OMAN INSURANCE COMPANY P.S.C. AND ITS SUBSIDIARIES

Review report and condensed consolidated interim financial information for the nine month period ended 30 September 2021

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Review report on condensed consolidated interim financial information to the Board of Directors of Oman Insurance Company P.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Oman Insurance Company P.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") as at 30 September 2021 and the related condensed consolidated interim income statement and condensed consolidated interim statement of comprehensive income for the three-month and nine-month periods then ended, and condensed consolidated interim statements of changes in equity and cash flows for the nine-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 – 'Interim Financial Reporting' ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers
10 November 2021

Rami Sarhan
Registered Auditor Number 1152
Place: Dubai, United Arab Emirates

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Mohamed ElBorno, Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

OMAN INSURANCE COMPANY P.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of financial position

	Notes	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Assets			
Property and equipment		50,990	48,604
Intangible assets		65,833	75,763
Investment properties		449,715	449,715
Goodwill		7,254	8,358
Deferred tax assets		4,530	1,651
Statutory deposits		168,591	171,982
Financial investments at amortised cost	6	1,719,254	1,679,238
Financial investments at fair value through other comprehensive income (FVTOCI)	6	551,519	443,194
Financial investments at fair value through profit or loss	6	473,431	394,008
Reinsurance contract assets	7	2,953,090	2,869,140
Deferred acquisition costs		156,622	154,765
Insurance and reinsurance receivables	8	722,523	574,063
Prepayments and other receivables	9	98,314	79,848
Deposits with banks		305,606	396,458
Cash and cash equivalents	14	274,238	261,123
Total assets		8,001,510	7,607,910
Equity and liabilities			
Equity			
Share capital	10	461,872	461,872
Other reserves	11	1,490,103	1,483,398
Cumulative changes in fair value of securities		(172,866)	(236,311)
Foreign currency translation reserve		(64,312)	(55,599)
Retained earnings		450,903	417,560
Net equity attributable to the owners of the Company		2,165,700	2,070,920
Non-controlling interests		583	850
Total equity		2,166,283	2,071,770
Liabilities			
Employees' end of service benefits		39,179	39,090
Insurance contract liabilities	7	4,953,436	4,724,999
Deferred commission income		83,586	81,295
Other payables		155,565	176,321
Reinsurance deposits retained		128,184	142,850
Insurance and reinsurance payables	12	475,277	371,585
Total liabilities		5,835,227	5,536,140
Total equity and liabilities		8,001,510	7,607,910

This condensed consolidated interim financial information was approved on 10 November 2021 by the Board of Directors and signed on its behalf by:

Abdul Aziz Abdulla Al Ghurair
Chairman

Jean-Louis Laurent-Josi
Chief Executive Officer

The notes on pages 8 to 29 form an integral part of this condensed consolidated interim financial information.

OMAN INSURANCE COMPANY P.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim income statement

		For the three month period ended 30 September		For the nine month period ended 30 September	
		2021	2020	**2021**	2020
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	Notes	**AED '000**	AED '000	**AED '000**	AED '000
Gross insurance premium		**853,930**	816,808	**2,782,697**	2,916,916
Less: Insurance premium ceded to reinsurers		**(532,223)**	(467,791)	**(1,548,826)**	(1,573,113)
Net retained premium		**321,707**	349,017	**1,233,871**	1,343,803
Net change in unearned premium, life assurance fund and unit linked liabilities		**44,933**	57,267	**(88,753)**	(121,261)
Net earned insurance premium		**366,640**	406,284	**1,145,118**	1,222,542
Gross claims settled		**(602,305)**	(492,617)	**(1,785,142)**	(1,704,216)
Insurance claims recovered from reinsurers		**350,602**	282,438	**1,000,702**	982,310
Net claims settled		**(251,703)**	(210,179)	**(784,440)**	(721,906)
Net change in outstanding claims, incurred but not reported claims reserves and unallocated loss adjustment expense reserve		**(9,331)**	(63,860)	**(17,374)**	(106,005)
Net claims incurred		**(261,034)**	(274,039)	**(801,814)**	(827,911)
Reinsurance commission income		**54,871**	49,100	**174,608**	137,991
Commission expenses		**(79,985)**	(81,426)	**(246,566)**	(243,468)
Other income relating to underwriting activities		**12,157**	11,912	**34,695**	29,132
Net commission and other expenses		**(12,957)**	(20,414)	**(37,263)**	(76,345)
Net underwriting income		**92,649**	111,831	**306,041**	318,286
Interest income from financial assets at amortised cost		**21,353**	25,490	**71,684**	67,330
Realised gains/(losses) on sale of financial investments at amortised cost		**21**	1,166	**(130)**	1,435
Other investment income - net		**2,598**	750	**20,228**	16,248
Net investment income		**23,972**	27,406	**91,782**	85,013
Total income		**116,621**	139,237	**397,823**	403,299
General and administrative expenses		**(69,472)**	(70,914)	**(210,046)**	(210,720)
Board of directors' remuneration	15.3	**(562)**	(562)	**(1,687)**	(1,687)
Allowance for impairment as per IFRS 9 on insurance and reinsurance receivables		**(5,626)**	(6,963)	**(16,420)**	(5,473)
Other expenses – net		**(6,395)**	(11,338)	**(15,798)**	(25,045)
Profit before tax		**34,566**	49,460	**153,872**	160,374
Income tax credit/(expenses)		**2,522**	549	**(1,048)**	(163)
Profit for the period		**37,088**	50,009	**152,824**	160,211
Attributable to:					
Owners of the Company		**37,129**	49,779	**153,091**	158,002
Non-controlling interests		**(41)**	230	**(267)**	2,209
		37,088	50,009	**152,824**	160,211
Earnings per share (AED)	13	**0.08**	0.11	**0.33**	0.34

The notes on pages 8 to 29 form an integral part of this condensed consolidated interim financial information.

OMAN INSURANCE COMPANY P.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of comprehensive income

		For the three month period ended 30 September		For the nine month period ended 30 September	
		2021	2020	**2021**	2020
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	Notes	**AED '000**	AED '000	**AED '000**	AED '000
Profit for the period		**37,088**	50,009	**152,824**	160,211
Other comprehensive income/(loss):					
Items that will not be reclassified subsequently to profit or loss:					
Net fair value gains/(losses) on revaluation of investment designated at FVTOCI		**2,247**	19,575	**42,776**	(50,604)
Items that may be reclassified subsequently to profit or loss:					
Exchange losses on translation of foreign operations		**(680)**	(5,651)	**(8,713)**	(12,769)
Total other comprehensive income/(loss) for the period		**1,567**	13,924	**34,063**	(63,373)
Total comprehensive income for the period		**38,655**	63,933	**186,887**	96,838
Attributable to:					
Owners of the Company		**38,696**	63,679	**187,154**	97,582
Non-controlling interests		**(41)**	254	**(267)**	(744)
		38,655	63,933	**186,887**	96,838

OMAN INSURANCE COMPANY P.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of changes in equity

	Share capital AED '000	Other reserves AED '000	Cumulative change in fair value of securities AED '000	Foreign currency translation reserve AED '000	Retained earnings AED '000	Net equity attributable to the owner of the Company AED '000	Non-controlling interests AED '000	Total equity AED '000
At 1 January 2020 (Audited)	461,872	1,356,684	(250,990)	(47,982)	373,585	1,893,169	22,518	1,915,687
Profit for the period	-	-	-	-	158,002	158,002	2,209	160,211
Other comprehensive loss for the period	-	-	(50,604)	(9,816)	-	(60,420)	(2,953)	(63,373)
Total comprehensive (loss)/income for the period	-	-	(50,604)	(9,816)	158,002	97,582	(744)	96,838
Transfer to other reserves from retained earnings (note 11)	-	125,000	-	-	(125,000)	-	-	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	26,838	-	(26,838)	-	-	-
Transaction with non-controlling interests (note 3.3)	-	-	-	-	-	-	(21,005)	(21,005)
At 30 September 2020 (Unaudited)	461,872	1,481,684	(274,756)	(57,798)	379,749	1,990,751	769	1,991,520
At 31 December 2020 (Audited)	461,872	1,483,398	(236,311)	(55,599)	417,560	2,070,920	850	2,071,770
Profit for the period	-	-	-	-	153,091	153,091	(267)	152,824
Other comprehensive income/(loss) for the period	-	-	42,776	(8,713)	-	34,063	-	34,063
Total comprehensive income/(loss) for the period	-	-	42,776	(8,713)	153,091	187,154	(267)	186,887
Dividend paid (note 22)	-	-	-	-	(92,374)	(92,374)	-	(92,374)
Transfer to other reserves from retained earnings (note 11)	-	6,705	-	-	(6,705)	-	-	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	20,669	-	(20,669)	-	-	-
At 30 September 2021 (Unaudited)	461,872	1,490,103	(172,866)	(64,312)	450,903	2,165,700	583	2,166,283

The notes on pages 8 to 29 form an integral part of this condensed consolidated interim financial information.

OMAN INSURANCE COMPANY P.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of cash flows

	For the nine month period ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
	AED '000	AED '000
Cash flows from operating activities		
Profit for the period before tax	**153,872**	160,374
Adjustments for:		
Depreciation and amortisation	**21,066**	17,249
Unrealised (gains)/losses on financial investments at FVTPL	**(1,886)**	200
Provision for employees' end of service benefits	**4,053**	4,378
Allowance for impairment on insurance and reinsurance receivables	**16,420**	5,473
Allowance for impairment of financial investments at amortised cost	**138**	525
(Release of)/allowance for impairment of bank balances and deposits	**(304)**	30
Dividend income from financial investments at FVTPL and FVTOCI	**(18,492)**	(22,468)
Interest income from financial assets	**(76,653)**	(71,694)
Amortisation of financial assets measured at amortised cost	**4,969**	4,364
Realised (gains)/losses on sale of financial investments at FVTPL	**(113)**	2,276
Realised losses/(gains) on sale of financial investments at amortised cost	**130**	(1,435)
Interest expense on lease liability	**913**	645
Other investment expenses	**6,160**	9,115
Rental income from investment properties	**(5,731)**	(5,926)
Operating cash flows before changes in working capital and payment of employees' end of service benefits and income tax	**104,542**	103,106
Changes in working capital		
Increase in reinsurance contract assets	**(83,950)**	(282,317)
Increase in insurance, reinsurance and other receivables	**(180,857)**	(36,743)
Increase in deferred acquisition costs	**(1,857)**	(29,933)
Increase in insurance contract liabilities	**165,917**	495,914
Increase/(decrease) in insurance, reinsurance and other payables	**84,969**	(68,840)
(Decrease)/increase in reinsurance deposits retained	**(14,666)**	7,434
Increase in deferred commission income	**2,291**	21,140
Increase in unit linked investments	**(62,528)**	(24,322)
Increase in unit linked liabilities	**62,520**	24,321
Net cash generated from operations	**76,381**	209,760
Employees' end of service benefits paid	**(3,964)**	(3,528)
Income tax paid	**(3,133)**	(686)
Net cash generated from operating activities	**69,284**	205,546

OMAN INSURANCE COMPANY P.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of cash flows (continued)

	For the nine month period ended 30 September	
	2021	2020
	(Unaudited)	(Unaudited)
	AED '000	AED '000
Cash flows from investing activities		
Purchases of financial investments at FVTOCI	**(153,396)**	(90,160)
Proceeds from sale of financial investments at FVTOCI	**87,847**	115,399
Purchases of financial investments at FVTPL (excluding unit linked investments)	**(19,730)**	(1,246)
Proceeds from sale of financial investments at FVTPL (excluding unit linked investments)	**4,834**	43,620
Proceeds from disposals/maturities of financial investments at amortised cost	**73,301**	205,503
Purchase of financial investments at amortised cost	**(115,523)**	(326,297)
Dividend received from financial investments at FVTPL and FVTOCI	**16,080**	22,261
Interest received from deposits and financial investments	**74,768**	65,637
Rental income received from investment properties	**5,654**	5,539
Other investment expenses paid	**(7,785)**	(12,388)
Purchase of property and equipment and intangible assets	**(14,442)**	(9,295)
Placements of term deposits with original maturities of more than three months	**(164,261)**	(301,946)
Maturities of term deposits with original maturities of more than three months	**253,967**	207,326
Decrease/(increase) in statutory deposits	**3,391**	(16,165)
Net cash generated from/(used in) investing activities	**44,705**	(92,212)
Cash flows from financing activities		
Dividend paid	**(92,374)**	-
Interest element of lease payments	**(326)**	(285)
Principal element of lease payments	**(1,334)**	(4,883)
Transactions with non-controlling interests (note 3.3)	**-**	(21,005)
Net cash used in financing activities	**(94,034)**	(26,173)
Net increase in cash and cash equivalents	**19,955**	87,161
Cash and cash equivalents at the beginning of the period	**261,900**	144,968
Net foreign exchange movement	**(7,144)**	(11,192)
Cash and cash equivalents at the end of the period (note 14)	**274,711**	220,937

For the purpose of the condensed consolidated interim statement of cashflows, the cash and cash equivalents are before the allowance for impairment as per IFRS 9 as disclosed in note 14.

During the nine month period ended 30 September 2021, the principal non-cash transactions relate to the disposal of the lease liability and right-of-use of asset amounting to AED 736 thousand each and to the additions of the lease liability and right of use asset amounting to AED 475 thousand each (30 September 2020: the principal non-cash transactions relate to the addition to the lease liability and right-of-use of asset amounting to AED 27,274 thousand each).

1 General information

Oman Insurance Company P.S.C., (the "Company") is a public shareholding company, which was established by an Amiri Decree issued by His Highness, The Ruler of Dubai. The Company is registered under the UAE Federal Law No. (2) of 2015 relating to commercial companies. The Company is subject to the regulations of the U.A.E. Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of its Operations and is registered in the Insurance Companies Register of the Central Bank of the United Arab Emirates ("CBUAE") (formerly, UAE Insurance Authority ("IA")) under registration number 9. The Company is a subsidiary of Mashreq Bank (PSC) which is incorporated in the Emirate of Dubai. The Company's registered head office is at P.O. Box 5209, Dubai, United Arab Emirates. The Group comprises Oman Insurance Company P.S.C. and its subsidiaries (note 3.3). The Company's ordinary shares are listed on the Dubai Financial Market, United Arab Emirates.

Federal Decree Law No. (26) of 2020 which amends certain provisions of Federal Law No. (2) of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021, however, some of the amended articles refer to further executive regulations to be issued. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

Federal Decree Law No. (24) of 2020 which amends certain provisions of the U.A.E. Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of its Operations was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. Effective 2 January 2021, the Insurance Sector became under the supervision and authority of the CBUAE.

The licensed activities of the Company are issuing short term and long-term insurance contracts and trading in securities. The insurance contracts are issued in connection with property, engineering, energy, motor, aviation and marine risks (collectively known as general insurance) and individual life (participating and non-participating), group life, personal accident, medical and investment linked products. The Company also operates in Sultanate of Oman, State of Qatar, Kingdom of Bahrain and Republic of Turkey.

2 Application of new and revised International Financial Reporting Standards ("IFRS")

2.1 New and revised IFRSs and interpretations applied on the condensed consolidated interim financial information

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2021, have been adopted in this condensed consolidated interim financial information. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions (Effective date 1 June 2020) - As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

2.2 New and revised IFRS in issued but not yet effective and not early adopted

Amendment to IFRS 16, 'Leases' – COVID-19 related rent concessions Extension of the practical expedient (Effective date 1 April 2021) - As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

2 Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRS in issued but not yet effective and not early adopted (continued)

Amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (Effective date 1 January 2022) - Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction (Effective date 1 January 2023) - The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Amendments to IAS 1, 'Presentation of financial statements' – Classification of liabilities as current or non-current (Effective date 1 January 2022) - These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (Effective date 1 January 2023) - The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

IFRS 17, 'Insurance contracts' (Effective date 1 January 2023) - On 18 May 2017, the IASB finished its long-standing project to develop an accounting standard on insurance contracts and published IFRS 17, 'Insurance Contracts'. IFRS 17 replaces IFRS 4, which currently permits a wide variety of practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The standard applies to annual periods beginning on or after 1 January 2023, with earlier application permitted if IFRS 15, 'Revenue from contracts with customers' and IFRS 9, 'Financial instruments' are also applied.

IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. A simplified premium allocation approach is permitted for the liability for the remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less. However, claims incurred will need to be measured based on the building blocks of discounted, risk-adjusted, probability weighted cash flows.

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2021 (continued)

2 Application of new and revised International Financial Reporting Standards ("IFRS") (continued)

2.2 New and revised IFRS in issued but not yet effective and not early adopted (continued)

Amendments to IFRS 17, 'Insurance Contracts' (Effective date 1 January 2023) - The IASB issued the amendments to IFRS 17, 'Insurance contracts', on 25 June 2020, together with an amendment to IFRS 4, so that eligible insurers can still apply IFRS 9 alongside IFRS 17. This concluded the IASB's targeted amendments to IFRS 17 which aimed to ease implementation of the standard by reducing implementation costs and making it easier for entities to explain. to investors and others, the results from applying IFRS 17.

IFRS 17 should be applied to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted, and the amendments should be applied at the same time.

On 28 October 2021, the IASB ('Board') redeliberated the Exposure Draft proposing a narrow-scope amendment relating to the presentation of comparative information on initial application of both IFRS 9, 'Financial Instruments', and IFRS 17, 'Insurance Contracts', considering the feedback from the comment letters received.

The amendment would permit an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17 and IFRS 9. The overlay would allow such assets to be classified, on an instrument-by-instrument basis, in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. Following feedback on the proposals, the Board extended the scope of the overlay to include all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17. The overlay could also be applied by entities that already apply IFRS 9.

The Board expects to issue the amendment to IFRS 17 before the end of 2021.

Management expects that the adoption of IFRS 17 will have an impact on the amounts reported and disclosures made in its consolidated financial statements in respect of its insurance contracts issued and reinsurance contracts held. However, it is not practicable to provide a reasonable estimate of the effects of the application of this standard until the Group performs a detailed review post the design phase of implementation which is in progress.

The Group is currently assessing the impact of these standards, interpretations and amendments on the future financial statements and intends to adopt these, if applicable, when they become effective.

There are no other relevant applicable new standards and amendments to published standards or IFRIC interpretations that have been issued but are not effective for the first time for the Group's financial year beginning on or after 1 January 2022 that would be expected to have a material impact on this condensed consolidated interim financial information.

3 Summary of significant accounting policies

3.1 Basis of preparation

This condensed consolidated interim financial information for the nine month period ended 30 September 2021 has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board ("IASB") and also complies with the applicable requirements of the laws in the U.A.E.

The condensed consolidated interim financial information is presented in Arab Emirates Dirham ("AED") and all values are rounded to nearest thousand ("AED'000") except when otherwise indicated.

This condensed consolidated interim financial information has been prepared on the historical cost basis, except for the revaluation of financial investments measured at fair value through profit or loss, financial investments measured at fair value through other comprehensive income and investment properties.

The Group's condensed consolidated interim financial information is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, prepayments and other receivables, reinsurance deposits retained and insurance and reinsurance payables. The following balances would generally be classified as non-current: property and equipment, intangible assets, investment properties, goodwill, deferred tax assets and statutory deposits.

3 Summary of significant accounting policies (continued)

3.1 Basis of preparation (continued)

The following balances are of mixed nature (including both current and non-current portions): financial investments, deferred acquisition costs, deferred commission income, reinsurance contract assets, insurance contract liabilities, other payables, insurance and reinsurance receivables, deposits with banks with original maturities of more than three months and employees' end of service benefits.

This condensed consolidated interim financial information does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as at and for the year ended 31 December 2020. In addition, results for the nine month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

3.2 Significant accounting policies

The accounting policies, presentation and methods in this condensed consolidated interim financial information are consistent with those used in the annual audited consolidated financial statements for the year ended 31 December 2020.

As required by the Securities and Commodities Authority ("SCA") notification dated 12 October 2008, accounting policies relating to investment properties, property and equipment and financial assets have been disclosed in this condensed consolidated interim financial information (notes 3.4 to 3.6).

3.3 Basis of consolidation

The condensed consolidated interim financial information of Oman Insurance Company P.S.C. and its subsidiaries (the "Group") incorporate the financial information of the Company and the entities controlled by the Company (its subsidiaries).

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3 Summary of significant accounting policies (continued)

3.3 Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated interim income statement and condensed consolidated interim statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in ownership interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

The table below represents the legal ownership of subsidiaries as at 30 September 2021 and 31 December 2020:

Name of subsidiary	Place of incorporation and operation	Proportion of legal ownership interest	Proportion of voting power held	Principal activity
Equator Insurance Agency L.L.C.*	Dubai - U.A.E.	99.97%	100%	Insurance agency.
Dubai Sigorta A.Ş. (Formally known as Dubai Starr Sigorta A.Ş.) **	Istanbul – Turkey	100%	100%	Issuing short-term and long-term insurance contracts.
ITACO Bahrain Co W.L.L***	Manama – Kingdom of Bahrain	60%	60%	Brokerage and call center services.
Synergize Services FZ L.L.C****	Dubai - UAE.	100%	100%	Management information technology and transaction processing.

* The Company holds the remaining equity in Equator Insurance Agency L.L.C. beneficially through nominee arrangements.

** Dubai Sigorta A. Ş. was founded in 2012 and major lines of business include the underwriting of accident and health insurance. On 28 July 2020, Oman Insurance Company (P.S.C.) has completed the 100% acquisition of its subsidiary, Dubai Sigorta A.Ş. by acquiring an additional 49% of the issued and outstanding share capital for a cash consideration of AED 21,005 thousand. Immediately prior to the purchase, the carrying amount of the existing 49% non-controlling interest in Dubai Sigorta A.Ş. was AED 21,005 thousand. The Group recognised a decrease in non-controlling interest of AED 21,005 thousand and there was no impact on equity attributable to owners of the Company.

*** ITACO Bahrain Co W.L.L was acquired by the Company on 16 September 2015.

**** Synergize Services FZ L.L.C was incorporated on 24 January 2014 in Dubai Outsource Zone, UAE and is engaged in the business of providing management information technology and transaction processing services.

3 Summary of significant accounting policies (continued)

3.4 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the condensed consolidated interim income statement in the period of retirement or disposal.

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation or commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use. Fair value is determined by open market values based on valuations performed by independent surveyors and consultants or broker's quotes.

3.5 Property and equipment

Capital work in progress is carried at cost, less any recognised impairment loss. These assets are classified to the appropriate categories of property and equipment when completed and ready for their intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

Other property and equipment are stated at cost less accumulated depreciation and any identified accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the condensed consolidated interim income statement during the financial period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets, other than capital work in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the condensed consolidated interim income statement.

The useful lives considered in the calculation of depreciation for the assets are as follows:

	Years
Furniture and equipment	3 - 5
Motor vehicles	5

3 Summary of significant accounting policies (continued)

3.6 Financial assets

(a) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is calculated using the effective interest rate method and presented in 'Interest income from financial assets at amortised cost' in the condensed consolidated interim income statement. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'Realised gains/(losses) on sale of financial investments at amortised cost' together with foreign exchange gains and losses. Impairment losses are included within 'Other investment income - net' in the condensed consolidated interim income statement.

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other investment income - net'. Interest income from these financial assets is calculated using the effective interest rate method. Foreign exchange gains and losses are presented in 'Other investment income - net'.

3 Summary of significant accounting policies (continued)

3.6 Financial assets (continued)

(a) Investments and other financial assets (continued)

(iii) Measurement (continued)

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the condensed consolidated interim income statement and is presented net within 'Other investment income - net' in the period in which it arises.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss within 'Other investment income - net' when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognised in 'change in fair value of financial investments at FVTPL' included within 'Other investment income - net'. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's financial assets are subject to the expected credit loss model.

For insurance and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the historical credit losses experienced.

Insurance and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

Debt investment and other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The impairment charge for debt investments at FVTOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

(b) Insurance and other receivables

Insurance and other receivables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method, less impairment provision. The Group holds the insurance and other receivables with the objective to collect the contractual cash flows.

(c) Cash and cash equivalents

For the purposes of the condensed consolidated interim statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

3 Summary of significant accounting policies (continued)

3.6 Financial assets (continued)

(d) Deposits with banks with original maturities of more than three months

Deposits held with banks with original maturities of more than three months are initially measured at fair value and subsequently measured at amortised cost. Deposits held with banks are within the scope of IFRS 9 expected credit loss calculation for the assessment of impairment.

The below table summarises the staging for financial assets using the general approach:

	At 30 September 2021 (Unaudited)			At 31 December 2020 (Audited)		
	Stage 1 AED'000	**Stage 3 AED'000**	**Total AED'000**	Stage 1 AED'000	Stage 3 AED'000	Total AED'000
Financial investments at amortised cost	**1,721,145**	**2,205**	**1,723,350**	1.680.991	2.205	1.683.196
Allowance for impairment	**(1,891)**	**(2,205)**	**(4,096)**	(1.753)	(2.205)	(3.958)
Cash and cash equivalents, deposits with banks and statutory deposits	**748,908**	**-**	**748,908**	830.340	-	830.340
Allowance for impairment	**(473)**	**-**	**(473)**	(777)	-	(777)

4 Critical accounting judgements and key sources of estimation of uncertainty

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

5 Risk management

The Group's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited annual consolidated financial statements as at and for the year ended 31 December 2020. There have been no changes in any risk management policies since the year end. The Group is in compliance with the applicable solvency and capital requirements issued by the CBUAE (formerly, the IA).

Impact of COVID-19

The World Health Organization ("WHO") declared novel coronavirus (COVID-19) in March 2020 a global pandemic. Rapid spread of COVID-19 across the globe caused disruptions to businesses and economic activity. The Group assessed the impact of COVID-19 on business continuity, claims and reserving, control environment, credit risk, fair value of investment properties, impairment of financial investments measured at amortised cost, liquidity and solvency.

The Group has enabled remote connectivity for 95% of its employees as part of its business continuity management initiative to ensure that there is no interruption to client servicing and operations. Currently, the Group is working from the office at 80% capacity. This has resulted in the Group delivering service level commitments to its customers across multiple lines of business.

The Group mainly noticed an increase in health care claims and developments in existing Business Interruption claims due to COVID-19. The Group is monitoring the loss experience and has appropriately calculated its technical reserves as at 30 September 2021. The net impact on life insurance was minimal.

5 Risk management (continued)

Impact of COVID-19 (continued)

Since 2019, the Group has developed a robust risk appetite framework and capital thresholds based on the pandemic risk and other risk stress scenarios. The Group updated the stress scenarios for the nine month period ended 30 September 2021. Having considered the impact of COVID-19, the Group conducts more regular reviews on its reinsurers in relation to the counterparty credit ratings, financial metrics, credit outlook and changes to their structures, if any. Also, the Group has updated its reinsurer security list in order to address the impact of COVID-19. The current security list has more than 90% of "A" and above rated reinsurance securities.

In parallel, the Group continues to have a robust collection and credit control process. Further enhancements and developments to strengthen the processes and credit controls have resulted in an efficient receivable management. Hence, despite the uncertain economic conditions, the Group continued to have robust collections during the nine month period ended 30 September 2021. The measures taken have contributed to controlled and healthy receivable book during the nine month period ended 30 September 2021.

Similarly, the Group's investment portfolio measured at amortised cost has been assessed using a robust ECL model with updated inputs as of the reporting date and based on the results, the Group had taken adequate provisions for impairment losses.

The Group performed a detailed valuation for its investment properties as of 31 December 2020 by appointing internationally qualified valuation firms who apply RICS Valuation Global Standards in compliance with the UAE Financial Regulations for Insurance Companies issued by the CBUAE (formerly, the IA). The Group also assessed the unquoted equity investments portfolio against the latest available inputs. Accordingly, the Group believes the fair values reported for both unquoted equity investments and investment properties reflect the current market conditions as of 30 September 2021.

The liquidity position of the Group remains strong. Furthermore, the Group has carried out stress testing to assess the resilience of its solvency compliance, which also remains strong after considering the impact of the shocks. As the situation continues to develop, the Group will continue to monitor the situation closely and take the necessary actions.

6 Financial investments

The Group's financial investments at the end of the reporting period are detailed below.

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
At fair value through profit or loss	**473,431**	394,008
At fair value through other comprehensive income	**551,519**	443,194
At amortised cost	**1,723,350**	1,683,196
Less: Allowance for impairment as per IFRS 9	**(4,096)**	(3,958)
	2,744,204	2,516,440

The fair value of the quoted debt instruments held at amortised cost as at 30 September 2021 amounted to AED 1,787,575 thousand (31 December 2020: AED 1,790,960 thousand).

6 Financial investments (continued)

The movements in financial investments were as follows:

	Fair value through profit or loss AED '000	Fair value through OCI AED '000	Amortised cost AED '000	Total AED '000
At 1 January 2020 (Audited)	377,639	474,376	1,628,211	2,480,226
Purchases	124,899	120,981	408,640	654,520
Disposals	(192,344)	(143,273)	(206,503)	(542,120)
Maturities	-	-	(146,329)	(146,329)
Amortisation	-	-	(5,401)	(5,401)
Movement in accrued interest	-	-	548	548
Changes in fair value	83,814	(8,890)	-	74,924
Release of impairment	-	-	72	72
At 31 December 2020 (Audited)	394,008	443,194	1,679,238	2,516,440
Purchases	**139,911**	**153,396**	**115,523**	**408,830**
Disposals	**(94,330)**	**(87,847)**	**(9,444)**	**(191,621)**
Maturities	**-**	**-**	**(63,987)**	**(63,987)**
Amortisation	**-**	**-**	**(4,969)**	**(4,969)**
Movement in accrued interest	**-**	**-**	**3,031**	**3,031**
Changes in fair value	**33,842**	**42,776**	**-**	**76,618**
Allowance for impairment	**-**	**-**	**(138)**	**(138)**
At 30 September 2021 (Unaudited)	**473,431**	**551,519**	**1,719,254**	**2,744,204**

There were no reclassifications between financial investments' categories during the period.

7 Insurance contract liabilities and reinsurance contract assets

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Insurance contract liabilities		
Outstanding claims	**2,362,738**	2,295,448
Incurred but not reported claims reserve ("IBNR")	**516,618**	601,209
Life assurance fund	**118,714**	133,755
Unearned premiums	**1,493,781**	1,295,244
Unit linked liabilities	**454,221**	391,701
Unallocated loss adjustment expenses reserve ("ULAE")	**7,364**	7,642
	4,953,436	4,724,999
Reinsurance contract assets		
Outstanding claims	**(1,876,118)**	(1,838,783)
Incurred but not reported claims reserve ("IBNR")	**(249,344)**	(321,632)
Life assurance fund	**(22,774)**	(24,981)
Unearned premiums	**(804,854)**	(683,744)
	(2,953,090)	(2,869,140)
Insurance contract liabilities - net		
Outstanding claims	**486,620**	456,665
Incurred but not reported claims reserve ("IBNR")	**267,274**	279,577
Life assurance fund	**95,940**	108,774
Unearned premiums	**688,927**	611,500
Unit linked liabilities	**454,221**	391,701
Unallocated loss adjustment expenses reserve ("ULAE")	**7,364**	7,642
	2,000,346	1,855,859

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2021 (continued)

7 Insurance contract liabilities and reinsurance contract assets (continued)

The gross and net insurance contract liabilities of AED 4,953,436 thousand and AED 2,000,346 thousand respectively as at 30 September 2021 (31 December 2020: AED 4,724,999 thousand and AED 1,855,859 thousand respectively) were certified by the Group's external actuary. The actuarial valuation methodologies used in this condensed consolidated interim financial information are consistent with those used in the audited annual consolidated financial statement for the year ended 31 December 2020.

8 Insurance and reinsurance receivables

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Due from policyholders and brokers	584,678	481,652
Less: allowance for impairment	(172,952)	(191,133)
Net due from policyholders and brokers	411,726	290,519
Due from insurance/reinsurance companies	558,280	506,592
Less: allowance for impairment	(247,483)	(223,048)
Net due from insurance/reinsurance companies	310,797	283,544
Total insurance and reinsurance receivables	722,523	574,063

8.1 Insurance and reinsurance receivables by location

Inside UAE

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Due from policyholders and brokers	437,677	387,447
Less: allowance for impairment	(138,018)	(155,580)
Net due from policyholders and brokers	299,659	231,867
Due from insurance/reinsurance companies	501,872	451,286
Less: allowance for impairment	(223,653)	(203,486)
Net due from insurance/reinsurance companies	278,219	247,800
Total insurance and reinsurance receivables inside UAE	577,878	479,667

Outside UAE

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Due from policyholders and brokers	147,001	94,205
Less: allowance for impairment	(34,934)	(35,553)
Net due from policyholders and brokers	112,067	58,652
Due from insurance/reinsurance companies	56,408	55,306
Less: allowance for impairment	(23,830)	(19,562)
Net due from insurance/reinsurance companies	32,578	35,744
Total insurance and reinsurance receivables outside UAE	144,645	94,396

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2021 (continued)

8 Insurance and reinsurance receivables (continued)

8.2 Movement in the allowance for impairment

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Opening impairment provision as at 1 January under IFRS 9	**414,181**	441,071
Allowance for impairment as per IFRS 9 for the period/year	**16,420**	13,441
Amounts written off as uncollectible during the period/year	**(9,157)**	(39,771)
Foreign currency exchange movements	**(1,009)**	(560)
Balance at the end of the period/year	**420,435**	414,181

9 Prepayments and other receivables

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Accrued income	**2,334**	3,427
Prepayments	**32,206**	24,213
Staff debtors and allowances	**5,751**	6,658
Other receivables	**74,820**	62,347
Less: allowance for impairment as per IFRS 9	**(16,797)**	(16,797)
	98,314	79,848

10 Share capital

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Authorised, issued and fully paid 461,872,125 shares of AED 1 each (31 December 2020: 461,872,125 shares of AED 1 each)	**461,872**	461,872

11 Other reserves

	Statutory reserve AED '000	Strategic reserve AED '000	General reserve AED '000	Contingency reserve AED '000	Reinsurance regulatory reserve AED '000	Total AED '000
At 1 January 2020 (Audited)	230,936	303,750	808,051	13,947	-	1,356,684
Transfer from retained earnings*	-	-	125,000	-	-	125,000
At 30 September 2020 (Unaudited)	230,936	303,750	933,051	13,947	-	**1,481,684**
At 31 December 2020 (Audited)	**230,936**	**303,750**	**933,051**	**15,317**	**344**	**1,483,398**
Transfer from retained earnings	115	-	-	-	6,590	**6,705**
At 30 September 2021 (Unaudited)	**231,051**	**303,750**	**933,051**	**15,317**	**6,934**	**1,490,103**

* At the Annual General Meeting held on 9 March 2020, the shareholders approved to transfer AED 125 million from retained earnings to general reserve.

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2021 (continued)

12 Insurance and reinsurance payables

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Payables – Inside UAE	319,105	284,420
Payables – Outside UAE	156,172	87,165
	475,277	371,585

Inside UAE	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Due to policyholders and brokers	67,839	81,081
Due to insurance companies	3,283	2,733
Due to reinsurance companies	229,918	184,204
Premiums collected in advance	256	256
Other insurance payables	17,809	16,146
	319,105	284,420

Outside UAE	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Due to policyholders and brokers	59,083	56,750
Due to insurance companies	22,720	899
Due to reinsurance companies	67,988	21,014
Premiums collected in advance	3,106	4,157
Other insurance payables	3,275	4,345
	156,172	87,165

13 Earnings per share

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Profit for the period attributable to the Owners of the Company (AED '000)	37,129	49,779	153,091	158,002
Weighted average number of shares	461,872,125	461,872,125	461,872,125	461,872,125
Basic and diluted earnings per share (AED)	0.08	0.11	0.33	0.34

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the Company by the number of weighted average shares outstanding at the end of the reporting period. Diluted earnings per share is equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2021 (continued)

14 Cash and cash equivalents

	For the nine month period ended 30 September	
	2021 (Unaudited) AED '000	2020 (Unaudited) AED '000
Deposits with banks maturing within three months	94,649	145,481
Current accounts and cash	180,062	75,456
Cash and cash equivalents for the purpose of the condensed consolidated interim statement of cashflows	274,711	220,937
Less: allowance for impairment as per IFRS 9	(473)	(708)
Cash and cash equivalents	274,238	220,229

Certain bank balances and deposits with carrying amount of AED 3,568 thousand at 30 September 2021 (31 December 2020: AED 12,812 thousand) are subject to lien in respect of guarantees.

15 Related party balances and transactions

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

15.1 Balances with related parties included in the condensed consolidated interim statement of financial position are as follows:

	At 30 September 2021 (Unaudited) AED'000	At 31 December 2020 (Audited) AED'000
Balances with a Major shareholder:		
Cash and cash equivalents	30,950	85,186
Financial investments	52,442	57,477
Statutory deposits	10,000	10,000
Due from/(to) a Major shareholder:		
Net insurance receivables	6,079	2,726
Net insurance and other payables	(1,128)	(4,932)
Due from/(to) Directors and businesses over which they exercise significant management influence:		
Net insurance receivables	15,709	19,637
Net insurance and other payables	(2,246)	(2,191)

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2021 (continued)

15 Related party balances and transactions (continued)

15.2 Transactions with related parties:

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2021 (Unaudited) AED '000	2020 (Unaudited) AED '000	**2021 (Unaudited) AED '000**	2020 (Unaudited) AED '000
Transactions arising from insurance contracts with a Major shareholder:				
Gross insurance premiums	**7,285**	6,145	**62,816**	61,372
Gross claims settled	**(16,524)**	(9,381)	**(51,006)**	(33,063)
Other transactions with a Major shareholder:				
Interest income	**52**	237	**259**	749
Dividend income	**-**	-	**-**	2,144
Other expenses	**(766)**	(2,470)	**(2,242)**	(4,404)
Rental expense	**(1,571)**	(1,653)	**(4,811)**	(3,240)
Transactions arising from insurance contracts with Directors and businesses over which they exercise significant management influence:				
Gross insurance premiums	**1,423**	3,394	**26,080**	36,871
Gross claims settled	**(911)**	(5,395)	**(11,573)**	(14,491)
Other transactions with Directors and businesses over which they exercise significant management influence:				
Other investment expenses	**(1,536)**	(1,440)	**(4,486)**	(4,170)

The Group has entered into the above transactions with the related parties which were made on substantially the same terms as those prevailing at the same time for the comparable transactions with third parties.

15.3 Compensation of key management personnel

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2021 (Unaudited) AED '000	2020 (Unaudited) AED '000	**2021 (Unaudited) AED '000**	2020 (Unaudited) AED '000
Directors' fees	**(562)**	(562)	**(1,687)**	(1,687)
Salaries and benefits	**(1,145)**	(1,145)	**(3,677)**	(3,677)
End of service benefits	**(32)**	(32)	**(95)**	(95)
	(1,739)	(1,739)	**(5,459)**	(5,459)

16 Contingent liabilities

At 30 September 2021, the Group had contingent liabilities in respect of bank guarantees and other matters arising in the ordinary course of business amounting to AED 67 million (31 December 2020: AED 86 million).

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Group's condensed consolidated interim financial performance or condensed consolidated interim financial position.

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2021 (continued)

17 Commitments

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Commitments in respect of uncalled subscription of equities held as investments	**7,960**	7,960
Capital commitments towards acquisitions of property and equipment and intangible assets	**11,028**	10,064

18 Location of assets

Geographical locations of assets are disclosed below:

	At 30 September 2021 (Unaudited)			At 31 December 2020 (Audited)		
	Inside UAE AED '000	**Outside UAE AED '000**	**Total AED '000**	Inside UAE AED '000	Outside UAE AED '000	Total AED '000
Property and equipment	**48,438**	**2,552**	**50,990**	47,104	1,500	48,604
Investment properties	**449,715**	**-**	**449,715**	449,715	-	449,715
Statutory deposits	**45,303**	**123,288**	**168,591**	45,295	126,687	171,982
Financial investments at FVTOCI	**288,048**	**263,471**	**551,519**	272,624	170,570	443,194
Financial investments at FVTPL	**5,626**	**467,805**	**473,431**	7,228	386,780	394,008
Financial investments at amortised cost	**957,330**	**761,924**	**1,719,254**	974,899	704,339	1,679,238
Deposits with banks and cash and cash equivalents	**432,682**	**147,162**	**579,844**	443,955	213,626	657,581
	2,227,142	**1,766,202**	**3,993,344**	2,240,820	1,603,502	3,844,322

19 Segment information

For management purposes, the Group is organised into three business segments: general insurance, life assurance including medical and investments. The general insurance segment comprises property, engineering, energy, motor, general accident, aviation and marine risks. The life assurance segment includes individual life (participating and non-participating), medical, group life and personal accident as well as investment linked products. Investment comprises of investments (financial and non-financial) excluding unit linked investments.

These segments are the basis on which the Group reports its primary segment information to the Chief Operating Decision Maker.

19.1 Segment premium and results by operating segments

	For the nine month period ended 30 September (Unaudited)					
	General insurance		Life assurance and medical		Total	
	2021	2020	**2021**	2020	**2021**	2020
	AED '000	AED '000	**AED '000**	AED '000	**AED '000**	AED '000
Gross insurance premiums	**1,294,437**	1,428,784	**1,488,260**	1,488,132	**2,782,697**	2,916,916
Net underwriting income	**172,581**	167,030	**133,460**	151,256	**306,041**	318,286
Net investment income					**91,782**	85,013
General and administrative expenses					**(210,046)**	(210,720)
Board of directors' remuneration					**(1,687)**	(1,687)
Allowance for impairment as per IFRS 9 on insurance and reinsurance receivables					**(16,420)**	(5,473)
Other expenses - net					**(15,798)**	(25,045)
Profit before tax					**153,872**	160,374
Income tax expenses					**(1,048)**	(163)
Profit for the period					**152,824**	160,211
Attributable to:						
Owners of the Company					**153,091**	158,002
Non-controlling interests					**(267)**	2,209
Profit for the period					**152,824**	160,211

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2021 (continued)

19 Segment information (continued)

19.2 Segment results by geographical distribution

	For the nine month period ended 30 September (Unaudited)					
	GCC		Turkey		Total	
	2021	2020	**2021**	2020	**2021**	2020
	AED '000	AED '000	**AED '000**	AED '000	**AED '000**	AED '000
Gross insurance premium	**2,659,432**	2,793,438	**123,265**	123,478	**2,782,697**	2,916,916
Net underwriting income	**303,215**	313,745	**2,826**	4,541	**306,041**	318,286
Net investment income	**78,048**	78,224	**13,734**	6,789	**91,782**	85,013
General and administrative expenses	**(198,627)**	(198,105)	**(11,419)**	(12,615)	**(210,046)**	(210,720)
Board of directors' remuneration	**(1,687)**	(1,687)	**-**	-	**(1,687)**	(1,687)
Allowance for impairment as per IFRS 9 on insurance and reinsurance receivables	**(16,420)**	(5,473)	**-**	-	**(16,420)**	(5,473)
Other expenses – net	**(17,927)**	(30,819)	**2,129**	5,774	**(15,798)**	(25,045)
Profit before tax	**146,602**	155,885	**7,270**	4,489	**153,872**	160,374
Income tax credit/(expenses)	**1,589**	(869)	**(2,637)**	706	**(1,048)**	(163)
Profit for the period	**148,191**	155,016	**4,633**	5,195	**152,824**	160,211
Attributable to:						
Owners of the Company	**148,458**	155,335	**4,633**	2,667	**153,091**	158,002
Non-controlling interests	**(267)**	(319)	**-**	2,528	**(267)**	2,209
Profit for the period	**148,191**	155,016	**4,633**	5,195	**152,824**	160,211

19 Segment information (continued)

19.3 Segment assets and liabilities by operating segments

At 30 September 2021 (Unaudited)

	General insurance AED '000	Life assurance and medical AED '000	Investments AED '000	Total AED '000
Segment assets	3,292,144	1,969,459	2,739,907	8,001,510
Segment liabilities	3,403,393	2,431,834	-	5,835,227

At 31 December 2020 (Audited)

	General insurance AED '000	Life assurance and medical AED '000	Investments AED '000	Total AED '000
Segment assets	3,286,495	1,746,744	2,574,671	7,607,910
Segment liabilities	3,388,019	2,148,121	-	5,536,140

19.4 Geographical information of segment assets and liabilities

At 30 September 2021 (Unaudited)

	GCC AED '000	Turkey AED '000	Total AED '000
Segment assets	7,695,278	306,232	8,001,510
Segment liabilities	5,567,999	267,228	5,835,227

At 31 December 2020 (Audited)

	GCC AED '000	Turkey AED '000	Total AED '000
Segment assets	7,326,292	281,618	7,607,910
Segment liabilities	5,296,501	239,639	5,536,140

20 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

20.1 Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated interim financial information approximate their fair values except for financial investments measured at amortised cost of which fair value is determined based on the quoted market prices and disclosed in note 6 of this condensed consolidated interim financial information.

20.2 Fair value of financial items carried at fair value

20.2.1 Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2020.

Notes to the condensed consolidated interim financial information for the nine month period ended 30 September 2021 (continued)

20 Fair value measurements (continued)

20.2 Fair value of financial items carried at fair value (continued)

20.2.2 Fair value of the Group's financial assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

Financial assets	**Fair value as at**					
	30 September 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)	**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
Financial assets measured at FVTPL						
Unit linked investments	**454,012**	391,484	Level 2	Quoted prices in secondary market	None	Not applicable
Quoted equity investments	**19,419**	2,524	Level 1	Quoted bid prices in an active market	None	Not applicable
Financial assets measured at FVTOCI						
Quoted equity investments	**490,212**	399,387	Level 1	Quoted bid prices in an active market	None	Not applicable
Quoted fund	**18,780**	-	Level 2	Quoted prices in secondary market	None	Not applicable
Unquoted equity and private equity fund	**42,527**	43,807	Level 3	Multiple based approach and net assets as per financial statements	Price to book value multiple	Price to book value multiple for similar companies will directly impact the fair value calculation.

There were no transfers between levels during the period. There are no financial liabilities which should be categorised under any of the levels in the above table.

20 Fair value measurements (continued)

20.2 Fair value of financial items carried at fair value (continued)

20.2.3 Reconciliation of level 3 fair value measurement of financial assets measured at FVTOCI

	At 30 September 2021 (Unaudited) AED '000	At 31 December 2020 (Audited) AED '000
Balance at the beginning of the period/year	**43,807**	53,298
Disposals during the period/year	**(875)**	(10,215)
Changes in fair value recognised in other comprehensive income	**(405)**	724
Balance at the end of the period/year	**42,527**	43,807

21 Seasonality of results

Net investment income includes dividend income of AED 18,492 thousand for the nine month period ended 30 September 2021 (30 September 2020: AED 22,468 thousand), which is of a seasonal nature.

22 Dividends

At the Annual General Meeting held on 21 April 2021, the shareholders approved a cash dividend distribution of 20% of the share capital amounting to AED 92,374 thousand (AED 20 fils per share) for the year ended 31 December 2020 (31 December 2019: Nil).

23 Other information

The Group established operations in Qatar on 6 January 2008 through an agency agreement entered with a local sponsor valid for an indefinite period. On 25 February 2019, the Qatar Central Bank ("QCB") did not accept the Group's application to open a foreign branch. Accordingly, the Group's management has taken the decision to no longer issue new policies in the State of Qatar. The Group will continue to service the existing policies as per the applicable conditions of the underlying contracts.

24 Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on 10 November 2021.