
Oman Reinsurance Company SAOG

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

Oman Reinsurance Company SAOG
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2023 (un-audited)

Contents	Page
Condensed interim statement of financial position	2
Condensed interim statement of profit or loss and other comprehensive income	3
Condensed interim statement of changes in shareholders' equity	4
Condensed interim statement of cash flows	5
Notes to the condensed interim financial information	6 - 18

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

		30 September 2023 (Un-audited)	31 December 2022 (Un-audited) Restated	31 December 2021 (Un-audited) Restated
ASSETS	Notes			
Non-current assets				
Property, plant and equipment	5	68,736	92,568	137,643
Investment property	7	1,900,000	1,900,000	1,900,000
Investment property under development	8	184,592	184,592	184,592
Intangible assets	6	94,310	120,887	163,913
Investments at fair value through other comprehensive income	9	33,006,331	29,191,780	19,788,547
Non-current portion of bank deposits-net	21	8,378,474	6,524,155	12,282,723
Deferred tax asset	23	339,946	339,946	-
Total non-current assets		43,972,389	38,353,928	34,457,418
Current assets				
Investments at fair value through profit or loss	10	190,424	637,539	576,615
Other receivables	11	271,846	445,644	359,650
Accrued income	12	1,018,339	1,040,558	976,615
Retrocessionaire contract assets	13	16,341,179	15,107,674	20,589,251
Current portion of bank deposits	21	13,936,018	15,826,000	11,165,268
Cash and cash equivalents	22	3,079,037	2,755,277	5,556,548
Total current assets		34,836,843	35,812,692	39,223,947
Total assets		78,809,232	74,166,620	73,681,365
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	14	32,615,926	32,615,926	32,615,926
Legal reserve	15	539,997	539,997	478,729
Investment fair value reserve	9	(2,071,228)	(1,732,631)	(98,810)
Contingency reserve	16	4,825,532	4,825,532	4,216,914
Accumulated losses		(7,663,179)	(9,605,104)	(9,385,821)
Total capital and reserves		28,247,048	26,643,720	27,826,938
Non-current liabilities				
Employees' benefit liabilities	17	357,099	324,998	243,373
Deferred tax liability		-	-	68,358
Total non-current liabilities		357,099	324,998	311,731
Current liabilities				
Reinsurance contract liabilities	18	50,129,617	47,078,850	45,447,793
Other payables	19	75,468	119,052	94,903
Total current liabilities		50,205,085	47,197,902	45,542,696
Total liabilities		50,562,184	47,197,902	45,542,696
Total equity and liabilities		78,809,232	74,166,620	73,681,365
Net assets per share	28	0.0854	0.0805	0.0841

The financial statements, were approved and authorised for issue by the Board of Directors on 16 November 2023 and were signed on their behalf by:

Director

Director

CEO

CFO

The attached notes 1 to 29 form part of these financial statements.

Oman Reinsurance Company SAOG

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

		January 2023 to 30 September 2023 (Un-audited) Restated	January 2022 to 30 September 2022 (Un-audited) Restated
Income			
Reinsurance revenue	18	31,825,722	23,914,273
Reinsurance service expense	18	(33,499,392)	(16,712,643)
Net expense from retrocession	13	2,164,578	(6,454,448)
Reinsurance service results		<u>490,908</u>	<u>747,182</u>
Reinsurance finance income	18	2,465,215	1,138,337
Retrocession finance expense	13	(893,730)	(58,969)
Net reinsurance results		<u>2,062,393</u>	<u>1,826,550</u>
Investment and other income, net	24	1,977,251	1,532,933
		<u>4,039,644</u>	<u>3,359,483</u>
Expenses			
General and administrative expenses	26	(1,167,942)	(1,051,875)
Foreign exchange losses, net		(687,625)	(692,219)
		<u>(1,855,567)</u>	<u>(1,744,094)</u>
Net profit before tax for the period		2,184,077	1,615,389
Income tax expense	23	(327,612)	(242,308)
Net profit after tax for the period		<u>1,856,465</u>	<u>1,373,081</u>
Other comprehensive income:			
<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		178,012	(785,221)
<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 tax		(431,149)	(2,072,164)
Other comprehensive income / (loss) for the period	9	<u>(253,137)</u>	<u>(2,857,385)</u>
Total comprehensive income / (loss) for the period		<u>1,603,328</u>	<u>(1,484,304)</u>
Earnings per share - basic and diluted	27	<u>0.006</u>	<u>0.004</u>

Oman Reinsurance Company SAOG

Condensed interim statement of changes in shareholders' equity for the nine-month period ended 30 September 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 (un-audited) (restated)		32,615,926	478,729	(102,368)	4,216,914	(7,948,515)	29,260,686
Transitional impact for the first time adoption of IFRS 17						(1,428,471)	(1,428,471)
Impact of expected credit losses for investment				3,558		(8,835)	(5,277)
		<u>32,615,926</u>	<u>478,729</u>	<u>(98,810)</u>	<u>4,216,914</u>	<u>(9,385,821)</u>	<u>27,826,938</u>
Net profit after tax for the period		-	-	-	-	1,373,081	1,373,081
Other comprehensive income for the period		-	-	(2,857,385)	-	-	(2,857,385)
Realised gains on sale of equity instrument at fair value through other comprehensive income		-	-	(18,910)	-	18,910	-
As at 30 September 2022 (un-audited) (restated)		<u>32,615,926</u>	<u>478,729</u>	<u>(2,975,105)</u>	<u>4,216,914</u>	<u>(7,993,830)</u>	<u>26,342,634</u>
Net profit after tax for the period		-	-	-	-	(760,405)	(760,405)
Net change in fair value of investments at fair value through other comprehensive income, net of deferred tax		-	-	1,061,491	-	-	1,061,491
Realised gains on sale of equity instrument at fair value through other comprehensive income	9	-	-	180,983	-	(180,983)	-
Transferred to legal reserve	15	-	61,268	-	-	(61,268)	-
Transferred to contingency reserve	16	-	-	-	608,618	(608,618)	-
As at 31 December 2022 (un-audited) (restated)		<u>32,615,926</u>	<u>539,997</u>	<u>(1,732,631)</u>	<u>4,825,532</u>	<u>(9,605,104)</u>	<u>26,643,720</u>
Net profit after tax for the period		-	-	-	-	1,856,465	1,856,465
Net change in fair value of investments at fair value through other comprehensive income, net of deferred tax		-	-	(253,137)	-	-	(253,137)
Realised gains on sale of equity instrument at fair value through other comprehensive income		-	-	(85,460)	-	85,460	-
As at 30 September 2023 (un-audited)		<u><u>32,615,926</u></u>	<u><u>539,997</u></u>	<u><u>(2,071,228)</u></u>	<u><u>4,825,532</u></u>	<u><u>(7,663,179)</u></u>	<u><u>28,247,048</u></u>

Oman Reinsurance Company SAOG

Condensed interim statement of cash flows for the nine-month period ended 30 September 2023 (un-audited)

(Expressed in Omani Rial)

	Notes	Period from 1 January 2023 to 30 September 2023 (un-audited)	Period from 1 January 2022 to 30 September 2022 (Un-audited) Restated
Operating activities			
Net profit after tax for the period		1,856,465	1,373,081
Adjustments for:			
Depreciation on property, plant and equipment (Reversal)/provision for impairment on assets held at amortized cost and at fair value through other comprehensive income	5	41,670	44,537
Loss on sale of investments at fair value through other comprehensive income		(59,546)	63,566
Amortisation of intangible assets	6	12,259	1,256
(Gain)/loss on disposal of property, plant and equipment		46,038	46,778
Unrealised fair value loss on investments at fair value through profit or loss	10	34	(684)
Provision for employees' benefit liabilities	17	1,683	142,207
Interest income from bank deposits	24	49,953	72,939
Dividend income	24	(1,947,228)	(1,649,185)
Deferred tax recognised in profit or loss	23	(52,785)	(71,520)
Operating (loss) / gain before working capital changes		-	5,102
		<u>(51,457)</u>	<u>28,077</u>
Working capital changes			
Other receivables		173,798	70,070
Reinsurance and retrocession funds		1,817,262	3,270,912
Other payables		(43,584)	(122,599)
Cash generated from operating activities		<u>1,896,019</u>	<u>3,246,460</u>
Employees' benefit liabilities paid	17	(17,852)	-
Net cash generated from operating activities		<u>1,878,167</u>	<u>3,246,460</u>
Investing activities			
Purchase of property, plant and equipment	5	(18,311)	(13,793)
Proceeds from disposal of property, plant and equipment		439	473
Purchase of investments at fair value through other comprehensive income	9	(10,034,636)	(8,812,134)
Purchase of investments at fair value through profit or loss	10	(384,500)	(617,987)
Proceeds from disposal of investments at fair value through other comprehensive income		6,033,550	1,636,733
Proceeds from disposal of investments at fair value through profit or loss		829,932	249,181
Cost of acquisition of intangible assets	6	(19,461)	(2,000)
Net change in bank deposits		96,754	1,421,500
Interest income received from bank deposits		1,889,041	1,699,046
Dividend income received	24	52,785	71,520
Net cash used in investing activities		<u>(1,554,407)</u>	<u>(4,367,461)</u>
Net increase / (decrease) in cash and cash equivalents		323,760	(1,121,001)
Cash and cash equivalents, beginning of the period		2,755,277	5,556,548
Cash and cash equivalents, end of the period	22	<u>3,079,037</u>	<u>4,435,547</u>

Oman Reinsurance Company SAOG

Notes to the condensed interim financial information for the nine-month period ended 30 September 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 also has started operations through a Branch in Qatar. The Branch is registered in the Qatar Financial Center (QFC). 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 16 November 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

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except for the below

In this interim condensed financial information, the Company has applied IFRS 17. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.1 IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The Company has restated comparative information for 2022 applying the transitional provisions in Appendix C to IFRS 17 adopting the full retrospective approach. The nature of the changes in accounting policies can be summarised, as follows:

3.1.1 Changes to classification and measurement

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

The Company being engaged in a reinsurance business classifies its contracts into reinsurance contracts and retrocessionaire contracts.

Oman Reinsurance Company SAOG

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

3 Adoption of new and revised IFRS (continued)

3.1 IFRS 17 Insurance Contracts (continued)

3.1.1 Changes to classification and measurement (continued)

The key principles of IFRS 17 are that the Company:

- Identifies reinsurance contracts as those under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than reinsurance contract services from reinsurance contracts and accounts for them in accordance with other standards.
- Divides the reinsurance and retrocessionaires contracts into groups it will recognise and measure.
- Recognises and measures groups of reinsurance contracts at:
 - A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information; plus
 - An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM).
- Recognises profit from a group of reinsurance contracts over each period the Company provides reinsurance contract services, as the Company is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Company recognises the loss immediately.
- Recognises an asset for reinsurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of reinsurance contracts is recognised. Such an asset is derecognised when the reinsurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

Under IFRS 17, the Company's reinsurance contracts and retrocessionaires contracts held are all eligible to be measured by applying the PAA. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17. The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- The Liability for Remaining Coverage (LRC) reflects premiums received/receivable less deferred insurance acquisition cashflows/payables and less amounts recognised in revenue for insurance services provided.
- Measurement of the LRC includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- Measurement of the LRC involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision).
- Measurement of the liability for Incurred Claims (LIC) (previously claims outstanding and incurred-but-not-reported (IBNR) claims) is determined on a discounted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the Company's obligation to pay other incurred reinsurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

The Company has determined that its reinsurance and retrocessionaire contracts qualify for the simplified approach. As a result, the Company has established its policy choice to account for its contracts under the Premium Allocation Approach.

The Company's classification and measurement of reinsurance and retrocessionaire contracts is explained in Note 4.

3.1.2 Changes to presentation and disclosure

For presentation in the interim condensed statement of financial position, the Company aggregates reinsurance and retrocessionaire contracts issued and retrocessionaire contracts held, respectively and presents separately:

- Portfolios of reinsurance and retrocessionaire contracts issued that are assets.
- Portfolios of reinsurance and retrocessionaire contracts issued that are liabilities.
- Portfolios of retrocessionaire contracts held that are assets.
- Portfolios of retrocessionaire contracts held that are liabilities.

Oman Reinsurance Company SAOG

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

3 Adoption of new and revised IFRS (continued)

3.1 IFRS 17 Insurance Contracts (continued)

3.1.2 Changes to presentation and disclosure (continued)

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements. Portfolios of reinsurance contracts issued include any assets for reinsurance acquisition cash flows.

The line-item descriptions in the interim condensed statement of profit or loss and interim condensed statement of other comprehensive income have been changed significantly compared with last year. As follows:

Previously reported under IFRS 4:

- Gross written premiums
- Net written premiums
- Changes in unearned premium reserves
- Gross insurance claims
- Net reinsurance claims

IFRS 17 requires separate presentation of:

- Reinsurance revenue
- Reinsurance service expenses
- Reinsurance finance income or expenses
- Income or expenses from retrocessionaire contracts held

3.1.3 Transition

On transition date, 1 January 2022, the Company:

- Has identified, recognised and measured each group of reinsurance contracts as if IFRS 17 had always applied.
- Has identified, recognised and measured assets for reinsurance acquisition cash flows as if IFRS 17 has always applied. However, at transition date, a recoverability assessment was performed, and no impairment loss was identified.
- Derecognised any existing balances that would not exist had IFRS 17 always applied.
- Recognised any resulting net difference in equity.

Full retrospective approach

On transition to IFRS 17, the Company has applied the full retrospective approach unless impracticable. The Company has applied the full retrospective approach on transition to all contracts issued on or after 1 January 2021.

The Company has counted that, on adoption of IFRS 17, the impact of these changes is as follows:

	31 December 2022	31 December 2021
Impact on equity for the year ended	(950,776)	(1,428,471)

4 Reinsurance and retrocessionaire contracts

4.1 Classification

The Company issues reinsurance contracts in the normal course of business, under which it accepts significant reinsurance risk from its policyholders. As a general guideline, the Company determines whether it has significant reinsurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Reinsurance contracts can also transfer financial risk.

The Company issues the non-life reinsurance product to insurance companies. Non-life reinsurance products offered include but not limited to, fire, engineering, accident, , motor and aviation classes. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's insured event.

4.2 Separating components from reinsurance and retrocessionaire contracts

The Company assesses its non-life reinsurance and retrocessionaire products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) reinsurance contract. Currently, the Company's products do not include any distinct components that require separation.

Oman Reinsurance Company SAOG

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

4 Reinsurance and retrocessionaire contracts (continued)

4.3 Level of Aggregation

IFRS 17 requires the Company to determine the level of aggregation for applying its requirements.

The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

The Company applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into two groups, as follows:

- (i) any contracts that are onerous on initial recognition;
- (ii) any remaining contracts in the portfolio.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

The Company divides portfolios of retrocessionaire contracts held applying the same principles set out above.

4.4 Recognition

The Company recognises groups of reinsurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date.
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Company recognises a group of retrocessionaire contracts held, it has entered into, from the earlier of the following:

- The beginning of the coverage period of the group of retrocessionaire contracts held.
- The date the Company recognises an onerous group of underlying reinsurance contracts if the Company entered into the related retrocessionaire contract held in the group of retrocessionaire contracts held at or before that

^{date}
The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

4.5 Reinsurance contracts- Initial and subsequent measurement

4.5.1 Initial measurement

The Company applies the premium allocation approach (PAA) to all the reinsurance contracts that it issues and retrocessionaire contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including reinsurance contract services arising from all premiums within the contract boundary. Or
- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any reinsurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for reinsurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of reinsurance contracts is recognised.

Oman Reinsurance Company SAOG

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

4 Reinsurance and retrocessionaire contracts (continued)

4.5 Reinsurance contracts- Initial and subsequent measurement (continued)

4.5.2 Subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus reinsurance acquisition cash flows
- Plus any amounts relating to the amortisation of the reinsurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as reinsurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment).

4.6 Retrocessionaire contracts- Initial and subsequent measurement

4.6.2 Initial measurement

The Company measures its retrocessionaire assets for a group of retrocessionaire contracts that it holds on the same basis as reinsurance contracts that it issues. However, they are adapted to reflect the features of retrocessionaire contracts held that differ from reinsurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue. Where the Company recognises a loss on initial recognition of an onerous group of underlying reinsurance contracts or when further underlying onerous reinsurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of retrocessionaire contracts held depicting the recovery of losses.

4.6.2 Subsequent measurement

The subsequent measurement of retrocessionaire contracts held follows the same principles as those for reinsurance contracts issued and has been adapted to reflect the specific features of retrocessionaire held.

4.7 Reinsurance acquisition cash flows

Reinsurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of reinsurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of reinsurance contracts to which the group belongs. All acquisition costs are to be deferred. The Company uses a systematic and rational method to allocate:

(a) Reinsurance acquisition cash flows that are directly attributable to a group of reinsurance contracts:

- to that group; and
- to groups that include reinsurance contracts that are expected to arise from the renewals of the reinsurance contracts in that group.

(b) Reinsurance acquisition cash flows directly attributable to a portfolio of reinsurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

4.8 Discount rates

The Company adopts a bottom-up approach in deriving appropriate discount rates. The starting point for these discount rates will be appropriate reference liquid risk-free curves + taking consideration for the currency characteristics of the contracts and their respective cashflows.

Oman Reinsurance Company SAOG

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

4 Reinsurance and retrocessionaire contracts (continued)

4.9 Risk adjustment

IFRS 17 requires entities to measure reinsurance contracts at initial recognition as the sum of the following items

- Future Cash Flow (FCF) and comprising the Present Value of Future Cash Flows (PVFCF) with an appropriate discounting structure
- Risk Adjustment (RA) for non-financial risk

The risk adjustment for non-financial risk is the compensation that the entity requires for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk.

4.9.1 Derivation of the risk adjustment

The Company has determined that the derivation of the risk adjustment shall be performed at the operating level using an appropriate methodology that is in line with IFRS 17 guidelines.

The Risk Adjustment for the Liability for Incurred Claims (LIC) has been estimated based on the stochastic approach performed on Company's triangles with consideration to market benchmarks.

The Company will set a confidence level in the range of the 65th to 70th percentile, on a diversified basis. The Company applies judgment to determine the appropriate Risk Adjustment based on the non-financial risks associated with their portfolios of reinsurance and retrocessionaire contracts to determine the desired Risk Adjustment.

4.10 Reinsurance revenue

The reinsurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of reinsurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred reinsurance service expenses. The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

4.11 Reinsurance finance income and expense

Reinsurance finance income or expenses comprise the change in the carrying amount of the group of reinsurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company allocates reinsurance finance income or expenses on reinsurance contracts issued to profit or loss. The impact of changes in market interest rates on the value of the reinsurance assets and liabilities are reflected in profit or loss in order to minimise accounting mismatches between the accounting for financial assets and reinsurance assets and liabilities.

4.12 Net income or expense from retrocessionaire contracts held

The Company presents separately on the face of the interim condensed statement of profit or loss, the amounts expected to be recovered from reinsurers, net of allocation of the retrocessionaire premiums paid. The Company treats retrocessionaire cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the retrocessionaire contract held and excludes investment components and commissions from an allocation of retrocessionaire premiums presented on the face of the interim condensed statement of profit or loss.

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 nine-month period ended
30 September 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
Cost				
At 1 January 2023	74,122	227,713	214,200	516,035
Additions during the period	7,817	300	10,194	18,311
Disposals during the period	-	-	(1,116)	(1,116)
At 30 September 2023 (un-audited)	<u>81,939</u>	<u>228,013</u>	<u>223,278</u>	<u>533,230</u>
Accumulated depreciation				
At 1 January 2023	47,870	201,686	173,911	423,467
Charge for the period	12,635	13,535	15,500	41,670
Relating to disposals	-	-	(643)	(643)
At 30 September 2023 (un-audited)	<u>60,505</u>	<u>215,221</u>	<u>188,768</u>	<u>464,494</u>
Net book amount				
At 30 September 2023 (un-audited)	<u>21,434</u>	<u>12,792</u>	<u>34,510</u>	<u>68,736</u>
2022				
Cost				
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 (un-audited)	<u>74,122</u>	<u>227,713</u>	<u>214,200</u>	<u>516,035</u>
Accumulated depreciation				
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 (un-audited)	<u>47,870</u>	<u>201,686</u>	<u>173,911</u>	<u>423,467</u>
Net book amount				
At 31 December 2022 (un-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 nine-month period ended 30 September 2023 (un-audited)
(Expressed in Omani Rial)

6 Intangible assets

	Period from 1 January 2023 to 30 September 2023 (un-audited)	Year ended 31 December 2022 (un-audited)
The movement in intangible assets is as follows:-		
Cost		
As at 1 January	410,965	390,456
Additions during the period/year	19,461	20,509
As at 30 September/31 December	<u>430,426</u>	<u>410,965</u>
Accumulated amortisation		
As at 1 January	290,078	226,543
Charge for the period/year	46,038	63,535
As at 30 September/31 December	<u>336,116</u>	<u>290,078</u>
Net book amount		
As at 30 September/31 December	<u>94,310</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 September 2023 (un-audited)	Year ended 31 December 2022 (un-audited)
Cost		
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 September 2023 (un-audited)	Year ended 31 December 2022 (un-audited)
Opening balance	184,592	184,592
Additions during the period/year	-	-
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.

9 Investments at fair value through other comprehensive income

	Fair value		Average cost	
	30 September 2023 (un-audited)	31 December 2022 (un-audited)	30 September 2023 (un-audited)	31 December 2022 (un-audited)
Bonds	30,367,860	25,700,597	30,961,872	25,921,162
Equity securities	2,638,471	3,491,183	4,124,973	3,975,249
	<u>33,006,331</u>	<u>29,191,780</u>	<u>35,086,845</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 September 2023 (un-audited)	Year ended 31 December 2022 (un-audited)
At 1 January	29,191,780	19,788,547
Acquisitions during the period/year	10,034,636	14,868,874
Disposals during the period/year	(5,960,349)	(3,577,373)
Net realised change in fair value	(85,460)	162,073
Net unrealised change in fair value	(254,682)	(2,086,852)
Amortisation charge for the period/year	80,406	36,511
At 30 September/31 December	<u>33,006,331</u>	<u>29,191,780</u>

Oman Reinsurance Company SAOG

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

9 Investments at fair value through other comprehensive income (continued)

The market value of investment includes provision for impairments on debt securities amounting to OMR 7,833 (31 December 2022: 6,288). The movement of provision for impairment is charged to profit and loss is as under

	Period from 1 January 2023 to 30 September 2023 (un-audited)	Period from 1 January 2022 to 30 September 2022 (un-audited)
Opening balance	6,288	3,558
Add: Charge for the year	1,545	2,730
Closing balance	<u>7,833</u>	<u>6,288</u>

(b) Investment fair value reserve:

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

	Period from 1 January 2023 to 30 September 2023 (un-audited)	Year ended 31 December 2022 (un-audited)
Opening balance	(1,738,919)	(102,368)
Net change in fair value during the period/year	(253,137)	(2,086,852)
Deferred tax charge	-	288,228
Net realised (gain) / loss transferred to retained earnings	(85,460)	162,073
Closing balance	<u>(2,077,516)</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 September 2023 (un-audited)	31 December 2022 (un-audited)	30 September 2023 (un-audited)	31 December 2022 (un-audited)
Multi-reverse callable notes	190,424	637,539	192,250	627,930
	<u>190,424</u>	<u>637,539</u>	<u>192,250</u>	<u>627,930</u>

(a) Movement in investments at fair value through profit or loss can be summarised as below:

	Period from 1 January 2023 to 30 September 2023 (un-audited)	Year ended 31 December 2022 (un-audited)
At 1 January	637,539	576,615
Acquisitions during the period/year	384,500	627,632
Disposals during the period/year	(829,932)	(576,317)
Net unrealised change in fair value recognised in profit or loss	(1,683)	9,609
At 31 March/31 December	<u>190,424</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 192,250, 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 Other receivables

	30 September 2023 (un-audited)	31 December 2022 (un-audited)
Loans and advances (gross)	290,226	464,024
Less: provision for impaired loans and advances	(18,380)	(18,380)
Loans and advances (net)	<u>271,846</u>	<u>445,644</u>

The movement in impaired loans and advances is as follows:

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

Oman Reinsurance Company SAOG

Notes to the condensed interim financial information for the nine-month period ended 30 September 2023 (un-audited)

(Expressed in Omani Rial)

12 Accrued income	30 September 2023 (un-audited)	31 December 2022 (un-audited)
Interest accrued on investments	1,018,339	1,040,558

13 Retrocessionaire contract assets

30 September 2023 (un-audited)

	(Liabilities) / Assets for remaining coverage	(Liabilities) / Assets for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening assets	(17,354,870)	30,532,336	1,930,208	15,107,674
Opening retrocession contract assets	(17,354,870)	30,532,336	1,930,208	15,107,674
Retrocession expense	(8,180,634)	-	-	(8,180,634)
Amounts recovered				
Incurring claims and other insurance service expenses	-	4,498,545	(12,709)	4,485,836
Amortisation of insurance acquisition cash flows	-	-	-	-
Adjustments to liabilities for incurred claims	-	5,875,977	(16,601)	5,859,376
Amounts recovered from retrocessionaires	-	10,374,522	(29,310)	10,345,212
Retrocession service result	(8,180,634)	10,374,522	(29,310)	2,164,578
Retrocession finance income/expense recognized in profit or loss	-	(835,407)	(58,323)	(893,730)
Total changes in the statement of profit or loss	(8,180,634)	9,539,115	(87,633)	1,270,848
Retrocession finance income/expense recognized in OCI	-	-	-	-
Total changes in the statement of profit or loss and OCI	(8,180,634)	9,539,115	(87,633)	1,270,848
Cash flows				
Premiums paid	8,287,851	-	-	8,287,851
Recoveries from retrocessionaires	-	(8,325,194)	-	(8,325,194)
Recovered acquisition cash flows	-	-	-	-
Total cash flows	8,287,851	(8,325,194)	-	(37,343)
Closing assets	(17,247,653)	31,746,257	1,842,575	16,341,179

31 December 2022 (un-audited)

	(Liabilities) / Assets for remaining coverage	(Liabilities) / Assets for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening assets	(16,150,578)	34,131,318	2,608,511	20,589,251
Opening retrocession contract assets	(16,150,578)	34,131,318	2,608,511	20,589,251
Retrocession expense	(7,084,127)	-	-	(7,084,127)
Amounts recovered				
Incurring claims and other insurance service expenses	-	3,378,762	47,041	3,425,803
Amortisation of insurance acquisition cash flows	-	-	-	-
Adjustments to liabilities for incurred claims	-	(4,493,702)	(773,015)	(5,266,717)
Amounts recovered from retrocessionaires	-	(1,114,940)	(725,974)	(1,840,914)
Retrocession service result	(7,084,127)	(1,114,940)	(725,974)	(8,925,041)
Retrocession finance income/expense recognized in profit or loss	-	663,029	47,671	710,700
Total changes in the statement of profit or loss	(7,084,127)	(451,911)	(678,303)	(8,214,341)
Retrocession finance income/expense recognized in OCI	-	-	-	-
Total changes in the statement of profit or loss and OCI	(7,084,127)	(451,911)	(678,303)	(8,214,341)
Cash flows				
Premiums paid	5,879,835	-	-	5,879,835
Recoveries from retrocessionaires	-	(3,147,071)	-	(3,147,071)
Recovered acquisition cash flows	-	-	-	-
Total cash flows	5,879,835	(3,147,071)	-	2,732,764
Closing assets	(17,354,870)	30,532,336	1,930,208	15,107,674

Oman Reinsurance Company SAOG

Notes to the condensed interim financial information for the nine-month period ended 30 September 2023 (un-audited)

(Expressed in Omani Rial)

13 Retrocessionaire contract assets (continued)

30 September 2022 (un-audited)

	(Liabilities) / Assets for remaining coverage	(Liabilities) / Assets for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening assets	(16,150,578)	34,131,318	2,608,511	20,589,251
Opening retrocession contract assets	(16,150,578)	34,131,318	2,608,511	20,589,251
Retrocession expense	(5,207,815)	-	-	(5,207,815)
Amounts recovered				
Incurred claims and other insurance service expenses	-	(184,414)	(179,135)	(363,549)
Amortisation of insurance acquisition cash flows	-	-	-	-
Adjustments to liabilities for incurred claims	-	(447,953)	(435,131)	(883,084)
Amounts recovered from retrocessionaires	-	(632,367)	(614,266)	(1,246,633)
Retrocession service result	(5,207,815)	(632,367)	(614,266)	(6,454,448)
Retrocession finance income/expense recognized in profit or loss	-	(45,382)	(13,587)	(58,969)
Total changes in the statement of profit or loss	(5,207,815)	(677,749)	(627,853)	(6,513,417)
Retrocession finance income/expense recognized in OCI	-	-	-	-
Total changes in the statement of profit or loss and OCI	(5,207,815)	(677,749)	(627,853)	(6,513,417)
Cash flows				
Premiums paid	3,929,538	-	-	3,929,538
Recoveries from retrocessionaires	-	(2,402,846)	-	(2,402,846)
Recovered acquisition cash flows	-	-	-	-
Total cash flows	3,929,538	(2,402,846)	-	1,526,692
Closing assets	(17,428,855)	31,050,723	1,980,658	15,602,526

14 Share capital

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 following:

	30 September 2023 (un-audited)	31 December 2022 (un-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%

15 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 September 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 61,268).

Oman Reinsurance Company SAOG

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

16 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 September 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 608,618).

17 Employees' benefit liabilities

	Period from 1 January 2023 to 30 September 2023 (un-audited)	Year ended 31 December 2022 (un-audited)
As at 1 January	324,998	243,373
Provision for the period/year	49,953	89,709
Payments during the period/year	(17,852)	(8,084)
As at 30 September/31 December	<u>357,099</u>	<u>324,998</u>

18 Reinsurance contract liabilities

30 September 2023 (un-audited)

	Liabilities for remaining coverage	Liabilities for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk	
Opening liabilities	(15,144,045)	57,430,225	4,792,670	47,078,850
Opening reinsurance contract liabilities	(15,144,045)	57,430,225	4,792,670	47,078,850
Reinsurance revenue	(31,825,722)	-	-	(31,825,722)
Reinsurance service expenses				
Incurred claims and other insurance service expenses	-	3,172,890	85,654	3,258,544
Amortisation of insurance acquisition cash flows	7,819,157	-	-	7,819,157
Adjustments to liabilities for incurred claims	-	21,832,319	589,372	22,421,691
Reinsurance service expenses	7,819,157	25,005,209	675,026	33,499,392
Reinsurance service result	(24,006,565)	25,005,209	675,026	1,673,670
Reinsurance finance income/expense recognized in profit or loss	-	(2,263,224)	(201,991)	(2,465,215)
Total changes in the statement of profit or loss	(24,006,565)	22,741,985	473,035	(791,545)
Reinsurance finance income/expense recognized in OCI	-	-	-	-
Total changes in the statement of profit or loss and OCI	(24,006,565)	22,741,985	473,035	(791,545)
Cash flows				
Premiums received	25,332,077	-	-	25,332,077
Claims and other insurance service expenses paid	-	(15,339,109)	-	(15,339,109)
Reinsurance acquisition cash flows	(6,150,656)	-	-	(6,150,656)
Total cash flows	19,181,421	(15,339,109)	-	3,842,312
Closing liabilities	(19,969,189)	64,833,101	5,265,705	50,129,617

Oman Reinsurance Company SAOG

Notes to the condensed interim financial information for the nine-month period ended 30 September 2023 (un-audited)

(Expressed in Omani Rial)

18 Reinsurance contract liabilities (continued)

31 December 2022 (un-audited)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk		
Opening liabilities	(11,213,763)	51,990,867	4,670,689		45,447,793
Opening reinsurance contract liabilities	(11,213,763)	51,990,867	4,670,689		45,447,793
Reinsurance revenue	(32,544,939)	-	-		(32,544,939)
Reinsurance service expenses					
Incurred claims and other insurance service expenses	-	8,565,652	398,378		8,964,030
Amortisation of insurance acquisition cash flows	8,444,045	-	-		8,444,045
Adjustments to liabilities for incurred claims	-	6,121,220	(282,742)		5,838,478
Reinsurance service expenses	8,444,045	14,686,872	115,636		23,246,553
Reinsurance service result	(24,100,894)	14,686,872	115,636		(9,298,386)
Reinsurance finance income/expense recognized in profit or loss	-	202,892	6,345		209,237
Total changes in the statement of profit or loss	(24,100,894)	14,889,764	121,981		(9,089,149)
Reinsurance finance income/expense recognized in OCI	-	-	-		-
Total changes in the statement of profit or loss and OCI	(24,100,894)	14,889,764	121,981		(9,089,149)
Cash flows					
Premiums received	27,699,407	-	-		27,699,407
Claims and other insurance service expenses paid	-	(9,450,406)	-		(9,450,406)
Reinsurance acquisition cash flows	(7,528,795)	-	-		(7,528,795)
Total cash flows	20,170,612	(9,450,406)	-		10,720,206
Closing liabilities	(15,144,045)	57,430,225	4,792,670		47,078,850

30 September 2022 (un-audited)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding onerous contracts component	Estimation of the present value of the future cash flows	Risk adjustment for non-financial risk		
Opening liabilities	(11,213,763)	51,990,867	4,670,689		45,447,793
Opening reinsurance contract liabilities	(11,213,763)	51,990,867	4,670,689		45,447,793
Reinsurance revenue	(23,914,273)	-	-		(23,914,273)
Reinsurance service expenses					
Incurred claims and other insurance service expenses	-	1,099,437	(3,101)		1,096,336
Amortisation of insurance acquisition cash flows	6,134,571	-	-		6,134,571
Adjustments to liabilities for incurred claims	-	9,508,558	(26,822)		9,481,736
Reinsurance service expenses	6,134,571	10,607,995	(29,923)		16,712,643
Reinsurance service result	(17,779,702)	10,607,995	(29,923)		(7,201,630)
Reinsurance finance income/expense recognized in profit or loss	-	(1,036,030)	(102,307)		(1,138,337)
Total changes in the statement of profit or loss	(17,779,702)	9,571,965	(132,230)		(8,339,967)
Reinsurance finance income/expense recognized in OCI	-	-	-		-
Total changes in the statement of profit or loss and OCI	(17,779,702)	9,571,965	(132,230)		(8,339,967)
Cash flows					
Premiums received	21,432,304	-	-		21,432,304
Claims and other insurance service expenses paid	-	(9,159,522)	-		(9,159,522)
Reinsurance acquisition cash flows	(5,648,628)	-	-		(5,648,628)
Total cash flows	15,783,676	(9,159,522)	-		6,624,154
Closing liabilities	(13,209,789)	52,403,310	4,538,459		43,731,980

Oman Reinsurance Company SAOG

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

19 Other payables	30 September 2023	31 December 2022
	(un-audited)	(un-audited)
Other payables	75,468	119,052
	<u>75,468</u>	<u>119,052</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:

(a) Significant transactions during the period with related parties are as follows:	Period from 1	Period from 1
	January 2023 to 30 September 2023	January 2022 to 30 September 2022
	(un-audited)	(un-audited)
Shareholders with significant influence:		
Reinsurance		
Reinsurance Revenue	1,331,088	978,094
Reinsurance service expense	1,370,125	683,547
Retrocession		
Retrocession expense	334,588	213,000
Amounts recovered from retrocessionaires	423,119	(50,987)
(b) Key management compensation:		
Directors' remuneration		
Directors' sitting fees	29,400	38,400
Key management remuneration		
Salaries and employment benefits	366,145	272,558
(c) Related party balances		
Shareholders with significant influence:	30 June 2023	31 December 2022
	(un-audited)	(un-audited)
Reinsurance contract liabilities	2,050,637	4,226,444
Retrocessionaire contract assets	668,464	1,356,272

21 Bank deposits	30 September 2023	31 December 2022
	(un-audited)	(un-audited)
Non-current portion of bank deposits-gross	8,383,496	6,590,268
Impairment of assets at amortised cost	(5,022)	(66,113)
Non-current portion of bank deposits-net of impairment	8,378,474	6,524,155
Current portion of bank deposits	13,936,018	15,826,000
	<u>61,458,183</u>	<u>39,143,691</u>

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.

The movement of the impairment is summarized as follows;

	30 September 2023	Period from 1
	(un-audited)	January 2022 to 30 September 2022
	(un-audited)	(un-audited)
Opening balance	66,113	5,277
(Reversal) / charge for the year	(61,091)	60,836
Closing balance	<u>5,022</u>	<u>66,113</u>

Oman Reinsurance Company SAOG

Notes to the condensed interim financial information for the nine-month period ended 30 September 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 September 2023 (un-audited)	31 December 2022 (un-audited)
Cash on hand	2,259	1,980
Current and call account balances with banks	3,076,778	2,753,297
	<u>3,079,037</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 327,612 (30 September 2022: RO 246,741) has been made after giving due consideration to adjustments for potential allowances and disallowances.

(i) Tax expense	30 September 2023 (un-audited)	30 September 2022 (un-audited)
Current tax		
Charge for the current period	327,612	229,598
Charge for prior periods	-	7,608
	<u>327,612</u>	<u>237,206</u>
Deferred tax		
Charge for the current period (profit or loss)	-	5,102
Credit for the current period (other comprehensive income)	-	(326,364)
	<u>-</u>	<u>(321,262)</u>
Net charge to the profit or loss	327,612	242,308
Net credit to other comprehensive income	-	(326,364)
	<u>327,612</u>	<u>(84,056)</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 September 2023 (un-audited)	2022 (un-audited)
Net profit before taxation	2,184,087	1,615,389
Tax at the applicable rate (15%)	327,613	242,308
Expenses not deductible for tax purposes	-	(5,102)
Total tax expenses as per profit or loss	<u>327,613</u>	<u>237,206</u>

Oman Reinsurance Company SAOG

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

23 Taxation (continued)

	30 September 2023 (un-audited)	31 December (un-audited)
(ii) Movement in current tax liability is as under:		
At the beginning of the period/year	368,864	244,852
Charge for the period	327,612	374,023
Paid during the period	(367,383)	(250,011)
At the end of the period/year	<u>329,093</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 September 2023 (un-audited)	31 December 2022 (un-audited)
As at 1 January	339,946	(68,358)
Credit recognised in profit or loss	.	120,076
Credit recognised in other comprehensive income	.	288,228
At 30 September / 31 December	<u>339,946</u>	<u>339,946</u>

24 Investment and other income - net

	Period from 1 September 2023 to 30 September 2023 (un-audited)	Period from 1 January 2022 to 30 September 2022 (un-audited)
Interest on term deposits and bonds	1,947,228	1,649,185
Dividend income	52,785	71,520
Realised gain / (loss) on sale of investments at fair value through other comprehensive income	(12,259)	(1,256)
Unrealised fair value gains / (loss) on investments at fair value through profit or loss	(1,683)	(142,207)
(Loss) / gain on sale of property, plant and equipment	(34)	684
Investment expenses	(68,495)	(9,687)
Miscellaneous income	163	28,260
Reversal/(provision) for impairment on assets held amortized cost and FV through OCI	59,546	(63,566)
	<u>1,977,251</u>	<u>1,532,933</u>

Oman Reinsurance Company SAOG

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

25 Salaries and other related staff costs	Period from 1	Period from 1
	January 2023 to 30 September 2023 (un-audited)	January 2022 to 30 September 2022 (un-audited)
Salaries and allowances	1,593,278	1,373,196
Provision for leave salary	38,583	99,114
Contribution to employees' benefits	49,953	72,939
Social security costs	64,424	60,123
Other staff costs	37,133	28,136
	<u>1,783,371</u>	<u>1,633,508</u>

26 General and administrative expenses	Period from 1	Period from 1
	January 2023 to 30 September 2023 (un-audited)	January 2022 to 30 September 2022 (un-audited)
Salaries and other related staff costs (Note 26)	1,783,371	1,633,508
Consultancy	103,023	48,225
Depreciation and amortisation (Notes 5 and 6)	87,708	91,315
Meeting related expenses	47,412	48,968
Rent (short-term leases)	56,752	59,961
Advertising and business promotion expenses	51,819	32,828
Legal and professional fees	96,776	53,421
Computer expenses	83,662	69,367
Telephone, fax and postage	18,662	15,822
Office maintenance	11,405	14,119
Business travel expenses	57,875	67,199
Miscellaneous expenses	87,553	76,309
	<u>2,486,018</u>	<u>2,211,042</u>
Expenses attributable to acquisition	646,029	551,501
Expenses attributable to maintenance	672,047	607,666
Non-attributable expenses	1,167,942	1,051,875
	<u>2,486,018</u>	<u>2,211,042</u>

27 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	Period from 1
	January 2023 to 30 September 2023 (un-audited)	January 2022 to 30 September 2022 (un-audited)
Weighted average number of shares (number)	330,775,600	330,775,600
Net profit for the period	1,856,475	1,373,081
Earnings per share - Basic and diluted	<u>0.006</u>	<u>0.004</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.

28 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 2023	31 December 2022
	(un-audited)	(un-audited)
Net assets as at the period/year-end (RO)	28,247,058	26,643,720
Number of shares outstanding	330,775,600	330,775,600
Net assets per share (RO)	<u>0.09</u>	<u>0.08</u>

29 Comparative figures

The company has initially applied IFRS17, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for reinsurance and retrocession contracts and financial instruments. As a result, the Company has restated certain comparative amounts for the prior years.