>	<u>173,911</u>	<u>423,467</u>
<b>Net book amount</b>				
At 31 December 2022 (audited)	<u>26,252</u>	<u>26,027</u>	<u>40,289</u>	<u>92,568</u>



# Oman Reinsurance Company SAOG

## Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (un-audited) (Expressed in Omani Rial)

### 6 Intangible assets

The movement in intangible assets is as follows:-

	Period from 1 January 2023 to 30 June 2023 (un-audited)	Year ended 31 December 2022 (audited)
<b>Cost</b>		
As at 1 January		390,456
Additions during the period/year	410,965	20,509
As at 30 June/31 December	<u>19,461</u>	<u>410,965</u>
	<u>430,426</u>	
<b>Accumulated amortisation</b>		
As at 1 January		226,543
Charge for the period/year	290,078	63,535
As at 30 June/31 December	<u>31,401</u>	<u>290,078</u>
	<u>321,479</u>	
<b>Net book amount</b>		
As at 30 June/31 December	<u>108,947</u>	<u>120,887</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 software license fees and, concluded that, no impairment is considered necessary.

### 7 Investment property

	Period from 1 January 2023 to 30 June 2023 (un-audited)	Year ended 31 December 2022 (audited)
<b>Cost</b>		
At 1 January and at 31 March/31 December	<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 2022 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 January 2023 to 30 June 2023 (un-audited)	Year ended 31 December 2022 (audited)
Opening balance		184,592
Additions during the period/year	184,592	-
Closing balance	<u>-</u>	<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 six-month period ended 30 June 2023 (un-audited)

(Expressed in Omani Rial)

9 Investments at fair value through other comprehensive income

	Fair value		Average cost	
	30 June 2023 (un-audited)	31 December 2022 (audited)	30 June 2023 (un-audited)	31 December 2022 (audited)
Bonds	27,724,723	25,700,597	27,915,915	25,921,162
Equity securities	3,384,769	3,491,183	4,936,406	3,975,249
	<u>31,109,492</u>	<u>29,191,780</u>	<u>32,852,321</u>	<u>29,896,411</u>

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

	Period from 1 January 2023 to 30 June 2023 (un-audited)	Year ended 31 December 2022 (audited)
At 1 January		
Acquisitions during the period/year	29,191,780	19,788,547
Disposals during the period/year	5,016,001	14,868,874
Net realised change in fair value	(3,425,892)	(3,577,373)
Net unrealised change in fair value	(179,164)	162,073
Amortisation charge for the period/year	485,606	(2,086,852)
At 30 June/31 December	<u>21,161</u>	<u>36,511</u>
	<u>31,109,492</u>	<u>29,191,780</u>

(b) Investment fair value reserve:

Movement in the investment fair value reserve can be summarised as

	Period from 1 January 2023 to 30 June 2023 (un-audited)	Year ended 31 December 2022 (audited)
Opening balance		
Net change in fair value during the period/year	(1,738,919)	(102,368)
Deferred tax charge	485,606	(2,086,852)
Net realised (gain) / loss transferred to retained earnings	(44,496)	288,228
Closing balance	<u>(179,164)</u>	<u>162,073</u>
	<u>(1,476,973)</u>	<u>(1,738,919)</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 June 2023 (un-audited)	31 December 2022 (audited)	30 June 2023 (un-audited)	31 December 2022 (audited)
Multi-reverse callable notes	386,672	637,539	384,500	627,930
	<u>386,672</u>	<u>637,539</u>	<u>384,500</u>	<u>627,930</u>

# Oman Reinsurance Company SAOG

## Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (un-audited) (Expressed in Omani Rial)

### 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 January 2023 to 30 June 2023 (un-audited)	Year ended 31 December 2022 (audited)
At 1 January	637,539	576,615
Acquisitions during the period/year	384,500	627,632
Disposals during the period/year	(637,683)	(576,317)
Net unrealised change in fair value recognised in profit or loss	2,316	9,609
At 31 March/31 December	<u>386,672</u>	<u>637,539</u>

Multi-reverse callable notes issued and distributed by an international bank, which are denominated in United States Dollars (USD) and Euros, have a nominal redemption value of the investment (equivalent to RO 531,375, 2022: RO 637,539), subject to certain conditions being met. The notes carry fixed income coupon rates ranging between 12.59% and 15.88% per annum (2022: 10.08% and 15.88% per annum). These notes have a maturity date of 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 June 2023 (un-audited)	31 December 2022 (audited)
Due from insurance and reinsurance companies (gross)	11,606,003	8,832,485
Less: provision for impaired insurance and reinsurance receivables	(1,053,719)	(1,053,719)
Due from insurance and reinsurance companies (net)	<u>10,552,284</u>	<u>7,778,766</u>
Loans and advances (gross)	308,596	425,573
Less: provision for impaired loans and advances	(18,380)	(18,380)
Loans and advances (net)	<u>290,216</u>	<u>407,193</u>
Reserves withheld by cedents	2,704,547	2,664,845
Prepaid expenses	150,394	174,488
	<u>13,697,441</u>	<u>11,025,292</u>

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

	Period from 1 January 2023 to 30 June 2023 (un-audited)	Year ended 31 December 2022 (audited)
At 1 January and at 30 June/31 December	<u>1,053,719</u>	<u>1,053,719</u>

The movement in impaired loans and advances is as follows:

	Period from 1 January 2023 to 30 June 2023 (un-audited)	Year ended 31 December 2022 (audited)
At 1 January and at 30 June/31 December	<u>18,380</u>	<u>18,380</u>

## Oman Reinsurance Company SAOG

### Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (un-audited) (Expressed in Omani Rial)

12 Accrued income	30 June 2023 (un-audited)	31 December 2022 (audited)
Accrued insurance premium	21,717,033	12,939,322
Impairment provision	(15,000)	(15,000)
	<u>21,702,033</u>	<u>12,924,322</u>
Interest accrued on investments	1,113,784	1,040,558
	<u>22,815,817</u>	<u>13,964,880</u>
The movement in provision for impaired accrued insurance premium is as follows:	<b>Period from 1 January 2023 to 30 June 2023 (un-audited)</b>	<b>Year ended 31 December 2022 (audited)</b>
At 1 January and at 30 June/31 December	<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 (2022: RO 32,615,926), comprising of 330,775,600 shares (2022: 330,775,600).

The shareholders of the Company who own 5% or more of the Company's shares, in their name and the percentage of shares held by them as per Muscat Clearing and Depository Company are as follows:

	30 June 2023 (un-audited)	31 December 2022 (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%
Ziliano Investments	9.07%	9.07%
Al Zawawi Trading Company LLC	8.62%	8.62%
Omar Zawawi Establishment LLC	8.36%	8.36%

### 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 2023 to 30 June 2023, the Company has not transferred any amount to the legal reserve as this will be transferred at the year-end (31 December 2022: RO 162,702).

### 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 2023 to 30 June 2023, no amount has been transferred to the contingency reserve as the Company intends to transfer this amount at the year-end (31 December 2022: RO 1,464,322).

# Oman Reinsurance Company SAOG

## Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (un-audited) (Expressed in Omani Rial)

### 16 Employees' benefit liabilities

	Period from 1 January 2023 to 30 June 2023 (un-audited)	Year ended 31 December 2022 (audited)
As at 1 January		
Provision for the period/year	324,998	243,373
Payments during the period/year	33,333	89,709
As at 30 June/31 December	(17,852)	(8,084)
	<u>340,479</u>	<u>324,998</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 June 2023 (un-audited)

	Gross	Reinsurance	Net
<b>Claims</b>			
At 1 January 2023	51,487,590	20,558,374	30,929,216
Increase in provision during the period	18,098,082	9,011,496	9,086,586
Claims settled during the period	(12,216,252)	(8,258,459)	(3,957,793)
At 30 June 2023	<u>57,369,420</u>	<u>21,311,411</u>	<u>36,058,009</u>

#### Unearned premium

	Gross	Reinsurance	Net
At 1 January 2023	16,053,732	2,457,012	13,596,720
Increase in provision during the period	23,986,459	5,984,849	18,001,610
Release of unearned premium	(16,053,732)	(2,457,012)	(13,596,720)
At 30 June 2023	<u>23,986,459</u>	<u>5,984,849</u>	<u>18,001,610</u>

#### Total technical provisions

	<u>81,355,879</u>	<u>27,296,260</u>	<u>54,059,619</u>
--	-------------------	-------------------	-------------------

#### 31 December 2022 (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 year	14,438,951	(382,479)	14,821,430
Claims settled during the year	(12,928,670)	(6,438,708)	(6,489,962)
At 31 December 2022	<u>51,487,590</u>	<u>20,558,374</u>	<u>30,929,216</u>

#### Unearned premium

	Gross	Reinsurance	Net
At 1 January 2022	12,482,980	2,518,648	9,964,332
Increase in provision during the year	16,053,732	2,457,012	13,596,720
Release of unearned premium	(12,482,980)	(2,518,648)	(9,964,332)
At 31 December 2022	<u>16,053,732</u>	<u>2,457,012</u>	<u>13,596,720</u>

#### Total technical provisions

	<u>67,541,322</u>	<u>23,015,386</u>	<u>44,525,936</u>
--	-------------------	-------------------	-------------------

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

#### 30 June 2023 (un-audited)

#### IBNR

	Gross	Reinsurance	Net
At the beginning of the period	13,704,661	1,498,948	12,205,713
Movement of IBNR during the period	2,903,261	475,757	2,427,504
At the end of the period	<u>16,607,922</u>	<u>1,974,705</u>	<u>14,633,217</u>

# Oman Reinsurance Company SAOG

## Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (un-audited) (Expressed in Omani Rial)

17 Reinsurers share of insurance funds and technical provisions (continued)			
31 December 2022 (audited)	Gross	Reinsurance	Net
<b>IBNR</b>			
At the beginning of the year	8,799,336	1,619,951	7,179,385
Movement of IBNR during the year	4,905,325	(121,003)	5,026,328
At the end of the year	<u>13,704,661</u>	<u>1,498,948</u>	<u>12,205,713</u>
<b>18 Reinsurance premium and other payables</b>			
	<b>30 June 2023</b>	<b>31 December 2022</b>	
	<b>(un-audited)</b>	<b>(audited)</b>	
Reinsurance premium accrued	8,862,114	5,474,063	
Payable to cedents and retro-cessionairs	4,766,535	5,207,033	
Advances and deposits retained	713,588	786,291	
Other payables	649,272	889,603	
	<u>14,991,509</u>	<u>12,356,990</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 2023 to</b>	<b>December 2022</b>	
	<b>30 June 2023</b>	<b>(audited)</b>	
	<b>(un-audited)</b>		
As at 1 January	3,936,555	3,081,338	
Charge for the period/year	(4,754,272)	(7,754,108)	
Payments during the period/year	6,609,912	8,609,325	
As at 30 June/31 December (a)	<u>5,792,195</u>	<u>3,936,555</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 2023 to</b>	<b>December 2022</b>	
	<b>30 June 2023</b>	<b>(audited)</b>	
	<b>(un-audited)</b>		
As at 1 January	268,574	357,811	
Income during the period/year	(179,386)	(561,948)	
Received during the period/year	142,136	472,711	
As at 30 June/31 December (b)	<u>231,324</u>	<u>268,574</u>	
<b>Deferred policy acquisition costs, net (c)= (a) - (b)</b>	<u>5,560,871</u>	<u>3,667,981</u>	
<b>20 Related party transactions and balances</b>			

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:

Oman Reinsurance Company SAOG

Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (un-audited)  
(Expressed in Omani Rial)

20 Related party transactions and balances (continued)			
(a) Significant transactions during the period with related parties are as follows:		Period from 1 January 2023 to 30 June 2023 (un-audited)	Period from 1 January 2022 to 30 June 2022 (audited)
Shareholders with significant influence:			
Gross			
Gross premium		1,562,780	2,078,339
Commission expense		261,128	599,098
Claims expense		(868,194)	70,077
Reinsurance			
Premium ceded		3,226,942	506,602
Commission income		19,181	131,528
Claims recovery		542,900	(69,997)
(b) Key management compensation:			
Directors' remuneration			
Directors' sitting fees		20,000	31,400
Key management remuneration			
Salaries and employment benefits		223,782	190,400
(c) Related party balances			
Shareholders with significant influence:		30 June 2023 (un-audited)	31 December 2022 (audited)
Gross			
Premiums receivables, net of commissions and claims		(1,134,429)	(2,490,303)
Outstanding claims payable		4,694,329	8,424,589
Reinsurance			
Premiums payable, net of commissions and claims		91,614	218,419
Outstanding claims receivable		2,129,960	2,076,543
21 Bank deposits		30 June 2023 (un-audited)	31 December 2022 (audited)
Non-current portion of bank deposits		6,267,996	6,590,268
Current portion of bank deposits		16,070,518	15,826,000
		22,338,514	22,416,268

Bank deposits represent deposits placed with a commercial bank in the Sultanate of Oman, which are denominated in RO and earn interest at commercial rates ranging between 4.10% and 6.00% per annum (31 December 2022: between 4.10% and 6.00% 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.

## Oman Reinsurance Company SAOG

### Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (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 June 2023 (un-audited)	31 December 2022 (audited)
Cash on hand	3,393	1,980
Current and call account balances with banks	1,072,962	2,753,297
	<u>1,076,355</u>	<u>2,755,277</u>

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

Balances in call accounts and short-term fixed deposits with local commercial banks earn interest rates ranging between 0.1% and 2.5% per annum (31 December 2022: 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 2022 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 2023.

Provision for income tax amounting to RO 176,380 (30 June 2022: RO 51,224) has been made after giving due consideration to adjustments for potential allowances and disallowances.

##### (i) Tax expense

	30 June 2023 (un-audited)	30 June 2022 (un-audited)
<b>Current tax</b>		
Charge for the current period	177,354	128,276
Charge for prior periods	-	7,608
	<u>177,354</u>	<u>135,884</u>
<b>Deferred tax</b>		
Charge for the current year (profit or loss)	(73,810)	5,102
Credit for the current year (other comprehensive income)	44,496	(326,364)
	<u>(29,314)</u>	<u>(321,262)</u>
Net charge to the profit or loss	103,544	140,986
Net credit to other comprehensive income	44,496	(326,364)
	<u>148,040</u>	<u>(185,378)</u>

The Company is subject to income tax at the rate of 15% of taxable profit (2022 : 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 June 2023 (un-audited)	30 June 2022 (un-audited)
Net profit before taxation	810,592	814,048
Tax at the applicable rate (15%)	121,589	122,107
Expenses not deductible for tax purposes	(19,526)	13,720
Prior years adjustments in provision	1,481	5,159
Total tax expenses as per profit or loss	<u>103,544</u>	<u>140,986</u>



## Oman Reinsurance Company SAOG

### Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (un-audited) (Expressed in Omani Rial)

	30 June 2023 (un-audited)	31 December 2022 (audited)
<b>(ii) Movement in current tax liability is as under:</b>		
At the beginning of the period/year	368,864	244,852
Charge for the period	177,354	374,023
Paid during the period	(367,383)	(250,011)
At the end of the period/year	<u>178,835</u>	<u>368,864</u>

#### (iii) Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 15% (2022: 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 June 2023 (un-audited)	31 December 2022 (audited)
As at 1 January	339,946	(68,358)
Credit recognised in profit or loss	73,810	120,076
Credit recognised in other comprehensive income	(44,496)	288,228
At 30 June / 31 December	<u>369,260</u>	<u>339,946</u>

#### 24 Net underwriting results

	Period from 1 January 2023 to 30 June 2023 (un-audited)	Period from 1 January 2022 to 30 June 2022 (un-audited)
<b>Income</b>		
Gross premiums written	29,256,675	21,945,531
Movement in unearned premium reserve	(7,932,727)	(6,841,554)
<b>Insurance premium revenue (a)</b>	<u>21,323,948</u>	<u>15,103,977</u>
Reinsurance premium ceded	(9,469,421)	(6,259,169)
Movement in unearned premium reserve	3,527,837	2,886,560
<b>Insurance premium retroceded to reinsurers (b)</b>	<u>(5,941,584)</u>	<u>(3,372,609)</u>
<b>Net insurance premium earned (c) = (a) + (b)</b>	<u>15,382,364</u>	<u>11,731,368</u>
Gross claims paid	(12,216,252)	(4,586,704)
Reinsurance recoveries	8,258,459	1,421,808
Net claims paid	(3,957,793)	(3,164,896)
Change in provision for outstanding claims, gross	(5,881,830)	(635,575)
Change in provision for outstanding claims, reinsurance	753,037	(3,039,898)
<b>Claims and related expenses (d)</b>	<u>(9,086,586)</u>	<u>(6,840,369)</u>
Policy acquisition costs	(6,626,789)	(5,451,490)
Policy acquisition costs recovered from reinsurers	142,136	252,917
Change in deferred policy acquisition costs	1,909,767	1,888,004
Interest on premium reserve	16,877	9,443
<b>Total policy acquisition costs (e)</b>	<u>(4,558,009)</u>	<u>(3,301,126)</u>
<b>Net insurance benefits and claims (f) = (d) + (e)</b>	<u>(13,644,595)</u>	<u>(10,141,495)</u>
<b>Net underwriting results (g) = (c) + (f)</b>	<u>1,737,769</u>	<u>1,589,873</u>

# Oman Reinsurance Company SAOG

## Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (un-audited) (Expressed in Omani Rial)

	Period from 1 January 2023 to 30 June 2023 (un-audited)	Period from 1 January 2022 to 30 June 2022 (un-audited)
<b>25 Investment and other income - net</b>		
Interest on term deposits and bonds	1,218,277	1,060,247
Dividend income	46,570	67,018
Realised gain / (loss) on sale of investments at fair value through other comprehensive income	1,906	(1,256)
Unrealised fair value gains / (loss) on investments at fair value through profit or loss	2,316	(56,753)
(Loss) / gain on sale of property, plant and equipment	(34)	529
Investment expenses	(44,936)	(2,088)
Miscellaneous income	-	28,260
	<u>1,224,099</u>	<u>1,095,957</u>
<b>26 Salaries and other related staff costs</b>		
	Period from 1 January 2023 to 30 June 2023 (un-audited)	Period from 1 January 2022 to 30 June 2022 (un-audited)
Salaries and allowances	1,082,295	975,797
Provision for leave salary	21,158	62,808
Contribution to employees' benefits	33,333	30,001
Social security costs	42,400	39,503
Other staff costs	29,164	26,607
	<u>1,208,350</u>	<u>1,134,716</u>
<b>27 General and administrative expenses</b>		
	Period from 1 January 2023 to 30 June 2023 (un-audited)	Period from 1 January 2022 to 30 June 2022 (un-audited)
Salaries and other related staff costs (Note 26)	1,208,350	1,134,716
Consultancy	117,356	10,729
Depreciation and amortisation (Notes 5 and 6)	60,599	61,391
Meeting related expenses	35,291	44,559
Rent (short-term leases)	42,976	39,971
Advertising and business promotion expenses	33,331	31,331
Legal and professional fees	59,333	35,875
Computer expenses	43,800	45,867
Telephone, fax and postage	11,224	11,335
Office maintenance	4,478	5,561
Business travel expenses	37,192	38,212
Miscellaneous expenses	55,169	58,522
	<u>1,709,099</u>	<u>1,518,069</u>

## Oman Reinsurance Company SAOG

### Notes to the condensed interim financial information for the six-month period ended 30 June 2023 (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 January 2023 to 30 June 2023 (un-audited)	Period from 1 January 2022 to 30 June 2022 (un-audited)
Weighted average number of shares (number)	330,775,600	330,775,600
Net profit for the period	707,048	673,062
Earnings per share - Basic and diluted	0.002	0.002

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 31 March 2022/31 December 2021 attributable to ordinary shareholders divided by the number of shares outstanding at the period-end.

	30 June 2023 (un-audited)	31 December 2022 (audited)
Net assets as at the period/year-end (RO)	30,237,244	29,089,086
Number of shares outstanding	330,775,600	330,775,600
Net assets per share (RO)	0.09	0.09

#### 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 three-month period ended 30 June 2023 (un-audited) (Expressed in Omani Rial)

#### 30 Operating segment (continued)

The Company has the following operating segments:

	30 June 2023 (un-audited)			30 June 2022 (un-audited)		
	Facultative	Treaty	Total	Facultative	Treaty	Total
<b>Reinsurance revenue:</b>						
Gross written premiums	10,560,438	18,696,237	29,256,675	8,567,028	13,378,503	21,945,531
Less: premiums ceded	(3,709,250)	(5,760,171)	(9,469,421)	(3,628,332)	(2,630,837)	(6,259,169)
Net written premium (a)	6,851,188	12,936,066	19,787,254	4,938,696	10,747,666	15,686,362
Gross unearned premium (movement)	(987,849)	(6,944,878)	(7,932,727)	(988,270)	(5,853,284)	(6,841,554)
Less: reinsurance unearned premiums (movement)	1,819,247	1,708,590	3,527,837	1,818,180	1,068,380	2,886,560
Net unearned premiums (b)	831,398	(5,236,288)	(4,404,890)	829,910	(4,784,904)	(3,954,994)
<b>Net insurance premium earned (c) = (a) + (b)</b>	<b>7,682,586</b>	<b>7,699,778</b>	<b>15,382,364</b>	<b>5,768,606</b>	<b>5,962,762</b>	<b>11,731,368</b>
<b>Cost of reinsurance revenue:</b>						
Commission and tax paid	(2,039,624)	(4,570,288)	(6,609,912)	(1,747,276)	(3,704,214)	(5,451,490)
Reinsurance commission and tax recoveries	69,086	73,050	142,136	165,442	87,475	252,917
Net commission (d)	(1,970,538)	(4,497,238)	(6,467,776)	(1,581,834)	(3,616,739)	(5,198,573)
Deferred acquisition costs (movement)	175,195	1,680,445	1,855,640	215,326	1,691,047	1,906,373
Reinsurance deferred acquisition costs (movement)	21,415	15,835	37,250	(47,026)	28,657	(18,369)
Net deferred acquisition costs (e)	196,610	1,696,280	1,892,890	168,300	1,719,704	1,888,004
Interest on premium reserves (net)(f)	-	16,877	16,877	-	9,443	9,443
Net incurred acquisition costs (g) = (d) + (e) + (f)	(1,773,928)	(2,784,081)	(4,558,009)	(1,413,534)	(1,887,592)	(3,301,126)
Gross claims paid	(5,294,539)	(6,921,713)	(12,216,252)	(2,199,336)	(2,387,368)	(4,586,704)
Less: reinsurance claims recovered	4,906,179	3,352,280	8,258,459	1,002,555	419,253	1,421,808
Net claims paid (h)	(388,360)	(3,569,433)	(3,957,793)	(1,196,781)	(1,968,115)	(3,164,896)
Change in gross out-standing claims	3,584,408	(6,562,977)	(2,978,569)	1,877,976	(531,072)	1,346,904
Less: change in reinsurance claims	(5,075,996)	5,353,277	277,281	(2,780,815)	108,954	(2,671,861)
Net out-standing claims (i)	(1,491,588)	(1,209,700)	(2,701,288)	(902,839)	(422,118)	(1,324,957)
IBNR movement (j)	(512,677)	(1,914,828)	(2,427,505)	(1,567,340)	(783,176)	(2,350,516)
Net incurred claims (k) = (h) + (i) + (j)	(2,392,625)	(6,693,961)	(9,086,586)	(3,666,960)	(3,173,409)	(6,840,369)
Total cost of insurance (l) = (k) + (g)	(4,166,553)	(9,478,042)	(13,644,595)	(5,080,494)	(5,061,001)	(10,141,495)
<b>Net underwriting (loss)/profit (m) = (c) + (l)</b>	<b>3,516,033</b>	<b>(1,778,264)</b>	<b>1,737,769</b>	<b>688,112</b>	<b>901,761</b>	<b>1,589,873</b>
<b>Loss ratio</b>	<b>31%</b>	<b>87%</b>	<b>59%</b>	<b>64%</b>	<b>53%</b>	<b>58.3%</b>

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.