

Oman Reinsurance Company SAOG

**Condensed interim financial information
for the three-month period ended 31
March 2022 (un-audited)**

Oman Reinsurance Company SAOG

Condensed interim financial information for the three-month period ended 31 March 2022 (un-audited)

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Oman Reinsurance Company SAOG
Condensed interim statement of financial position as at 31 March 2022
(Expressed in Omani Rial)

		31 March 2022 (Un-audited)	31 December 2021 (Audited)
ASSETS	Notes		
Non-current assets			
Property, plant and equipment	5	128,187	137,643
Investment property	7	1,900,000	1,900,000
Investment property under development	8	184,592	184,592
Intangible assets	6	148,396	163,913
Investments at fair value through other comprehensive income	9	21,307,888	19,788,547
Non-current portion of bank deposits	21	14,250,000	12,288,000
Total non-current assets		37,919,063	34,462,695
Current assets			
Investments at fair value through profit or loss	10	556,477	576,615
Insurance and other receivables	11	8,871,092	8,360,858
Accrued income	12	17,772,620	11,870,135
Deferred policy acquisition costs	19	5,404,392	3,081,338
Reinsurers' share of insurance funds	17	26,899,260	29,898,209
Current portion of bank deposits	21	11,703,268	11,165,268
Cash and cash equivalents	22	3,896,113	5,556,548
Total current assets		75,103,222	70,508,971
Total assets		113,022,285	104,971,666
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	32,615,926	32,615,926
Legal reserve	14	478,729	478,729
Investment fair value reserve	9	(706,005)	(102,368)
Contingency reserve	15	4,216,914	4,216,914
Accumulated losses		(7,658,243)	(7,948,515)
Total capital and reserves		28,947,321	29,260,686
Non-current liabilities			
Employees' benefit liabilities	16	258,213	243,373
Deferred Tax liability	24	68,358	68,358
Total non-current liabilities		326,571	311,731
Current liabilities			
Technical provisions	17	70,687,135	62,460,289
Reinsurers' premium and other payables	18	12,723,597	12,581,149
Deferred commission income	19	337,661	357,811
Total current liabilities		83,748,393	75,399,249
Total liabilities		84,074,964	75,710,980
Total equity and liabilities		113,022,285	104,971,666
Net assets per share	29	0.09	0.09

The financial statements, were approved and authorised for issue by the Board of Directors on 27 April 2022 and were signed on their behalf by:

Director

Director

CEO

CFO

The attached notes 1 to 32 form part of these financial statements.

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Condensed interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2022 (un-audited) (Expressed in Omani Rial)

		Period from 1 January 2022 to 31 March 2022 (Un-audited)	Period from 1 January 2021 to 31 March 2021 (Un-audited)
	Notes		
Income			
Gross premiums written	24	15,255,650	12,392,863
Net underwriting results	24	675,832	779,876
Investment and other income, net	25	470,433	562,702
		<u>1,146,265</u>	<u>1,342,578</u>
Expenses			
General and administrative expenses	27	(613,887)	(830,483)
Foreign exchange losses, net		<u>(190,882)</u>	<u>(54,136)</u>
		<u>(804,769)</u>	<u>(884,619)</u>
Net profit before tax for the period		341,496	457,959
Income tax expense	23	(51,224)	(76,617)
Net profit after tax for the period		<u>290,272</u>	<u>381,342</u>
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Valuation (losses)/gain on fair value through other comprehensive income on equity investments		(132,039)	86,979
<i>Items that will or may be reclassified to profit or loss:</i>			
Valuation (losses)/gains on fair value through other comprehensive income on debt instruments		<u>(471,598)</u>	<u>(153,962)</u>
Other comprehensive income for the period	9	<u>(603,637)</u>	<u>(66,983)</u>
Total comprehensive income for the period		<u>(313,365)</u>	<u>314,359</u>
Earnings per share - basic and diluted	28	<u>0.001</u>	<u>0.013</u>

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Condensed interim statement of changes in shareholders' equity for the three-month period ended 31 March 2022 (un-audited)

(Expressed in Omani Rial)

	Notes	Share capital	Legal reserve	Investment fair value reserve	Contingency reserve	Accumulated losses	Total
As at 31 December 2020 (audited)		30,000,000	343,183	47,849	2,997,005	(7,783,883)	25,604,154
Net profit after tax for the period		-	-	-	-	381,342	381,342
Other comprehensive income for the period		-	-	(66,983)	-	-	(66,983)
As at 31 March 2021 (un-audited)		30,000,000	343,183	(19,134)	2,997,005	(7,402,541)	25,918,513
Net profit after tax for the period		-	-	-	-	974,113	974,113
Additional shares issued through IPO		2,615,926	-	-	-	-	2,615,926
Transfer of IPO related cost to equity		-	-	-	-	(249,651)	(249,651)
Net change in fair value of investments at fair value through other comprehensive income, net of deferred tax		-	-	1,785	-	-	1,785
Realised gains on sale of equity instrument at fair value through other comprehensive income	9	-	-	(85,019)	-	85,019	-
Transferred to legal reserve	14	-	135,546	-	-	(135,546)	-
Transferred to contingency reserve	15	-	-	-	1,219,909	(1,219,909)	-
As at 31 December 2021 (audited)		32,615,926	478,729	(102,368)	4,216,914	(7,948,515)	29,260,686
Net profit after tax for the period		-	-	-	-	290,272	290,272
Other comprehensive income for the period		-	-	(603,637)	-	-	(603,637)
As at 31 March 2022 (un-audited)		<u>32,615,926</u>	<u>478,729</u>	<u>(706,005)</u>	<u>4,216,914</u>	<u>(7,658,243)</u>	<u>28,947,321</u>

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Condensed interim statement of cash flows for the three-month period ended 31 March 2022 (un-audited)

(Expressed in Omani Rial)

	Notes	Period from 1 January 2022 to 31 March 2022 (un-audited)	Period from 1 January 2021 to 31 March 2021 (un-audited)
Operating activities			
Net profit after tax for the period		290,272	381,342
Adjustments for:			
Depreciation on property, plant and equipment	5	15,833	16,986
Loss / (gain) on sale of investments at fair value through other comprehensive income		425	(131,693)
Amortisation of intangible assets	6	15,517	13,458
Gain on disposal of property, plant and equipment		(529)	-
Unrealised fair value loss on investments at fair value through profit or loss	10	20,139	25,100
Provision for employees' benefit liabilities	16	14,840	10,799
Interest income from bank deposits	25	(484,527)	(456,098)
Dividend income	25	(8,117)	(1,425)
Operating loss before working capital changes		(136,147)	(141,531)
Working capital changes			
Insurance and other receivables		(510,234)	390,656
Accrued income		(5,957,994)	(4,652,733)
Deferred policy acquisition costs		(2,343,204)	(1,772,826)
Insurance funds		11,225,795	7,494,195
Reinsurers' premium and other payables		142,448	308,040
Cash generated from operating activities		2,420,664	1,625,801
Employees' benefit liabilities paid	16	-	(8,240)
Net cash generated from operating activities		2,420,664	1,617,561
Investing activities			
Purchase of property, plant and equipment	5	(6,377)	(59,478)
Proceeds from disposal of property, plant and equipment		529	-
Purchase of investments at fair value through other comprehensive income	9	(2,577,608)	(2,164,050)
Purchase of investments at fair value through profit or loss	10	(288,376)	(576,750)
Proceeds from disposal of investments at fair value through other comprehensive income		445,206	1,637,104
Proceeds from disposal of investments at fair value through profit or loss		288,375	845,900
Cost of acquisition of intangible assets	6	-	(165,101)
Net change in bank deposits		(2,500,000)	(1,500,000)
Interest income received from bank deposits		549,035	451,290
Dividend income received	25	8,117	1,425
Net cash used in investing activities		(4,081,099)	(1,529,660)
Net decrease in cash and cash equivalents		(1,660,435)	87,901
Cash and cash equivalents, beginning of the period		5,556,548	4,124,776
Cash and cash equivalents, end of the period	22	3,896,113	4,212,677

1 Legal status and principal activities

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

The Company's principal place of business is located at Al Khuwair, Muscat, Sultanate of Oman. The Company is also registered and has started operations through a Branch in Qatar. The Branch is registered in the Qatar Investment and Financial Center (QIFC). These 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 27 April 2022.

2 Basis of preparation

(a) Statement of compliance

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

(b) Basis of presentation

The condensed interim financial information for the three-month period ended 31 March 2022 has been prepared in accordance with IAS 34 "Interim Financial Reporting".

(c) Functional currencies

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

3 Adoption of new and revised IFRS

New and amended standards effective and adopted at 1 January 2022

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

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

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

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

IFRS 17 "Insurance Contracts"

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

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

3 Adoption of new and revised IFRS (continued)

Standards, amendments and interpretations issued but not yet effective in the period 2021 (continued)
IFRS 17 "Insurance Contracts" (continued)

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

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

There would have been a material change in the operational results of the Company for the period ended 31 March 2022 had the Company early adopted the above standard as the Company is engaged in underwriting reinsurance business. However, the management is expected to apply the standard from its effective date of 1 January 2023.

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

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

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

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Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (un-audited) (Expressed in Omani Rial)

5 Property, plant and equipment

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

	Motor vehicles	Furniture and fixtures	Office equipment	Total
2022				
Cost				
At 1 January 2022	68,624	228,502	215,922	513,048
Additions during the period	5,498	-	879	6,377
Disposals during the period	-	(1,142)	(8,464)	(9,606)
At 31 March 2022 (un-audited)	<u>74,122</u>	<u>227,360</u>	<u>208,337</u>	<u>509,819</u>
Accumulated depreciation				
At 1 January 2022	29,569	182,945	162,891	375,405
Charge for the period	4,404	6,074	5,355	15,833
Relating to disposals	-	(1,142)	(8,464)	(9,606)
At 31 March 2022 (un-audited)	<u>33,973</u>	<u>187,877</u>	<u>159,782</u>	<u>381,632</u>
Net book amount				
At 31 March 2022 (un-audited)	<u>40,149</u>	<u>39,483</u>	<u>48,555</u>	<u>128,187</u>
2021				
Cost				
At 1 January 2021	37,260	206,439	171,140	414,839
Additions during the year	31,364	22,063	44,782	98,209
At 31 December 2021 (audited)	<u>68,624</u>	<u>228,502</u>	<u>215,922</u>	<u>513,048</u>
Accumulated depreciation				
At 1 January 2021	14,373	152,806	138,124.00	305,303
Charge for the year	15,196	30,139	24,767	70,102
At 31 December 2021 (audited)	<u>29,569</u>	<u>182,945</u>	<u>162,891</u>	<u>375,405</u>
Net book amount				
At 31 December 2021 (audited)	<u>39,055</u>	<u>45,557</u>	<u>53,031</u>	<u>137,643</u>

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Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (un-audited) (Expressed in Omani Rial)

6 Intangible assets

	Period from 1 January 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (audited)
The movement in intangible assets is as follows:-		
Cost		
As at 1 January	390,456	198,243
Additions during the period/year	-	192,213
As at 31 March/31 December	<u>390,456</u>	<u>390,456</u>
Accumulated amortisation		
As at 1 January	226,543	163,057
Charge for the period/year	15,517	63,486
As at 31 March/31 December	<u>242,060</u>	<u>226,543</u>
Net book amount		
As at 31 March/31 December	<u>148,396</u>	<u>163,913</u>

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

7 Investment property

	Period from 1 January 2022 to 31 Mar 2022 (un-audited)	Year ended 31 December 2021 (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 2021 at RO 2,100,000. However, based on current market situation and management's estimate of costs involved in disposing-off the property (land), management considers that the fair market value of the investment property of RO 1,900,000 is appropriate. The land located at Ghala, Muscat, Sultanate of Oman is currently under development

8 Investment property under development

	Period from 1 January 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (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.

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Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (un-audited)
(Expressed in Omani Rial)

9 Investments at fair value through other comprehensive income

	Fair value		Average cost	
	31 March 2022 (un-audited)	31 December 2021 (audited)	31 March 2022 (un-audited)	31 December 2021 (audited)
Bonds	17,271,851	15,813,298	18,506,197	14,585,830
Equity securities	4,036,037	3,975,249	3,531,157	4,992,536
	<u>21,307,888</u>	<u>19,788,547</u>	<u>22,037,354</u>	<u>19,578,366</u>

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

	Period from 1 January 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (audited)
At 1 January	19,788,547	17,377,803
Purchases during the period/year	2,577,608	6,535,303
Sales during the period/year	(445,631)	(4,243,257)
Net realised change in fair value	23,461	(85,019)
Net unrealised change in fair value	(627,098)	162,332
Amortisation charge for the period/year	(8,999)	41,385
At 30 June/31 December	<u>21,307,888</u>	<u>19,788,547</u>

- (b) **Investment fair value reserve:**

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

	Period from 1 January 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (audited)
Opening balance	(102,368)	47,849
Net change in fair value during the period/year	(627,098)	162,332
Deferred tax charge	-	(227,530)
Realised gains on sale of investments at fair value through other comprehensive income	23,461	(85,019)
Closing balance	<u>(706,005)</u>	<u>(102,368)</u>

10 Investments at fair value through profit or loss

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

	Fair value		Average cost	
	31 March 2022 (un-audited)	31 December 2021 (audited)	31 March 2022 (un-audited)	31 December 2021 (audited)
Multi-reverse callable notes	556,477	576,615	576,750	576,750
	<u>556,477</u>	<u>576,615</u>	<u>576,750</u>	<u>576,750</u>

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Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (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 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (audited)
At 1 January	576,615	871,000
Purchases during the period/year	288,376	1,153,500
Sales during the period/year	(288,375)	(1,447,752)
Net change in fair value recognised in profit or loss	(20,139)	(133)
At 31 March/31 December	<u>556,477</u>	<u>576,615</u>

Multi-Reverse callable notes are denominated in US Dollars, have a nominal redemption value of the investment (equivalent to RO 576,750), subject to certain conditions being met. The notes carry fixed income coupon rates ranging between 8.00% and 11.27% per annum. These notes have a maturity date till 2023, unless auto recalled at an earlier date based on the terms agreed upon.

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

11 Insurance and other receivables

	31 March 2022 (un-audited)	31 December 2021 (audited)
Due from insurance and reinsurance companies (gross)	7,417,138	6,876,335
Less: provision for impaired insurance and reinsurance receivables	(1,053,719)	(1,053,719)
Due from insurance and reinsurance companies (net)	<u>6,363,419</u>	<u>5,822,616</u>
Loans and advances (gross)	145,572	314,556
Less: provision for impaired loans and advances	(18,380)	(18,380)
Loans and advances (net)	<u>127,192</u>	<u>296,176</u>
Reserves withheld by cedents	2,229,478	2,129,525
Prepaid expenses	<u>151,003</u>	<u>112,541</u>
	<u>8,871,092</u>	<u>8,360,858</u>

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

	Period from 1 January 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (audited)
At 1 January and at 31 March/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 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (audited)
At 1 January and at 31 March/31 December	<u>18,380</u>	<u>18,380</u>

Oman Reinsurance Company SAOG**Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (un-audited)
(Expressed in Omani Rial)**

12 Accrued income	31 March 2022 (un-audited)	31 December 2021 (audited)
Accrued insurance premium	16,794,956	10,836,962
Impairment provision	(15,000)	(15,000)
	<u>16,779,956</u>	<u>10,821,962</u>
Interest accrued on investments	992,664	1,048,173
	<u>17,772,620</u>	<u>11,870,135</u>
The movement in provision for impaired accrued insurance premium is as follows:	Period from 1 January 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (audited)
At 1 January and at 31 March/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 (2021: RO 32,615,926), comprising of 330,775,600 shares (2021: 330,775,600).

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

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

14 Legal reserve

In accordance with Article 106 of the Commercial Companies Law of the Sultanate of Oman, 10% of the Company's net profit for the year is to be transferred to a non-distributable legal reserve until such time as the amount of the legal reserve becomes equal to one-third of the Company's issued and fully paid-up share capital. During the period from 1 January 2022 to 31 March 2022, the Company has not transferred any amount to the legal reserve as this will be transferred at the year-end (31 December 2020: RO 135,546).

15 Contingency reserve

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

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

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Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (un-audited) (Expressed in Omani Rial)

16 Employees' benefit liabilities

	Period from 1 January 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (audited)
As at 1 January	243,373	188,961
Provision for the period/year	14,840	71,370
Payments during the period/year	-	(16,958)
As at 31 March/31 December	<u>258,213</u>	<u>243,373</u>

17 Reinsurers share of insurance funds and technical provisions

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

31 March 2022 (un-audited)	Gross	Reinsurance	Net
Claims			
At 1 January 2022	49,977,309	27,379,561	22,597,748
Increase in provision during the period	2,152,502	(1,069,551)	3,222,053
Claims settled during the period	(2,341,823)	(776,036)	(1,565,787)
At 31 March 2022	<u>49,787,988</u>	<u>25,533,974</u>	<u>24,254,014</u>
Unearned premium	Gross	Reinsurance	Net
At 1 January 2022	12,482,980	2,518,648	9,964,332
Increase in provision during the period	20,899,147	1,365,286	19,533,861
Release of unearned premium	(12,482,980)	(2,518,648)	(9,964,332)
At 31 March 2022	<u>20,899,147</u>	<u>1,365,286</u>	<u>19,533,861</u>
Total technical provisions	<u>70,687,135</u>	<u>26,899,260</u>	<u>43,787,875</u>
31 December 2021 (audited)	Gross	Reinsurance	Net
Claims			
At 1 January 2021	44,479,752	28,392,727	16,087,025
Increase in provision during the year	16,902,471	5,602,703	11,299,768
Claims settled during the year	(11,404,914)	(6,615,869)	(4,789,045)
At 31 December 2021	<u>49,977,309</u>	<u>27,379,561</u>	<u>22,597,748</u>
Unearned premium	Gross	Reinsurance	Net
At 1 January 2021	11,418,709	4,035,643	7,383,066
Increase in provision during the year	12,482,980	2,518,648	9,964,332
Release of unearned premium	(11,418,709)	(4,035,643)	(7,383,066)
At 31 December 2021	<u>12,482,980</u>	<u>2,518,648</u>	<u>9,964,332</u>
Total technical provisions	<u>62,460,289</u>	<u>29,898,209</u>	<u>32,562,080</u>

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

31 March 2022 (un-audited)	Gross	Reinsurance	Net
IBNR			
At the beginning of the period	8,799,336	1,619,951	7,179,385
Movement of IBNR during the period	(266,383)	(351,708)	85,325
At the end of the period	<u>8,532,953</u>	<u>1,268,243</u>	<u>7,264,710</u>

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Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (un-audited) (Expressed in Omani Rial)

17 Reinsurers share of insurance funds and technical provisions (continued)

31 December 2021 (audited)	Gross	Reinsurance	Net
IBNR			
At the beginning of the year	8,452,440	3,264,042	5,188,398
Movement of IBNR during the year	346,896	(1,644,091)	1,990,987
At the end of the year	<u>8,799,336</u>	<u>1,619,951</u>	<u>7,179,385</u>

18 Reinsurance premium and other payables

	31 March 2022 (un-audited)	31 December 2021 (audited)
Reinsurance premium accrued	3,525,674	4,433,220
Payable to cedents and retro-cessionaires	7,785,506	6,620,989
Advances and deposits retained	849,156	885,802
Other payables	563,261	641,138
	<u>12,723,597</u>	<u>12,581,149</u>

19 Deferred policy acquisition costs and deferred commission income

(a) The movement in deferred policy acquisition costs is as follows:

	Period from 1 January 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (audited)
As at 1 January	3,081,338	2,702,382
Charge for the period/year	(1,667,527)	(6,128,169)
Payments during the period/year	3,990,581	6,507,125
As at 31 March/31 December (a)	<u>5,404,392</u>	<u>3,081,338</u>

(b) The movement in deferred commission income is as follows:

	Period from 1 January 2022 to 31 March 2022 (un-audited)	Year ended 31 December 2021 (audited)
As at 1 January	357,811	953,716
Income during the period/year	(103,863)	(1,572,736)
Received during the period/year	83,713	976,831
As at 31 March/31 December (b)	<u>337,661</u>	<u>357,811</u>
Deferred policy acquisition costs, net (c)= (a) - (b)	<u>5,066,731</u>	<u>2,723,527</u>

20 Related party transactions and balances

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

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**Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (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 2022 to 31 March 2022 (un-audited)	Period from 1 January 2021 to 31 March 2021 (audited)
Shareholders with significant influence:		
Gross		
Gross premium	1,173,909	1,498,412
Commission expense	298,653	431,580
Claims expense	114,795	1,583,659
Reinsurance		
Premium ceded	98,479	67,070
Commission income	21,060	23,808
Claims recovery	(739,420)	236,572
(b) Key management compensation:		
Directors' remuneration		
Directors' sitting fees	-	7,200
Key management remuneration		
Salaries and employment benefits	90,682	80,600

(c) Related party balances

	31 March 2022 (un-audited)	31 December 2021 (audited)
Shareholders with significant influence:		
Gross		
Premiums receivables, net of commissions and claims	(2,490,303)	(373,249)
Outstanding claims payable	8,424,589	10,154,091
Reinsurance		
Premiums payable, net of commissions and claims	218,419	173,735
Outstanding claims receivable	2,076,543	1,433,841

21 Bank deposits

	31 March 2022 (un-audited)	31 December 2021 (audited)
Non-current portion of bank deposits	14,250,000	12,288,000
Current portion of bank deposits	11,703,268	11,165,268
	25,953,268	23,453,268

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 3.25% and 4.90% per annum (31 December 2021: between 3.25% and 4.90% per annum). The deposits which are due for maturity after one year have been disclosed as part of non-current assets.

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

Oman Reinsurance Company SAOG**Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (un-audited)
(Expressed in Omani Rial)****22 Cash and cash equivalents**

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

	31 March 2022 (un-audited)	31 December 2021 (audited)
Cash on hand	2,397	1,992
Current and call account balances with banks	3,893,716	5,554,556
	<u>3,896,113</u>	<u>5,556,548</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 2021: between 0.1% and 2.5% per annum).

23 Taxation

Tax assessments of the Company for the years upto 2018 have been finalised. Tax assessments for the years 2019 to 2021 have not yet been agreed with the Oman Tax Authority. The Company's management is of the opinion that additional taxes, if any, assessed for the open tax years would not be material to the Company's financial position as at 31 March 2022.

Provision for income tax amounting to RO 51,224 (31 March 2021: RO 76,617) has been made after giving due consideration to adjustments for potential allowances and disallowances.

(i) Tax expense	31 March 2022 (un-audited)	31 March 2021 (un-audited)
Current tax		
Charge for the current period	51,224	68,694
Charge for prior periods	-	7,923
	<u>51,224</u>	<u>76,617</u>
	31 March 2022 (un-audited)	31 December 2021 (audited)
(ii) Movement in current tax liability is as under:		
At the beginning of the period/year	244,852	31,261
Charge for the period	51,224	252,775
Paid during the period	-	(39,184)
At the end of the period/year	<u>296,076</u>	<u>244,852</u>

(iii) Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 15% (2020: 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:

	31 March 2022 (un-audited)	31 December 2021 (audited)
As at 1 January	68,358	-
(Credit) recognised in profit or loss	-	(159,172)
Charge recognised in other comprehensive income	-	227,530
At 31 March / 31 December	<u>68,358</u>	<u>68,358</u>

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(Expressed in Omani Rial)

24 Net underwriting results	Period from 1 January 2022 to 31 March 2022 (un-audited)	Period from 1 January 2021 to 31 March 2021 (un-audited)
Income		
Gross premiums written	15,255,650	12,392,863
Movement in unearned premium reserve	(8,416,175)	(6,088,058)
Insurance premium revenue (a)	6,839,475	6,304,805
Reinsurance premium ceded	(229,575)	(2,087,856)
Movement in unearned premium reserve	(1,153,364)	(417,245)
Insurance premium retroceded to reinsurers (b)	(1,382,939)	(2,505,101)
Net insurance premium earned (c) = (a) + (b)	5,456,536	3,799,704
Gross claims paid	(2,341,823)	(3,502,795)
Reinsurance recoveries	776,036	2,363,713
Net claims paid	(1,565,787)	(1,139,082)
Change in provision for outstanding claims, gross	189,319	(936,823)
Change in provision for outstanding claims, reinsurance	(1,845,585)	(52,069)
Claims and related expenses (d)	(3,222,053)	(2,127,974)
Policy acquisition costs	(3,990,581)	(3,399,547)
Policy acquisition costs recovered from reinsurers	83,713	729,804
Change in deferred policy acquisition costs	2,343,202	1,772,824
Interest on premium reserve	5,015	5,065
Total policy acquisition costs (e)	(1,558,651)	(891,854)
Net insurance benefits and claims (f) = (d) + (e)	(4,780,704)	(3,019,828)
Net underwriting results (g) = (c) + (f)	675,832	779,876
25 Investment and other income - net	Period from 1 January 2022 to 31 March 2022 (un-audited)	Period from 1 January 2021 to 31 March 2021 (un-audited)
Interest on term deposits and bonds	484,527	456,098
Dividend income	8,117	1,425
Realised (loss) /gains on sale of investments at fair value through other comprehensive income	(425)	131,693
Unrealised fair value loss on investments at fair value through profit or loss	(20,139)	(25,100)
Gain on sale of property, plant and equipment	529	-
Investment expenses	(2,176)	(1,414)
	470,433	562,702

Oman Reinsurance Company SAOG**Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (un-audited)
(Expressed in Omani Rial)****26 Salaries and other related staff costs**

	Period from 1 January 2022 to 31 March 2022 (un-audited)	Period from 1 January 2021 to 31 March 2021 (un-audited)
Salaries and allowances	392,391	338,788
Provision for leave salary	31,367	36,746
Contribution to employees' benefits	14,840	10,799
Social security costs	18,347	16,047
Other staff costs	14,394	279,492
	<u>471,339</u>	<u>681,872</u>

27 General and administrative expenses

	Period from 1 January 2022 to 31 March 2022 (un-audited)	Period from 1 January 2021 to 31 March 2021 (un-audited)
Salaries and other related staff costs (Note 26)	471,339	681,872
Consultancy	12,888	46,939
Depreciation and amortisation (Notes 5 and 6)	31,350	30,444
Meeting related expenses	6,438	10,718
Rent (short-term leases)	6,426	16,712
Advertising and business promotion expenses	24,699	14,097
Legal and professional fees	(7,276)	5,538
Computer expenses	15,302	6,260
Telephone, fax and postage	4,920	5,420
Office maintenance	2,373	1,833
Business travel expenses	8,809	578
Miscellaneous expenses	36,619	10,072
	<u>613,887</u>	<u>830,483</u>

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 2022 to 31 March 2022 (un-audited)	Period from 1 January 2021 to 31 March 2021 (un-audited)
Weighted average number of shares (number)	<u>330,775,600</u>	<u>30,000,000</u>
Net profit for the period	<u>290,272</u>	<u>381,342</u>
Earnings per share - Basic and diluted	<u>0.001</u>	<u>0.013</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.

Oman Reinsurance Company SAOG**Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (un-audited)**
(Expressed in Omani Rial)

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.

	31 March 2022 (un-audited)	31 December 2021 (audited)
Net assets as at the period/year-end (RO)	<u>28,947,321</u>	<u>29,260,686</u>
Number of shares outstanding	<u>330,775,600</u>	<u>330,775,600</u>
Net assets per share (RO)	<u>0.09</u>	<u>0.09</u>

30 Operating segment

The Company has two reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic units, the Company's Board of Directors and senior management reviews internal management reports on at least a quarterly basis.

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Notes to the condensed interim financial information for the three-month period ended 31 March 2022 (un-audited) (Expressed in Omani Rial)

30 Operating segment (continued)

The Company has the following operating segments:

	31 March 2022 (un-audited)			31 March 2021 (un-audited)		
	Facultative	Treaty	Total	Facultative	Treaty	Total
Reinsurance revenue:						
Gross written premiums	4,819,052	10,436,598	15,255,650	3,755,234	8,637,629	12,392,863
Less: premiums ceded	(175,130)	(54,445)	(229,575)	(878,039)	(1,209,817)	(2,087,856)
Net written premium (a)	4,643,922	10,382,153	15,026,075	2,877,195	7,427,812	10,305,007
Gross unearned premium (movement)	(970,330)	(7,445,845)	(8,416,175)	(255,309)	(5,832,749)	(6,088,058)
Less: reinsurance unearned premiums (movement)	(758,460)	(394,904)	(1,153,364)	(741,392)	324,148	(417,245)
Net unearned premiums (b)	(1,728,790)	(7,840,749)	(9,569,539)	(996,702)	(5,508,601)	(6,505,303)
Net insurance premium earned (c) = (a) + (b)	2,915,132	2,541,404	5,456,536	1,880,493	1,919,211	3,799,704
Cost of reinsurance revenue:						
Commission and tax paid	(1,015,521)	(2,975,060)	(3,990,581)	(943,746)	(2,455,801)	(3,399,547)
Reinsurance commission and tax recoveries	30,765	52,948	83,713	336,083	393,721	729,804
Net commission (d)	(984,756)	(2,922,112)	(3,906,868)	(607,663)	(2,062,080)	(2,669,743)
Deferred acquisition costs (movement)	236,735	2,086,319	2,323,054	178,612	1,671,859	1,850,471
Reinsurance deferred acquisition costs (movement)	38,050	(17,902)	20,148	98,469	(176,116)	(77,647)
Net deferred acquisition costs (e)	274,785	2,068,417	2,343,202	277,080	1,495,743	1,772,824
Interest on premium reserves (net)(f)	-	5,015	5,015	-	5,065	5,065
Net incurred acquisition costs (g) = (d) + (e) + (f)	(709,971)	(848,680)	(1,558,651)	(330,583)	(561,272)	(891,854)
Gross claims paid	(1,077,503)	(1,264,320)	(2,341,823)	(2,289,433)	(1,213,362)	(3,502,795)
Less: reinsurance claims recovered	503,049	272,987	776,036	1,730,781	632,932	2,363,713
Net claims paid (h)	(574,454)	(991,333)	(1,565,787)	(558,652)	(580,430)	(1,139,082)
Change in gross out-standing claims	932,850	(1,009,914)	(77,064)	(665,896)	(861,620)	(1,527,516)
Less: change in reinsurance claims	(1,311,907)	(181,970)	(1,493,877)	202,787	558,023	760,810
Net out-standing claims (i)	(379,057)	(1,191,884)	(1,570,941)	(463,109)	(303,597)	(766,706)
IBNR movement (j)	(445,669)	360,344	(85,325)	27,971	(250,157)	(222,186)
Net incurred claims (k) = (h) + (i) + (j)	(1,399,180)	(1,822,873)	(3,222,053)	(993,790)	(1,134,184)	(2,127,974)
Total cost of insurance (l) = (k) + (g)	(2,109,151)	(2,671,553)	(4,780,704)	(1,324,373)	(1,695,455)	(3,019,828)
Net underwriting profit (m) = (c) + (l)	805,981	(130,149)	675,832	556,120	223,756	779,876
Loss ratio	48%	72%	59%	53%	59%	56.0%

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

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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.

32 Significant events and transactions

COVID-19 impact

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

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

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