

## Notes to the unaudited condensed interim financials information

### For the three months period ended 31 March 2022

#### 1. Legal status and principal activities

Oman United Insurance Company SAOG (“the Company”) (or “OUIC”) is incorporated as a public listed joint stock company in the Sultanate of Oman. The principal office of the Company is located at OUIC Building, Al Khuwair Street, Al Khuwair in the Sultanate of Oman. The Company is engaged in underwriting of general and life and medical insurance business and in repair and maintenance of motor vehicles within the Sultanate of Oman.

#### 2. Summary of significant accounting policies

The principal accounting policies have been applied consistently to all the periods presented unless otherwise stated.

##### 2.1 Basis of preparation

The unaudited condensed interim financial information is prepared on the historical cost basis, except for available-for-sale investments and financial assets at fair value through profit or loss, which are measured at fair value. The unaudited condensed interim financial information in accordance with the International Accounting Standard (IAS) 34, ‘Interim Financial Reporting’, and comply with requirements of the Commercial Companies Law of 2019, and the disclosure requirements set out in the “Rules and Guidelines on Disclosure by issuer of Securities and Insider Trading” issued by the Capital Market Authority (CMA) of the Sultanate of Oman.

This condensed financial information does not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to provide an understanding for the the change in the Company’s financial position and performance since the last annual financial statements.

The accounting policies applied by the Company in these unaudited condensed interim financial information are consistent with those applied by the Company in its audited financial statements as at and for the year ended 31 December 2021.

The preparation of unaudited condensed interim financial information in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the unaudited condensed interim financial statements include the following:

- Allowance for doubtful debts
- Claims reported but unsettled
- Claims incurred but not reported
- Unearned premiums
- Mathematical reserve

##### 2.2 Changes in accounting policies

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the preparation of the audited annual consolidated financial statements for the period ended 31 December 2021.

New and amended standards and interpretations were adopted as at 31 March 2022. There are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after 1 January 2022:

- Interest rate benchmark reform - Phase 2 – Amendments to IFRS 7, IFRS 4, and IFRS 16 (effective 1 January 2021)
- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective 1 January 2021)
- IFRS 16, 'Leases' – Amendments to Covid-19 related rent concessions extension of the practical expedient (effective 1 April 2021)

### 3. Net underwriting result

	2022 General RO	2022 Life RO	2022 Total RO	2021 General RO	2021 Life RO	2021 Total RO
<b>Revenue</b>						
				10,102,41		
Gross written premiums	9,161,975	1,533,193	10,695,168	0	1,978,004	12,080,414
Reinsurance premium ceded	(5,504,546)	(905,851)	(6,410,397)	(5,877,481)	(1,269,985)	(7,147,466)
<b>Net written premium</b>	<b>3,657,429</b>	<b>627,342</b>	<b>4,284,771</b>	<b>4,224,929</b>	<b>708,019</b>	<b>4,932,948</b>
Movement in unearned premium reserve	(519,078)	(42,043)	(561,121)	(816,883)	(204,366)	(1,021,249)
Commission earned on reinsurance ceded	813,614	73,820	887,434	650,125	123,729	773,854
<b>Total insurance revenue</b>	<b>3,951,965</b>	<b>659,119</b>	<b>4,611,084</b>	<b>4,058,171</b>	<b>627,382</b>	<b>4,685,553</b>
<b>Costs</b>						
Gross claims paid	4,877,730	1,049,838	5,927,568	2,752,655	1,424,777	4,177,432
Reinsurance share	(1,978,627)	(729,368)	(2,707,995)	(1,040,903)	(1,026,418)	(2,067,321)
<b>Net claims paid</b>	<b>2,899,103</b>	<b>320,470</b>	<b>3,219,573</b>	<b>1,711,752</b>	<b>398,359</b>	<b>2,110,111</b>
Movement in outstanding claims reserve (net)	(567,816)	(77,396)	(645,212)	291,572	(256,595)	34,977
<b>Net claims incurred</b>	<b>2,331,287</b>	<b>243,074</b>	<b>2,574,361</b>	<b>2,003,324</b>	<b>141,764</b>	<b>2,145,088</b>
Commission expenses	532,703	143,013	675,716	656,956	200,460	857,416
<b>Total insurance cost</b>	<b>2,863,990</b>	<b>386,087</b>	<b>3,250,077</b>	<b>2,660,280</b>	<b>342,224</b>	<b>3,002,504</b>
<b>Net underwriting result</b>	<b>1,087,975</b>	<b>273,032</b>	<b>1,361,007</b>	<b>1,397,891</b>	<b>285,158</b>	<b>1,683,049</b>

### 4. General business

The general business underwriting results before reinsurance recoveries can be analysed as follows:

	3 months ended 31 March 2022		3 months ended 31 March 2021	
	Net written premium RO	Underwriting result before reinsurance recoveries RO	Net written premium RO	Underwriting result before reinsurance recoveries RO
Motor	3,333,524	(740,405)	3,913,659	553,514
Fire	31,817	(228,374)	28,285	(355,550)
Marine	18,206	(274,690)	21,724	(158,073)
Household & others	273,882	(1,881,544)	261,261	(1,939,898)
	<b>3,657,429</b>	<b>(3,125,373)</b>	<b>4,224,929</b>	<b>(1,900,007)</b>

Underwriting results are defined as gross written premiums less premiums ceded, less gross claims, less net commissions.

The net claims ratios for the period are as follows:

	<b>3 months ended 31 March 2022</b>	<b>3 months ended 31 March 2021</b>
	(%)	(%)
Motor	<b>77</b>	59
Fire	<b>(14)</b>	25
Marine	<b>38</b>	65
Household & others	<b>83</b>	75
Overall loss ratio	<b>76</b>	60

The net loss ratio is calculated by dividing the net claims (gross claims paid less reinsurance and other recoveries) by the net premiums (gross written premiums less premiums ceded).

## 5. Life business

	<b>3 months ended 31 March 2022</b>		<b>3 months ended 31 March 2021</b>	
	<b>Net written premium</b>	<b>Underwriting result before reinsurance recoveries</b>	<b>Net written premium</b>	<b>Underwriting result before reinsurance recoveries</b>
	RO	RO	RO	RO
Individual life	<b>454</b>	<b>593</b>	1,920	4,684
Group life	<b>23,426</b>	<b>(159,520)</b>	80,419	(1,283,794)
Medical	<b>603,461</b>	<b>(680,752)</b>	625,680	(643,746)
	<b>627,341</b>	<b>(839,679)</b>	708,019	(1,922,856)

## 6. Investment income

	<b>31 March 2022</b>	<b>31 March 2021</b>
	RO	RO
Dividend income	<b>170,982</b>	49,734
Interest income	<b>693,275</b>	745,205
Profit on sale of FVTPL & AFS investments	-	3,720
Fair value loss on financial assets at fair value through profit or loss	<b>63,065</b>	(191,763)
Brokerage on purchase of shares	<b>(4,598)</b>	-
Impairment of available-for-sale investments	-	(43,855)
<b>Total</b>	<b>922,724</b>	563,041

## 6A. Other operating income

	<b>31 March 2022</b>	<b>31 March 2021</b>
	RO	RO
Rental income from investment property	<b>38,848</b>	55,419
Other income	<b>137,675</b>	123,891
	<b>176,523</b>	179,310

**7. Investment**

**A) Associates - nil**

**B) Investments – financial assets at fair value through profit or loss - quoted (local & foreign)**

<i>Securities</i>	<b>Market value on 31 March 2022</b> RO	<b>Market value on 31 March 2021</b> RO	<b>Book value on 31 March 2022</b> RO	<b>Book value on 31 March 2021</b> RO	<b>Book value / Fair value on 31 December 2021</b> RO	<b>Cost on 31 March 2022</b> RO
Banking (local)	2,058,169	426,276	2,058,169	426,276	17,318	2,043,573
Investments Services (overseas)	43,677	151,931	43,677	151,931	44,338	20,000
Services (local)	-	7,416	-	7,416	-	-
Industrial Investments (overseas)	1,655,428	1,629,483	1,655,428	1,629,483	1,586,640	2,985,625
	106,725	64,589	106,725	64,589	105,201	229,024
	1,882,721	1,832,871	1,882,721	1,832,871	1,886,585	1,998,304
<b>Total</b>	<b>5,746,720</b>	<b>4,112,566</b>	<b>5,746,720</b>	<b>4,112,566</b>	<b>3,640,082</b>	<b>7,276,526</b>

**C) Investments – available for sale – quoted (local & foreign)**

<i>Category</i>	<b>Market value on 31 March 2022</b> RO	<b>Market value on 31 March 2021</b> RO	<b>Book value on 31 March 2022</b> RO	<b>Book value on 31 March 2021</b> RO	<b>Book value / Fair value on 31 December 2021</b> RO	<b>Cost on 31 March 2022</b> RO
Services (local)	537,415	617,490	537,415	617,490	513,441	497,444
<b>Total</b>	<b>537,415</b>	<b>617,490</b>	<b>537,415</b>	<b>617,490</b>	<b>513,441</b>	<b>497,444</b>

The fair value of the foreign private equity investments approximates to their carrying value.

<i>Unquoted and other Investments – available for sale</i>	<b>Book value on 31 March 2022</b> RO	<b>Book value on 31 March 2021</b> RO	<b>Book value on 31 December 2021</b> RO	<b>Cost on 31 March 2022</b> RO
Unquoted Omani shares	230,787	206,858	221,359	71,429
<b>Total</b>	<b>230,787</b>	<b>206,858</b>	<b>221,359</b>	<b>71,429</b>

**D) Term deposits**

	<b>Market value on 31 March 2022</b> RO	<b>Market value on 31 March 2021</b> RO	<b>Book value / Fair value on 31 December 2021</b> RO
Term deposits	52,718,697	53,765,396	56,588,822
Less: current portion	(22,768,697)	(14,765,396)	(21,438,822)
	<b>29,950,000</b>	<b>39,000,000</b>	<b>35,150,000</b>

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 27 04 2022

**E) Details of significant investments (10% or above) - financial assets at fair value through profit or loss - quoted (local & foreign)**

<i>MSM Quoted Securities</i>	<b>Holding</b>	<b>No. of</b>	<b>Market</b>	<b>Market value</b>	<b>Cost on</b>
	<b>%</b>	<b>securities</b>	<b>value on 31</b>	<b>on 31 March</b>	<b>31 March</b>
			<b>March 2022</b>	<b>2021</b>	<b>2022</b>
			<b>RO</b>	<b>RO</b>	<b>RO</b>
Shell Oman Marketing SAOG	13	813,130	718,807	699,292	823,370
Bank Muscat	19	2,100,000	1,071,000	-	1,044,674
Bank Nizwa	17	10,000,000	970,000	-	998,898
Sembcorp Salalah SAOG	14	10,000,000	830,000	810,000	1,877,011
National Bank of Oman	10	2,756,248	-	413,437	-
<b>Total</b>			<b>3,589,807</b>	<b>3,755,600</b>	<b>4,743,953</b>

**Foreign listed securities - nil**

<i>Bank Dhofar 5.519% perpetual Bonds</i>	33	52,000	1,882,721	1,832,871	1,998,304
<i>MSM quoted securities - Available for sale</i>	<b>Holding</b>	<b>No. of</b>	<b>Market value</b>	<b>Market value</b>	<b>Cost on</b>
		<b>securities</b>	<b>on 31 March</b>	<b>on 31 March</b>	<b>31 March</b>
	<b>%</b>		<b>2022</b>	<b>2021</b>	<b>2022</b>
			<b>RO</b>	<b>RO</b>	<b>RO</b>
SMN Power Company SAOG	30	3,587,000	161,415	251,090	154,241
Sembcorp Salalah	37	2,400,000	199,200	194,400	175,200
Shell Oman Marketing SAOG	33	200,000	176,800	172,000	168,000
<b>Total</b>			<b>537,415</b>	<b>617,490</b>	<b>497,441</b>

<i>MSM unquoted securities - available for sale</i>	<b>Holding</b>	<b>No. of</b>	<b>Market value</b>	<b>Market value</b>	<b>Cost on</b>
		<b>securities</b>	<b>on 31 March</b>	<b>on 31 March</b>	<b>31 March</b>
	<b>%</b>		<b>2022</b>	<b>2021</b>	<b>2022</b>
			<b>RO</b>	<b>RO</b>	<b>RO</b>
Union office of the Orange Card Co.	100	71,429	230,787	206,858	71,429
			<b>230,787</b>	<b>206,858</b>	<b>71,429</b>

**8. General business technical reserves**

	<b>31 March 2022</b>	<b>31 March 2021</b>	<b>31 December 2021</b>
	<b>RO</b>	<b>RO</b>	<b>RO</b>
<b>Outstanding claims reserve</b>			
Gross outstanding claims	23,377,231	21,099,586	25,704,297
Less: Amounts recoverable from reinsurers	(10,769,583)	(8,832,837)	(13,123,166)
	<b>12,607,648</b>	<b>12,266,749</b>	<b>12,581,131</b>
<b>IBNR</b>			
Gross provision for IBNR	10,651,713	8,325,000	10,836,745
Less: Amounts recoverable from reinsurers	(6,834,607)	(3,640,000)	(6,715,745)
	<b>3,817,106</b>	<b>4,685,000</b>	<b>4,121,000</b>

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 27 04 2022

**Unearned premium reserve**

Gross unearned premium reserve	13,062,045	13,557,765	10,958,643
Less: Amounts recoverable from reinsurers	(6,920,476)	(6,077,034)	(5,336,152)
	<b>6,141,569</b>	<b>7,480,731</b>	<b>5,622,491</b>

Outstanding claims reserve represent provisions for claims reported but not yet paid and is shown net of salvage recoveries.

IBNR represents provisions for losses incurred but not yet reported.

Reserve for unexpired risks represents a provision in respect of future losses on policies written and in force where future net claims are expected to exceed premiums earned.

Unearned premium reserve represents the element of premium income, relating to periods of cover after the reporting date.

**9. Life business technical reserves**

	31 March 2022	31 March 2021	31 December 2021
	RO	RO	RO
<b>Mathematical reserve</b>			
Mathematical reserve - gross	5,435,000	7,504,984	6,594,000
Mathematical reserve - reinsurance	(4,685,000)	(6,324,984)	(5,684,000)
	<b>750,000</b>	<b>1,180,000</b>	<b>910,000</b>

**Outstanding claims reserve**

Gross outstanding claims	3,526,683	2,921,305	3,987,423
Less: Amounts recoverable from reinsurers	(2,780,358)	(2,278,562)	(3,163,702)
	<b>746,325</b>	<b>642,743</b>	<b>823,721</b>

**Unearned premium reserve**

Gross unearned premium reserve	1,570,922	2,454,563	1,096,000
Less: Amounts recoverable from reinsurers	(939,879)	(1,578,197)	(667,000)
	<b>631,043</b>	<b>876,366</b>	<b>429,000</b>

**10. Related parties and holders of 10% of the company's shares**

**A) Significant transaction with related parties**

	31 March 2022	31 March 2021	31 December 2021
	RO	RO	RO
Senior management remuneration	155,072	161,190	755,311
Directors' remuneration and sitting fees	51,000	43,000	192,500

**B) Expense items**

SAAD Establishment (rent & other amenities

paid)	3,570	3,780	15,120
Al Qurum Complex	2,700	3,000	12,000
<b>Total</b>	<b>6,270</b>	<b>6,780</b>	<b>25,590</b>

INTERIM CONDENSED STATEMENT OF FINANCIAL STATEMENT WERE APPROVED BY THE BOARD OF DIRECTORS ON 27 04 2022

**C) Loans, advances, receivables, provisions and write-offs**

	<b>31 March 2022</b>	31 March 2021	31 December
	<b>RO</b>	RO	2021 RO
Entity related to a significant shareholder	-	5,742	5,049
Entity related to directors	<b>27,334</b>	42,995	46,167
<b>Total</b>	<b>27,334</b>	48,737	51,216

**11. Shareholders**

All those shareholders of the company who own 10% or more of the company's shares, whether in their name, or through a nominee account, and the number of shares they hold are as follows:

<b>Share holders</b>	<b>As at 31 March 2022</b>	
	<b>No. of shares</b>	<b>Holding</b>
	<b>RO</b>	<b>%</b>
Sayyid Salim Bin Nassir Al Busaidi & Family & Group	<b>34,800,096</b>	<b>34.8</b>

**12. Net asset per share**

Net assets (book value) per share is calculated by dividing net assets (book value) owned by ordinary shareholders at 31 March 2022, by the number of ordinary shares in issue at 31 March 2022.

**13. Earning per share**

Earnings per share for the three months period ended 31 March 2022 has been calculated based on the outstanding number of shares of 100 million, against 100 million shares in the corresponding period of previous year.