



**Unaudited interim condensed consolidated
and parent company financial statements**

30 June 2023



Director's Report For the Six-Month Period Ended 30 June 2023

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the unaudited financial results of Ominvest Group for the six-month period ended 30 June 2023. We are making significant progress towards achieving our strategic goals which has resulted in a robust 94% growth in revenues and 28% growth in profit. We are pleased with the performance which coincides with the 40th anniversary of Ominvest.

Set out below is a brief note on the macroeconomics, notable events and financial performance of the Group.

A Brief on Macroeconomics

The global economy is expected to grow by 2.7% this year and by 2.9% in 2024. The Energy Information Administration projects oil prices to average at USD 79 per barrel in 2023 and USD 84 per barrel in 2024. Global headline inflation is expected to drop to 6.6% in 2023 and 4.3% in 2024 as a result of the tight monetary policy stance taken by global central banks in the most recent period.

Regionally, the credit ratings upward revision for GCC sovereigns after years of downgrades has boosted the economic outlook. GCC governments and policy makers took advantage of the high level of hydrocarbon prices to improve fiscal balances and reduce national debt levels, which has underpinned the positive outlook by global rating agencies. Growth in the region is expected to moderate this year because of lower oil prices and lower global GDP. However, we expect growth in the GCC to remain robust in the coming years backed by the positive dynamics in the non-hydrocarbon sector as governments remain committed to their diversification strategy. The dedication to green investments and energy transition will remain a key diversification strategy in 2023 and beyond. This provides a positive backdrop for investment in the region in the upcoming years.

Locally, the real GDP is anticipated to moderate to 2.5% in 2023. The hydrocarbon sector is expected to drop by 3.3% due to the moderation in oil prices and the non-oil sector will



continue to grow by 3.1% this year driven by public spending and the accelerated projects in tourism, industry, and the renewable energy sectors.

Credit Rating

I am pleased to inform you that Capital Intelligence Ratings (CI) has affirmed our long-term international credit rating at 'BB' and our outlook was revised from stable to positive. CI mentioned that Ominvest's ratings continue to be supported by the Company's status as the leading listed investment company in the Sultanate of Oman, and as one of the largest in the GCC region. Other supporting factors are the good profitability recorded at the total comprehensive income (TCI) level, the Company's still moderate leverage and debt to equity ratios, the effective liquidity and high quality of the asset base, as well as the maturity profile of the debt funding base. CI mentioned that the ratings are still principally constrained by the sovereign ratings for the Sultanate of Oman, and it is very probable that Ominvest ratings would be significantly higher than at present were the degree of sovereign constraint to be lessened. In terms of non-financial supporting factors, the Company has a strong and experienced management team, a well-defined strategy and investment philosophy, robust governance, and solid risk management architecture.

Perpetual Bonds

During the period, the Board of Director's decided to redeem the perpetual subordinated bonds issued on 4 June 2018 amounting to RO 60.6m issued at a fixed annual rate of 7.75%, on its first call date. The strong financial and liquidity position of the Group enabled us to take this strategic step. These bonds were replaced by issuance of new perpetual subordinated bonds at a fixed annual rate of 5.25%. I would like to thank the bondholders for their participation and continued support.

Takeover Offer

A Consortium led by Ominvest made a public announcement of a potential acquisition of Ahli Bank SAOG, subject to regulatory approvals. The major members of the Consortium were Arab Bank plc and Ominvest. The strategic objective of the offer was to support Ahli Bank's growth as an anchor shareholder during the intervening period and explore the potential merger of Oman Arab Bank SAOG (an entity controlled by the Consortium) and Ahli Bank and a fully owned subsidiary of Ominvest also owns 8.68% shareholding in Ahli Bank. The offer made by the Consortium was fair and equal to all the shareholders, including the minority shareholders of Ahli Bank. Subsequently, the Consortium decided to withdraw the offer as Ahli



Bank came up with a rights issue of RO 50 million and Central Bank of Oman was not in the position to grant the required exemptions requested by the Consortium. We wish continued success to Ahli Bank.

Group Consolidated Performance

During the six-month period ended 30 June 2023, Group revenue increased by 94% to RO 218.1m as compared to RO 112.6m for the corresponding period in 2022, and the net profit attributable to Ominvest's shareholders increased by 28% to RO 18m as compared to RO 14.1m for the corresponding period in 2022.

Parent Company Performance

During the six-month period ended 30 June 2023, Parent Company revenues increased by 21% to RO 29.5m as compared to RO 24.4m for the corresponding period in 2022 and the net profit increased by 28% to RO 18.4m as compared to RO 14.4m.

Performance of Key Subsidiaries and Associates

National Life & General Insurance Company SAOG (National Life), Despite the challenges faced by our subsidiary in the insurance sector due to reduced profitability in motor insurance and medical insurance in the first quarter of 2023, National Life has recovered in the second quarter of 2023 by achieving profit after tax of RO 1.1m compared to loss after tax of RO 2.6m in first quarter of 2023. The primary factors driving the turnaround are disciplined underwriting, alongside minimizing risks, with strong processes and tools to maintain business quality and strength. National Life is actively implementing remediation measures across all lines of business to rebalance portfolios affected by post-Covid market conditions in key markets. There is a lot of positive momentum in several areas of its business due to integration and we remain optimistic about the future.

Gross Written Premium (GWP) grew strongly by 92% to RO 181.6m in the six-month ended 30 June 2023 as compared to RO 94.6m in the corresponding period of the previous year. This was driven by the integration of the Royal & Sun Alliance Insurance (ME) BSC (c) ("RSA ME") business, as well as the successful renewals of key partnerships, with significant growth of the medical portfolio in the UAE. Net underwriting results (NUR) grew by 108% to RO 19.2m for the six-month ended 30 June 2023 as compared to RO 9.2m in the corresponding period in 2022. The investment income increased by 161% to RO 5.7m as compared to RO



2.2m in the corresponding period of the previous year, this is mainly due to synergies of consolidation with RSA ME.

Oman Arab Bank SAOG (OAB) our associate in the banking sector, reported an increase of 64% in its consolidated profit to RO 11.5m for the six-month period ended 30 June 2023 as compared to RO 7m over the corresponding period in 2022. Net loans and advances, including Islamic finance, increased strongly by 12% to RO 3.3bn at 30 June 2023 compared to RO 2.9bn at 30 June 2022. Customer deposits grew by 11% to RO 3.2bn at 30 June 2023 compared to RO 2.9bn at 30 June 2022. Net allowances for expected credit losses recorded RO 11.4m in the six-month ended 30 June 2023 compared to RO 16.4m for the same period in 2022 due to significant recoveries made during the period. OAB continues to maintain a conservative position for creating loan loss provisions. Alizz Islamic Bank SAOC, a fully owned subsidiary of OAB, has consistently increased its profits and assets since the merger with OAB in 2020.

National Finance Company SAOG (NFC), our associate in the leasing sector, reported an increase of 8% in profit to RO 5.4m for the six-month ended 30 June 2023 compared to RO 5m for the corresponding period in 2022. During the period, NFC repaid its perpetual bonds worth RO 18.2m on the first call date. NFC continues to adopt a prudent approach to credit approvals keeping in view the overall macroeconomic scenario and perceived increase in credit risk. NFC continues to improve its technological capabilities to be aligned with the digital transformation happening across the world, in order to provide solutions that deliver best in class customer experience. NFC remains a market leader amongst finance and leasing companies in the Sultanate of Oman and we expect NFC to further grow and consolidate its position in the medium term.

International General Insurance (IGI), During the period, the Group acquired 6% additional stake in International General Insurance (IGI) taking the total stake holding to 20.5%. Consequently, the Group has reclassified the investment in IGI from investment at fair value through other comprehensive income to investment in associate. IGI is an international specialty insurance and reinsurance group, registered in Bermuda and listed on the Nasdaq Capital Markets under the symbol "IGIC". IGI underwrites a diverse portfolio of specialty lines worldwide. IGI has a financial strength rating of "A-" (Strong) from S&P Global Ratings and "A" (Excellent) from AM Best. Both ratings have a Stable Outlook. In 2022, IGI reported a 96% increase in net profit to \$85.5m from \$43.6m with return of equity of 22.7%



and gross premiums of \$581.8m. On December 31, 2022, IGI had assets of \$1.56bn. For the first quarter of 2023, IGI reported a 48% increase in net profit to \$33.9m compared to \$22.2m in its first quarter of 2022.

Other key investments include investment in Bank Muscat SAOG and Ahli Bank SAOG classified as fair value through other comprehensive income investment and contributed cash dividend income amounting to RO 11.8m. On 30 June 2023, private equity investments, which are focused on diverse sectors and expanding into new growth markets in Asia, amounted to RO 91m.

In regard to investments in **Real Estate**, the Group is also embarking on a new real estate project 'LA VIE', which is progressing as per the development plan. The project entails developing a golf course, hotel and residential units. The development is situated in the heart of Muscat's emerging urban center, Madinat Al Irfan, one of the capital's most sought-after locations.

Corporate Citizenship

I am pleased to announce that Ominvest has completed its first Sustainability Report, which is prepared in accordance with GRI Standards. GRI Standards are the most widely recognized sustainability reporting standards, and this report is a testament to our commitment to environmental, social, and governance (ESG) practices.

We believe that sustainability is essential to our long-term success. We have set ambitious goals for reducing our environmental impact, improving our social responsibility, and strengthening our governance. Our Sustainability Strategy details our non-financial objectives and our plan to drive sustainable development across the organization in the future.

We are pleased to report on Ominvest's support of the "Together for Them" initiative, a joint project with the Human Development Centre for the Disabled (HDCD). The initiative aims to provide quality training and job opportunities to people with disabilities in various industries in the Sultanate of Oman, as well as help to create a more inclusive society where everyone has the opportunity to contribute.

We are also pleased to announce that we have extended our strategic partnership with the Environment Society of Oman (ESO). ESO is the country's only environmental non-



governmental organization (NGO) and is dedicated to conserving Oman's incredible biodiversity. Through research, education, advocacy, capacity building, and conservation, ESO brings a wealth of expertise and experience to the table. We are confident that this strategic engagement will help us to achieve our shared goals of protecting the country's natural environment for future generations.

As part of our commitment to develop entrepreneurs, we are pleased to announce that we have supported 20 SMEs to attend the second Leadership and Management Forum organized by the Oman Academy for SMEs. The forum was themed "Financial Management and Investment," and featured former Irish Prime Minister Enda Kenny as the guest speaker. The forum was a valuable opportunity for the SMEs to learn from a successful leader and to network with other entrepreneurs.

Acknowledgements


We are grateful to our inspirational leader His Majesty Sultan Haitham bin Tarik for his vision and initiatives as he continues to lead the country on the path of development, peace, and enduring prosperity.

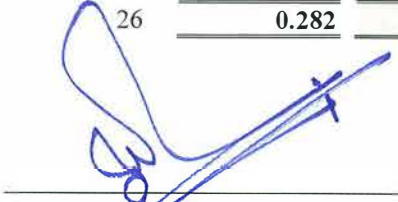
On behalf of the Board of Directors, I would like to thank the Capital Market Authority, Muscat Stock Exchange, and Central Bank of Oman for their continued support and guidance. I would also like to thank our dedicated employees at Ominvest and across our Group companies for their commitment and hard work.

Khalid Muhammad AlZubair
Chairman

UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Notes	Consolidated		Parent Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30-Jun-23 (RO'000)	31-Dec-22 (RO'000)	30-Jun-23 (RO'000)	31-Dec-22 (RO'000)
Assets					
Balances with banks and money at call	5	51,117	83,618	892	16,122
Deposits with banks	6	156,723	166,584	-	5,287
Premium and re-insurance balance receivable	7	135,985	98,225	-	-
Re-insurance share in insurance funds	15	59,088	61,040	-	-
Investment securities	8	537,622	568,562	5,728	5,421
Investment in associates	9	197,614	157,463	137,145	136,351
Investment in subsidiaries	10	-	-	446,428	414,421
Due from subsidiaries		-	-	74,713	92,992
Other assets		60,413	60,062	838	2,850
Investment properties		7,810	9,709	2,000	2,000
Property and equipment		29,892	27,573	741	805
Intangible assets		47,829	50,801	-	-
Total assets		1,284,093	1,283,637	668,485	676,249
Equity and liabilities					
Equity					
Share capital	11	66,837	66,837	66,837	66,837
Share premium		5,778	5,778	5,778	5,778
Legal reserve		22,279	22,279	22,279	22,279
Other non-distributable reserves	13	10,712	12,190	10,712	12,190
Cumulative changes in fair value reserve		8,256	68	10,693	2,519
Retained earnings		74,935	137,225	77,548	137,436
Equity attributable to equity holders of the Parent Company		188,797	244,377	193,847	247,039
Perpetual bonds / sukuks		111,152	111,631	112,159	112,638
		299,949	356,008	306,006	359,677
Non-controlling interests		85,921	82,449	-	-
Total equity		385,870	438,457	306,006	359,677
Liabilities					
Bank borrowings	14	516,536	493,133	322,670	285,496
Insurance funds	15	263,229	214,734	-	-
Other liabilities		111,397	130,363	38,772	30,039
Taxation		7,061	6,950	1,037	1,037
Total liabilities		898,223	845,180	362,479	316,572
Total equity and liabilities		1,284,093	1,283,637	668,485	676,249
Net assets per share (Rial Omani)	26	0.282	0.366	0.290	0.370


Khalid Muhammad AlZubair
Chairman


Sheikh Khalid Abdullah Al Khalili
Deputy Chairman


AbdulAziz M. Al Balushi
Group CEO

The accompanying notes 1-27 form an integral part of these unaudited interim condensed consolidated and parent company financial statements.

UNAUDITED INTERIM CONDENSED CONSOLIDATED COMPANY STATEMENT OF COMPERHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

	Notes	Consolidated (Unaudited)			
		6 month ended 30-Jun-23 (RO'000)	6 month ended 30-Jun-22 (RO'000)	3 month ended 30-Jun-23 (RO'000)	3 month ended 30-Jun-22 (RO'000)
Gross premium earned	16	171,689	82,480	84,721	42,668
Interest income	17	6,240	2,802	2,164	1,545
Investment income	19	24,359	6,720	6,677	1,985
Fee and commission income		4,845	2,806	2,155	553
Other operating income		2,316	3,030	797	1,716
Share of results from associates		8,678	14,788	5,548	7,511
Total revenue		218,127	112,626	102,062	55,978
Premium ceded to re-insurers	16	(35,231)	(15,102)	(16,699)	(9,101)
Net claims incurred	15	(101,376)	(53,573)	(49,482)	(27,376)
Fee and commission expenses		(17,649)	(6,802)	(7,445)	(2,517)
Interest expense	18	(13,074)	(8,424)	(5,438)	(4,437)
Operating expenses	20	(33,389)	(13,501)	(16,377)	(6,914)
Total expenses		(200,719)	(97,402)	(95,441)	(50,345)
Profit before tax		17,408	15,224	6,621	5,633
Income tax expense		(334)	(544)	(52)	(181)
Profit for the period		17,074	14,680	6,569	5,452
Profit for the period attributable to:					
Equity holders of the Parent Company		18,047	14,088	5,947	5,269
Non-controlling interests		(973)	592	622	183
		17,074	14,680	6,569	5,452
Basic earnings per share attributable to the equity holders of the Parent Company (RO)	25	0.021	0.016	0.004	0.004
Other comprehensive income / (expense) :					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Movement in cash flow hedge		339	1,440	796	528
Foreign currency translation reserve		(1,838)	(6)	(1,839)	(3)
Changes in fair value of debt instruments at fair value through other comprehensive income		136	(1,062)	843	(931)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Changes in fair value of equity instruments at fair value through other comprehensive income and share of OCI from equity accounted investee—net of tax		2,916	(815)	2,360	(1,583)
Other comprehensive income /(expense) for the period		1,553	(443)	2,160	(1,989)
Total comprehensive income for the period		18,627	14,237	8,729	3,463
Total comprehensive income/(expense) for the period attributable to:					
Equity holders of the Parent Company		19,471	13,918	8,108	3,653
Non-controlling interests		(844)	319	621	(190)
		18,627	14,237	8,729	3,463

The accompanying notes 1-27 form an integral part of these unaudited interim condensed consolidated and parent company financial statements.

UNAUDITED INTERIM CONDENSED PARENT COMPANY STATEMENT OF COMPERHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

	Notes	Parent Company (Unaudited)			
		6 month ended 30-Jun-23 (RO'000)	6 month ended 30-Jun-22 (RO'000)	3 month ended 30-Jun-23 (RO'000)	3 month ended 30-Jun-22 (RO'000)
Interest income	17	2,892	3,236	1,482	1,657
Investment income	19	334	351	167	(75)
Other operating income		218	1,446	111	521
Share of results from subsidiaries		20,637	15,359	6,609	5,958
Share of results from associates		5,445	3,965	2,973	1,989
Total revenue		29,526	24,357	11,342	10,050
Interest expense	18	(8,584)	(7,718)	(4,477)	(3,874)
Operating expenses	20	(2,536)	(2,209)	(724)	(670)
Total expenses		(11,120)	(9,927)	(5,201)	(4,544)
Profit before tax		18,406	14,430	6,141	5,506
Income tax expense		-	-	-	-
Profit for the period		18,406	14,430	6,141	5,506
Basic earnings per share attributable to the equity holders of the Parent Company (RO)	25	0.021	0.015	0.004	0.003
Other comprehensive income / (expense) :					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Movement in cash flow hedge		339	1,440	796	528
Foreign currency translation reserve		(1,838)	(6)	(1,839)	(3)
Changes in fair value of debt instruments at fair value through other comprehensive income		128	(997)	791	(874)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Changes in fair value of equity instruments at fair value through other comprehensive income and share of OCI from equity accounted investee—net of tax		2,625	(794)	2,250	(1,407)
Other comprehensive income /(expense) for the period		1,254	(357)	1,998	(1,756)
Total comprehensive income for the period		19,660	14,073	8,139	3,750

The accompanying notes 1-27 form an integral part of these unaudited interim condensed consolidated and parent company financial statements.

**UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023**

Consolidated	<i>Share capital</i>	<i>Share premium</i>	<i>Legal reserve</i>	<i>Other non-distributable reserves</i>	<i>Cumulative changes in fair value</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Perpetual bonds/sukuks</i>	<i>Sub-total</i>	<i>Non-Controlling interests</i>	<i>Total</i>
	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>
At 1 January 2022	66,837	5,778	22,279	7,801	(14,090)	124,080	212,685	81,188	293,873	20,968	314,841
Profit for the period	-	-	-	-	-	14,088	14,088	-	14,088	592	14,680
Other comprehensive income for the period	-	-	-	1,434	(1,604)	-	(170)	-	(170)	(273)	(443)
Total comprehensive income for the period	-	-	-	1,434	(1,604)	14,088	13,918	-	13,918	319	14,237
Perpetual sukuks / bonds sold by Subsidiary	-	-	-	-	-	-	-	20,558	20,558	-	20,558
Relating to acquisition of subsidiary	-	-	-	-	-	-	-	-	-	6,685	6,685
Interest/profit paid on perpetual bond/sukuk	-	-	-	-	-	(3,605)	(3,605)	-	(3,605)	-	(3,605)
Dividend payable relating to 2021 (note 12)	-	-	-	-	-	(20,051)	(20,051)	-	(20,051)	-	(20,051)
Transfer to/ from retained earning	-	-	-	1,203	(265)	(938)	-	-	-	-	-
Share of equity accounted investee companies	-	-	-	-	-	(2,269)	(2,269)	-	(2,269)	-	(2,269)
At 30 June 2022	66,837	5,778	22,279	10,438	(15,959)	111,305	200,678	101,746	302,424	27,972	330,396
At 1 January 2023	66,837	5,778	22,279	12,190	68	137,225	244,377	111,631	356,008	82,449	438,457
Profit for the period	-	-	-	-	-	18,047	18,047	-	18,047	(973)	17,074
Other comprehensive income for the period	-	-	-	(1,499)	2,923	-	1,424	-	1,424	129	1,553
Total comprehensive income for the period	-	-	-	(1,499)	2,923	18,047	19,471	-	19,471	(844)	18,627
Redemption of perpetual bonds	-	-	-	-	-	-	-	(60,638)	(60,638)	-	(60,638)
Issue of perpetual bonds	-	-	-	-	-	(60,159)	(60,159)	60,159	-	-	-
Perpetual sukuks interests paid	-	-	-	-	-	(4,241)	(4,241)	-	(4,241)	-	(4,241)
Dividend payable relating to 2022 (note 12)	-	-	-	-	-	(10,025)	(10,025)	-	(10,025)	-	(10,025)
Transfer to/ from retained earning	-	-	-	21	6,678	(6,699)	-	-	-	-	-
Share of equity accounted investee companies	-	-	-	-	(1,413)	787	(626)	-	(626)	4,316	3,690
At 30 June 2023	66,837	5,778	22,279	10,712	8,256	74,935	188,797	111,152	299,949	85,921	385,870

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**UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023**

Parent Company	<i>Share capital</i>	<i>Share premium</i>	<i>Legal reserve</i>	<i>Other non-distributable reserves</i>	<i>Cumulative changes in fair value</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Perpetual bonds/sukuks</i>	<i>Total</i>
	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>
At 1 January 2022	66,837	5,778	22,279	7,801	(11,684)	122,420	213,431	112,638	326,069
Profit for the period	-	-	-	-	-	14,430	14,430	-	14,430
Other comprehensive income for the period	-	-	-	1,434	(1,791)	-	(357)	-	(357)
Total comprehensive income for the period	-	-	-	1,434	(1,791)	14,430	14,073	-	14,073
Interest/profit paid on perpetual bond/sukuk	-	-	-	-	-	(4,257)	(4,257)	-	(4,257)
Dividend paid relating to 2021 (note 12)	-	-	-	-	-	(20,051)	(20,051)	-	(20,051)
Transfer to / from retained earnings	-	-	-	1,203	(265)	(938)	-	-	-
Share of equity accounted investee and others	-	-	-	-	-	(2,269)	(2,269)	-	(2,269)
At 30 June 2022	66,837	5,778	22,279	10,438	(13,740)	109,335	200,927	112,638	313,565
At 1 January 2023	66,837	5,778	22,279	12,190	2,519	137,436	247,039	112,638	359,677
Profit for the period	-	-	-	-	-	18,406	18,406	-	18,406
Other comprehensive income for the period	-	-	-	(1,499)	2,753	-	1,254	-	1,254
Total comprehensive income for the period	-	-	-	(1,499)	2,753	18,406	19,660	-	19,660
Interest paid on perpetual bonds	-	-	-	-	-	(4,328)	(4,328)	-	(4,328)
Redemption of perpetual bonds	-	-	-	-	-	-	-	(60,638)	(60,638)
Issue of perpetual bonds	-	-	-	-	-	(60,159)	(60,159)	60,159	-
Dividend paid relating to 2022 (note 12)	-	-	-	-	-	(10,025)	(10,025)	-	(10,025)
Transfer to / from retained earnings	-	-	-	21	6,678	(6,699)	-	-	-
Share of equity accounted investee and others	-	-	-	-	(1,257)	2,917	1,660	-	1,660
At 30 June 2023	66,837	5,778	22,279	10,712	10,693	77,548	193,847	112,159	306,006

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UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

	Notes	Consolidated		Parent Company	
		(Unaudited) 30-Jun-23 (RO'000)	(Unaudited) 30-Jun-22 (RO'000)	(Unaudited) 30-Jun-23 (RO'000)	(Unaudited) 30-Jun-22 (RO'000)
Operating activities					
Profit before tax		17,408	15,224	18,406	14,430
<u>Adjustments for:</u>					
Depreciation on property and equipment	20	1,525	780	79	68
Amortization of intangible assets	20	776	391	124	186
Share of results from associates		(8,678)	(14,788)	(5,445)	(3,965)
Share of results from subsidiaries		-	-	(20,637)	(15,359)
Gain on sale of investment property	19	(724)	(24)	-	-
Reversal of impairment provision on associates	19	-	(1,005)	-	-
Change in the fair value of financial assets at fair value through profit or loss	19	(3,100)	801	(148)	(228)
Profit on sale of investments	19	(1,168)	(321)	(42)	134
Income from amortised cost investments	19	(4,824)	(2,640)	-	-
Operating results before working capital changes		1,215	(1,582)	(7,663)	(4,734)
Changes in operating assets and liabilities					
Investment securities		19,779	(74,358)	166	(3,577)
Due from subsidiaries		-	-	(31,221)	7,939
Other assets		(12)	13,761	2,013	2,118
Premiums and insurance balances receivables		(37,760)	(22,011)	-	-
Re-insurance share in insurance funds		1,952	(2,519)	-	-
Insurance funds		48,495	36,553	-	-
Other liabilities		(18,627)	(25,261)	8,527	(16,229)
Cash from / (used) in operations		15,042	(75,417)	(28,178)	(14,483)
Tax paid		(805)	(1,990)	-	-
Net cash from / (used) in operating activities		14,237	(77,407)	(28,178)	(14,483)
Investing activities					
Acquisition of subsidiaries and associates		(5,787)	(14,342)	(498)	(2,631)
Dividend received from associates		2,027	13,272	1,498	1,498
Dividend received from subsidiaries		-	-	44,820	15,000
Capital expenditure on investment property		(344)	(16)	-	-
Proceeds from disposal of investment property		2,850	143	-	-
Acquisition of intangible assets		-	(5,334)	-	-
Additions to property and equipment		(3,844)	(2,285)	(15)	(8)
Loan to subsidiary		-	-	(327)	-
Net cash generated from / (used) in investing activities		(5,098)	(8,562)	45,478	13,859
Financing activities					
Bank borrowings		23,403	64,952	37,174	4,277
Deposits movement		12,202	5,770	5,287	-
Disposal of perpetual bond/sukuk by a subsidiary		-	20,558	-	-
Net impact of non-controlling interest		-	6,685	-	-
Dividends paid		(10,025)	(20,051)	(10,025)	(20,051)
Redemption of perpetual bonds		(60,638)	-	(60,638)	-
Interest/profit on perpetual bonds/sukuks		(4,241)	(3,605)	(4,328)	(4,257)
Net cash generated from / (used) in financing activities		(39,299)	74,309	(32,530)	(20,031)
Net change in cash and cash equivalents		(30,160)	(11,660)	(15,230)	(20,655)
Cash and cash equivalents at the beginning of the period		90,022	46,636	16,122	23,846
Cash and cash equivalents at the end of the period		59,862	34,976	892	3,191

1. GENERAL INFORMATION

Oman International Development and Investment Company SAOG ('the Company' or 'the Parent Company' or "ominvest") is incorporated in the Sultanate of Oman as a public joint stock. The Parent Company was incorporated on 11 September 1983. The Parent Company's shares are listed on the Muscat Securities Market. The principal activities of the Parent Company is primarily engaging in investment related activities.

The Parent Company and its subsidiaries (together referred as Group) has investments in associates and subsidiaries as disclosed in notes 9 and 10 respectively.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES.

The unaudited interim condensed financial statements for the six-month period ended 30 June 2023 comprise the Parent company and its subsidiaries (together referred to as the Group) and the Group's interest in associates. The separate financial statements represent the financial statements of the Parent company on stand-alone basis. These statements have been prepared in accordance with IAS 34, 'Interim financial reporting' and in compliance with the applicable provisions of the Rules and Guidelines on Disclosure by Issuers of Securities and Insider Trading ('R&G') issued by the Capital Market Authority ('CMA') of the Sultanate of Oman and with the Commercial Companies Law of 2019, as amended.

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the audited annual financial statements for the year ended 31 December 2022 unless indicated below. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards. Previous period numbers are reclassified / regrouped, if necessary, for comparative purpose. The related adjustments are not material.

The unaudited interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year 2023.

3. ESTIMATES

The preparation of unaudited interim condensed financial statements 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 these unaudited interim condensed financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the financial statements for the year ended 31 December 2022.

4. IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE IN 2023

For the period ended 30 June 2023, the Group has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant and mandatory to its operations and effective for periods beginning on 1 January 2023.

One of the key new standard effective for annual periods beginning after 1 January 2023 and applicable for the Group's insurance subsidiary is IFRS 17. It governs insurance contracts and is a replacement of the existing IFRS 4. The Group followed IFRS 4 Insurance Contracts for the preparation of these interim financial results as agreed with the Oman Insurance regulator (CMA). The implementation of IFRS 17 is not expected to have a material impact on the Group financial statements in the period of initial application. Changes in accounting policies resulting from the adoption of IFRS 17 will be applied retrospectively.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in statements of cash flows comprise the following:

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> 30-Jun-23 <i>(RO'000)</i>	<i>(Audited)</i> 31-Dec-22 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Jun-23 <i>(RO'000)</i>	<i>(Audited)</i> 31-Dec-22 <i>(RO'000)</i>
Balances with banks and money at call	51,117	83,618	892	16,122
Deposits with banks (note 6)	156,723	166,584	-	5,287
Deposits with banks with maturity above 3 month	(147,978)	(160,180)	-	(5,287)
	59,862	90,022	892	16,122

6. DEPOSITS WITH BANKS

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> 30-Jun-23 <i>(RO'000)</i>	<i>(Audited)</i> 31-Dec-22 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Jun-23 <i>(RO'000)</i>	<i>(Audited)</i> 31-Dec-22 <i>(RO'000)</i>
Deposits with banks and leasing companies				
Less than 3 month maturity	8,745	6,404	-	-
More than 3 month maturity	147,978	160,180	-	5,287
	156,723	166,584	-	5,287

7. PREMIUM AND REINSURANCE BALANCES RECEIVABLE

	<i>Consolidated (Unaudited)</i> 30-Jun-23			<i>Consolidated (Audited)</i> 31-Dec-22		
	<i>Life & Medical</i> <i>(RO'000)</i>	<i>General</i> <i>(RO'000)</i>	<i>Total</i> <i>(RO'000)</i>	<i>Life & Medical</i> <i>(RO'000)</i>	<i>General</i> <i>(RO'000)</i>	<i>Total</i> <i>(RO'000)</i>
Premiums receivable	84,621	48,140	132,761	54,026	41,902	95,928
Reinsurance balances receivable	1,757	11,176	12,933	4,839	6,743	11,582
	86,378	59,316	145,694	58,865	48,645	107,510
Allowance for impaired debts	(2,442)	(7,267)	(9,709)	(2,109)	(7,176)	(9,285)
	83,936	52,049	135,985	56,756	41,469	98,225

8. INVESTMENT SECURITIES

As at the reporting date, investment securities comprised the following:

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> 30-Jun-23 <i>(RO'000)</i>	<i>(Audited)</i> 31-Dec-22 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Jun-23 <i>(RO'000)</i>	<i>(Audited)</i> 31-Dec-22 <i>(RO'000)</i>
Financial assets at fair value through profit or loss (note 8(i))	75,771	97,514	2,340	2,185
Financial assets at fair value through other comprehensive income (note 8(ii))	286,371	336,120	3,388	3,236
Investments at amortised cost (note 8(iii))	175,480	134,928	-	-
	537,622	568,562	5,728	5,421

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

8. INVESTMENT SECURITIES (continued)

(i) Financial assets at fair value through profit or loss (FVTPL)

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Jun-23</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-22</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Jun-23</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-22</i> <i>(RO'000)</i>
Financial sector	24,070	34,785	504	468
Industrial sector	689	465	431	419
Local quoted investments	24,759	35,250	935	887
Foreign quoted investments	937	12,524	76	68
Quoted investments	25,696	47,774	1,011	955
Unquoted local investments	2,092	8,316	1,122	1,019
Unquoted foreign investments	47,983	41,424	207	211
Total financial assets at fair value through profit or loss	75,771	97,514	2,340	2,185

(ii) Financial assets at fair value through other comprehensive income

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Jun-23</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-22</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Jun-23</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-22</i> <i>(RO'000)</i>
Local investments				
Quoted investments (cost)	247,925	273,752	2,300	2,300
Fair value reserve	13,068	18,705	(668)	(820)
Unquoted investments (cost)	1,130	932	861	861
Fair value reserve	4,728	852	852	852
Total local investments	266,851	294,241	3,345	3,193
Foreign investments				
Quoted investments (cost)	21,530	48,198	-	-
Fair value reserve	(2,088)	(6,443)	-	-
Unquoted investments (cost)	927	927	205	205
Fair value reserve	(849)	(803)	(162)	(162)
Total foreign investments	19,520	41,879	43	43
Total financial assets at fair value through other comprehensive income	286,371	336,120	3,388	3,236

(iii) Investment at amortised cost

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Jun-23</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-22</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Jun-23</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-22</i> <i>(RO'000)</i>
Investment in an education entity	19,555	19,852	-	-
Banks and corporate bonds	155,925	115,076	-	-
Total Investments at amortised cost	175,480	134,928	-	-

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

9. INVESTMENT IN ASSOCIATES

As at the reporting date, investments in associates represented holdings in the following companies:

<i>Consolidated</i>	<i>Country of incorporation</i>	<i>(Unaudited) 30-Jun-23 Holding %</i>	<i>(Audited) 31-Dec-22 Holding %</i>
Quoted			
Oman Arab Bank SAOG	Sultanate of Oman	31.64	31.64
National Finance Company SAOG	Sultanate of Oman	34.60	34.60
Takaful Oman Insurance SAOG	Sultanate of Oman	56.12	56.12
International General Insurance Company Ltd (note 9(ii))	Bermuda, NASDAQ listed	20.50	-
Unquoted			
National Finance House B.S.C.	Kingdom of Bahrain	17.47	17.47
Modern Steel Mill LLC	Sultanate of Oman	19.49	19.49
Horizon (AD) Investment Ltd	United Arab Emirates	14.85	14.85
EastBridge Partners Pte Ltd	Singapore	43.00	43.00
Thawani Technologies LLC	Sultanate of Oman	30.00	-
Parent Company			
Quoted			
Oman Arab Bank SAOG	Sultanate of Oman	31.64	31.64
National Finance Company SAOG	Sultanate of Oman	34.60	34.60

(i) Details regarding movement in investment in associates is set out below:

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited) 30-Jun-23 (RO'000)</i>	<i>(Audited) 31-Dec-22 (RO'000)</i>	<i>(Unaudited) 30-Jun-23 (RO'000)</i>	<i>(Audited) 31-Dec-22 (RO'000)</i>
At beginning of the year	157,463	341,363	136,351	147,138
Share of results of associates	8,678	21,161	5,445	8,631
Dividends received	(2,027)	(13,687)	(1,498)	(1,498)
Purchases	5,787	-	-	-
Gain on disposal of an associate	-	444	-	(820)
Disposal of associates	-	(12,784)	-	(1,460)
Impairment (provision) / reversal	-	(9,911)	-	(9,911)
Gain on transfer to FVTOCI	-	62,825	-	-
Transfer (to)/from FVTOCI	30,485	(224,998)	-	-
Other equity movement (net)	(2,772)	(6,950)	(3,153)	(5,729)
At the end of the period	197,614	157,463	137,145	136,351

- (ii) During the period, the group acquired 6% additional stake in International General Insurance (IGI) taking the total stake holding to 20.5%. Consequent to this, the group has reclassified the investment in IGI from investment at fair value through other comprehensive income to investment in associate.
- (iii) During the period, the group acquired 30% stake in Thawani Technologies LLC.

10. INVESTMENT IN SUBSIDIARIES

As at the reporting date, investments held by the Group in subsidiaries are:

	<i>Country of Incorporation</i>	<i>30-Jun-23 (Unaudited) Holding %</i>	<i>31-Dec-22 (Audited) Holding %</i>
Jabreen International Development Company	Oman	100.00	100.00
SAOC (Jabreen) <i>(Principal activity: Investments)</i>			
Takaful Oman Insurance Company [note 10(i)] <i>(Principal activity: Insurance)</i>	Oman	56.12	56.12
Ubhar Capital SAOC [note 10(i)] <i>(Principal activity: Brokerage and Investment banking)</i>	Oman	66.00	66.00
Gulf Acrylic Industries LLC [note 10(i)] <i>(Principal activity: Manufacturing)</i>	Oman	51.70	51.70
Shamel Plastic Industries LLC [note 10(i)] <i>(Principal activity: Manufacturing)</i>	Oman	51.65	51.65
Jabreen Capital Asia Pte. Ltd [note 10(i)] <i>(Principal activity: Investment activities)</i>	Singapore	100.00	100.00
National Life and General Insurance Company SAOG <i>(Principal activity: Insurance)</i>	Oman	52.06	52.06
Royal & Sun Alliance Insurance (Middle East) [note 10 (ii)] <i>(Principal activity: Insurance)</i>	Bahrain	100.00	100.00
NLGIC Support Services Private Limited [note 10 (ii)] <i>(Principal activity: Support services)</i>	India	100.00	100.00
Inayah TPA LLC [note 10 (ii)] <i>(Principal activity: Support services)</i>	UAE	100.00	100.00
Al Ahlia Insurance Company SAOG [note 10 (ii)] <i>(Principal activity: Insurance)</i>	Oman	100.00	100.00
Al Alamiya for Cooperative Insurance Company [note 10 (ii)] <i>(Principal activity: Insurance)</i>	KSA	50.07	50.07
OMINVEST International Holdings Limited (OIHL) <i>(Principal activity: Investments)</i>	UAE	100.00	100.00
Jabreen International Investment Company SAOC [note 10 (iii)] <i>(Principal activity: Investments)</i>	Oman	100.00	-
National Security Services Group LLC <i>(Principal activity: Cybersecurity)</i>	Oman	60.00	60.00
Oman Real Estate Investment and Services LLC <i>(Principal activity: Real Estate and Investments)</i>	Oman	100.00	100.00
Muscat Resorts LLC <i>(Principal activity: Integrated Tourism Project)</i>	Oman	99.99	99.99
Al Jabal Al Aswad Investment LLC <i>(Principal activity: Real Estate)</i>	Oman	99.98	99.98

- (i) These subsidiaries are held through Jabreen International Development Company SAOC.
- (ii) These subsidiaries are held through National Life and General Insurance Company SAOG.
- (iii) During the period, the company has incorporated a fully owned subsidiary with the capital of RO 50 million (RO 0.5 million cash infusion and RO 49.5 million transfer of assets). The subsidiary will manage the private equity portfolio of the Group.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

10. INVESTMENT IN SUBSIDIARIES (continued)

(iv) Details regarding movement in investment in subsidiaries is set out below:

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Jun-23</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-22</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Jun-23</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-22</i> <i>(RO'000)</i>
At beginning of the year	-	-	414,421	338,144
Additions (note 10 (iii))	-	-	49,998	2,631
Loan to subsidiary	-	-	327	362
Share of results of subsidiaries	-	-	20,637	71,649
Dividends received	-	-	(44,820)	(14,940)
Other movements	-	-	5,865	16,575
At the end of the period	-	-	446,428	414,421

11. SHARE CAPITAL

	<i>(Unaudited)</i> <i>30-Jun-23</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-22</i> <i>(RO'000)</i>
Authorized 2,000,000,000 ordinary shares of RO 0.100 each (31 December 2022 – 2,000,000,000 ordinary shares of RO 0.100 each)	200,000	200,000
Issued and fully paid 668,365,426 ordinary shares of RO 0.100 each (31 December 2022 – 668,365,426 shares of RO 0.100 each)	66,837	66,837

12. DIVIDEND PAID

Parent Company

At the Annual General Meeting of the shareholders of the Parent Company held on 30 March 2023, a cash dividend of RO 0.015 per share (2022 - RO 0.030 per share) amounting to RO 10,025,481 (2022 - RO 20,050,963) was approved and distributed to the shareholders.

Additionally, at the Extraordinary General Meeting held on 30 March 2023, it was decided to issue one perpetual bond of RO 1 for every 11.11 ordinary shares of 100bz held by the shareholders. On 18 April 2023, Parent company issued 60,158,904 perpetual bonds. These bonds are listed on the Muscat Stock exchange and carry an annual coupon of 5.25% and would form part of the parent company's equity. These perpetual bonds do not have a fixed maturity date; however, they may be callable at par at the option of the parent company after 5 years from the date of issuance.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

13. OTHER NON-DISTRIBUTABLE RESERVES

Consolidated & Parent Company	Contingency reserve	Foreign currency revaluation Reserve	Hedging reserve	Revaluation reserve	Total
At 1 January 2022	7,506	(32)	162	165	7,801
Net changes in fair values	-	(6)	1,440	-	1,434
Other comprehensive (expense) / income	-	(6)	1,440	-	1,434
Transfer to / from retained earnings	1,203	-	-	-	1,203
At 30 June 2022	8,709	(38)	1,602	165	10,438
At 1 January 2023	9,074	(45)	2,996	165	12,190
Net changes in fair values	-	(1,838)	339	-	(1,499)
Other comprehensive (expense) / income	-	(1,838)	339	-	(1,499)
Transfer to / from retained earnings	21	-	-	-	21
At 30 June 2023	9,095	(1,883)	3,335	165	10,712

14. BANK BORROWINGS

As at the reporting date, due to banks are as follows:

	Consolidated		Parent Company	
	(Unaudited) 30-Jun-23 (RO'000)	(Audited) 31-Dec-22 (RO'000)	(Unaudited) 30-Jun-23 (RO'000)	(Audited) 31-Dec-22 (RO'000)
Terms loans	518,975	495,902	324,132	287,148
Less: Unamortized bank processing fees	(2,439)	(2,769)	(1,462)	(1,652)
At the end of the period	516,536	493,133	322,670	285,496

The maturity profile of terms loans is as follows:

	Consolidated		Parent Company	
	(Unaudited) 30-Jun-23 (RO'000)	(Audited) 31-Dec-22 (RO'000)	(Unaudited) 30-Jun-23 (RO'000)	(Audited) 31-Dec-22 (RO'000)
Due within one year	142,858	90,066	117,401	79,741
Due in more than one year	376,117	405,836	206,731	207,407
	518,975	495,902	324,132	287,148

15. INSURANCE FUNDS

	<i>Consolidated</i>					
	<i>30-Jun-23 (Unaudited)</i>			<i>31-Dec-22 (Audited)</i>		
	<i>Gross</i>	<i>Reinsurers share</i>	<i>Net</i>	<i>Gross</i>	<i>Reinsurers share</i>	<i>Net</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Actuarial / mathematical and unexpired risk reserve – life & medical assurance	79,185	(16,569)	62,616	56,767	(12,420)	44,347
Unexpired risk reserve – general insurance	62,523	(4,851)	57,672	52,652	(7,240)	45,412
Closing claims outstanding (including IBNR)	<u>121,521</u>	<u>(37,668)</u>	<u>83,853</u>	<u>105,315</u>	<u>(41,380)</u>	<u>63,935</u>
	<u>263,229</u>	<u>(59,088)</u>	<u>204,141</u>	<u>214,734</u>	<u>(61,040)</u>	<u>153,694</u>

The amounts of claims provided during the period are as follows:

	<i>Consolidated</i>					
	<i>30-Jun-23 (Unaudited)</i>			<i>30-Jun-22 (Unaudited)</i>		
	<i>Gross outstanding claims</i>	<i>Reinsurers share of outstanding claims</i>	<i>Net outstanding claims</i>	<i>Gross outstanding claims</i>	<i>Reinsurers share of outstanding claims</i>	<i>Net outstanding claims</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
At 1 January (including IBNR)	105,315	(41,380)	63,935	28,718	(6,285)	22,433
Additions due to new subsidiary	-	-	-	21,219	(14,847)	6,372
Claims provided during the period	120,994	(19,618)	101,376	65,151	(11,578)	53,573
Claims paid during the year	<u>(104,788)</u>	<u>23,330</u>	<u>(81,458)</u>	<u>(52,641)</u>	<u>10,048</u>	<u>(42,593)</u>
Closing claims outstanding (including IBNR)	<u>121,521</u>	<u>(37,668)</u>	<u>83,853</u>	<u>62,447</u>	<u>(22,662)</u>	<u>39,785</u>

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

16. GROSS PREMIUMS AND PREMIUMS CEDED TO REINSURERS

<i>Consolidated</i>	<i>30-Jun-23 (Unaudited)</i>			<i>30-Jun-22 (Unaudited)</i>		
	<i>Life & Medical</i>	<i>General</i>	<i>Total</i>	<i>Life & Medical</i>	<i>General</i>	<i>Total</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
Gross written premiums	114,255	86,127	200,382	87,903	11,120	99,023
Movement in unearned premiums	(22,418)	(6,275)	(28,693)	(16,329)	(214)	(16,543)
Gross premium, earned	91,837	79,852	171,689	71,574	10,906	82,480
Reinsurance premiums ceded	(27,451)	(5,901)	(33,352)	(14,140)	(1,951)	(16,091)
Movement in unearned premiums	4,148	(6,027)	(1,879)	315	674	989
Premium ceded to reinsurers	(23,303)	(11,928)	(35,231)	(13,825)	(1,277)	(15,102)
Net insurance premium revenue	68,534	67,924	136,458	57,749	9,629	67,378

17. INTEREST INCOME

	<i>Consolidated (Unaudited)</i>			
	<i>6 month ended</i>	<i>6 month ended</i>	<i>3 month ended</i>	<i>3 month ended</i>
	<i>30-Jun-23 (RO'000)</i>	<i>30-Jun-22 (RO'000)</i>	<i>30-Jun-23 (RO'000)</i>	<i>30-Jun-22 (RO'000)</i>
Placements with banks and other money market placements	3,630	1,337	1,845	643
Other interest income	2,610	1,465	319	902
	6,240	2,802	2,164	1,545

	<i>Parent (Unaudited)</i>			
	<i>6 month ended</i>	<i>6 month ended</i>	<i>3 month ended</i>	<i>3 month ended</i>
	<i>30-Jun-23 (RO'000)</i>	<i>30-Jun-22 (RO'000)</i>	<i>30-Jun-23 (RO'000)</i>	<i>30-Jun-22 (RO'000)</i>
Placements with banks and other money market placements	398	352	168	186
Other interest income	2,494	2,884	1,314	1,471
	2,892	3,236	1,482	1,657

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

18. INTEREST EXPENSE

	<i>Consolidated (Unaudited)</i>			
	<i>6 month ended 30-Jun-23 (RO'000)</i>	<i>6 month ended 30-Jun-22 (RO'000)</i>	<i>3 month ended 30-Jun-23 (RO'000)</i>	<i>3 month ended 30-Jun-22 (RO'000)</i>
Bank borrowings	13,074	8,424	5,438	4,437
	13,074	8,424	5,438	4,437

	<i>Parent (Unaudited)</i>			
	<i>6 month ended 30-Jun-23 (RO'000)</i>	<i>6 month ended 30-Jun-22 (RO'000)</i>	<i>3 month ended 30-Jun-23 (RO'000)</i>	<i>3 month ended 30-Jun-22 (RO'000)</i>
Bank borrowings	8,584	7,718	4,477	3,874
	8,584	7,718	4,477	3,874

19. INVESTMENT INCOME

	<i>Consolidated (Unaudited)</i>			
	<i>6 month ended 30-Jun-23 (RO'000)</i>	<i>6 month ended 30-Jun-22 (RO'000)</i>	<i>3 month ended 30-Jun-23 (RO'000)</i>	<i>3 month ended 30-Jun-22 (RO'000)</i>
Dividend from investments	14,236	3,174	1,282	460
<u>Quoted local investments</u>				
Profit on sale	197	277	(257)	237
Change in fair value	2,630	(893)	2,630	(779)
<u>Unquoted local investments</u>				
Profit on sale	(39)	-	(39)	-
Change in fair value	(75)	(152)	(32)	(224)
<u>Quoted foreign investments</u>				
Profit on sale	1,010	11	2	(22)
Change in fair value	8	44	(1,010)	(415)
<u>Unquoted foreign investments</u>				
Profit on sale	-	33	-	33
Change in fair value	537	200	537	200
<u>Investment properties</u>				
- Net gain on investment properties	724	24	117	24
- Rental income	307	357	149	161
Amortized cost investment income	4,824	2,640	3,298	1,305
Reversal of impairment provision on associates	-	1,005	-	1,005
	24,359	6,720	6,677	1,985

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

19. INVESTMENT INCOME (continued)

	<i>Parent (Unaudited)</i>			
	<i>6 month ended 30-Jun-23 (RO'000)</i>	<i>6 month ended 30-Jun-22 (RO'000)</i>	<i>3 month ended 30-Jun-23 (RO'000)</i>	<i>3 month ended 30-Jun-22 (RO'000)</i>
Dividend from investments	81	221	-	66
<u>Quoted local investments</u>				
Profit on sale	34	228	-	31
Change in fair value	46	(118)	38	(118)
<u>Unquoted local investments</u>				
Change in fair value	102	(16)	92	(54)
<u>Quoted foreign investments</u>				
Profit on sale	8	-	8	-
<u>Investment properties</u>				
- Rental income	63	36	29	-
	334	351	167	(75)

20. OPERATING EXPENSES

	<i>Consolidated (Unaudited)</i>			
	<i>6 month ended 30-Jun-23 (RO'000)</i>	<i>6 month ended 30-Jun-22 (RO'000)</i>	<i>3 month ended 30-Jun-23 (RO'000)</i>	<i>3 month ended 30-Jun-22 (RO'000)</i>
Staff costs	13,994	7,688	6,630	3,578
Other operating expenses	16,816	4,335	8,363	2,583
Amortization of intangible assets	776	391	407	201
Depreciation	1,525	780	843	394
<u>Directors' sitting fees and remuneration:</u>				
Parent Company	93	100	43	50
Subsidiaries and adjustments	185	207	91	108
	33,389	13,501	16,377	6,914

	<i>Parent (Unaudited)</i>			
	<i>6 month ended 30-Jun-23 (RO'000)</i>	<i>6 month ended 30-Jun-22 (RO'000)</i>	<i>3 month ended 30-Jun-23 (RO'000)</i>	<i>3 month ended 30-Jun-22 (RO'000)</i>
Staff costs	1,791	1,404	295	242
Other operating expenses	449	451	285	251
Amortization of intangible assets	124	186	62	93
Depreciation	79	68	39	34
Directors' sitting fees and remuneration:	93	100	43	50
	2,536	2,209	724	670

21. SEGMENTAL INFORMATION

The Group is organized into four main business segments:

- 1) Investment Segment – incorporating investment activities for both short-term and long-term purposes.
- 2) Banking Segment – incorporating corporate, retail and treasury and investment banking activities carried out by the Group’s investment in banking sector.
- 3) Insurance Segment – incorporating insurance related activities for Life and General Insurance.
- 4) Real Estate Segment – incorporating activities in real estate sector.

Transactions between the business segments are on normal commercial terms and conditions and are entered between the subsidiaries and the rest of the Group. Such transactions are eliminated on consolidation.

	<i>Investments</i>	<i>Banking</i>	<i>Insurance</i>	<i>Real estate</i>	<i>Adjustments</i>	<i>Total</i>
	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>	<i>RO '000</i>
<i>30 June 2023</i>						
Segment revenues	61,092	15,337	168,192	878	(27,372)	218,127
Segment results	23,965	15,337	1,263	470	(23,961)	17,074
Segment assets	761,929	326,579	618,870	33,953	(457,238)	1,284,093
<i>30 June 2022</i>						
Segment revenues	30,317	13,417	88,093	590	(19,791)	112,626
Segment results	13,160	13,417	4,018	52	(15,967)	14,680
<i>31 December 2022</i>						
Segment assets	849,705	316,826	504,131	35,512	(422,537)	1,283,637

22. RELATED PARTY TRANSACTIONS

Related party transactions are as follows:

<i>Consolidated</i>	<i>Directors</i>	<i>Associates</i>	<i>Other related parties</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
<u>Statement of comprehensive income</u>			
<i>30-June-2023</i>			
Interest and commission income	-	784	205
Interest expense	-	786	-
Directors' sitting fees and remuneration	278	-	-
Premiums received	-	1,249	1,122
Claims paid	-	1,176	496
Operating expenses/capex	-	126	724
<i>30-June-2022</i>			
Interest and commission income	-	683	14
Interest expense	-	2,093	-
Directors' sitting fees and remuneration	307	-	-
Premiums received	-	802	442
Claims paid	-	981	245
Operating expenses/capex	-	393	354
<u>Statement of financial positions</u>			
<i>30-June-2023</i>			
Borrowing arrangements	-	24,000	-
Current and other deposit accounts	-	12,383	8,153
Insurance and other receivables	-	699	791
Payables	-	1,457	706
Investments	-	-	-
<i>31-December-2022</i>			
Borrowing arrangements	-	20,000	-
Current and other deposits accounts	-	36,899	963
Premiums and other receivables	-	212	287
Payables	-	1,582	426

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

22. RELATED PARTY TRANSACTIONS (continued)

<i>Parent Company</i>	<i>30-Jun-23 (Unaudited)</i>			<i>30-Jun-22 (Unaudited)</i>		
	<i>Subsidiaries</i>	<i>Associates</i>	<i>Directors/ Others</i>	<i>Subsidiaries</i>	<i>Associates</i>	<i>Directors/ Others</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
<u>Statement of comprehensive income</u>						
Directors' sitting fees and remuneration	-	-	93	-	-	100
Operating expenses	112	-	305	56	-	29
Interest and other income	2,594	384	-	2,884	143	-
Interest expenses	1,065	786	-	-	533	2,395
Premiums	151	-	-	146	-	-
Claims	24	-	-	32	-	-
<u>Other transactions</u>						
Dividend from subsidiaries	44,820	-	-	15,000	-	-
Dividend from associates	-	1,498	-	-	1,498	-
<u>Statement of financial positions</u>						
	<i>30-Jun-23 (Unaudited)</i>			<i>31-Dec-22 (Audited)</i>		
Bank borrowings	-	24,000	-	-	20,000	-
Bank balances/(overdraft)	-	(148)	-	-	20,832	-
Due from subsidiaries	74,713	-	-	92,992	-	-
Due to subsidiaries	32,354	-	-	21,160	-	-
Investments	49,998	-	-	-	-	2,455

23. CONTINGENT LIABILITIES & COMMITMENTS

Contingencies

At 30 June 2023, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Group amounting to RO 477,962 (31 December 2022 - RO 389,195) given in the normal course of business from which it is anticipated that no material liabilities will arise.

Legal claims

The insurance subsidiary of the Group, consistent with the majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not believe that the outcome of the court cases will have a material impact on its separate and consolidated income or financial position.

24. RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, liquidity risk and insurance risks. The unaudited interim condensed financial statements do not include all financial and insurance risk management information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at 31 December 2022. There have been no changes in the risk management policies since year end.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2023

25. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> 30-Jun-23 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Jun-22 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Jun-23 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Jun-22 <i>(RO'000)</i>
Profit for the period attributable to equity holders	18,047	14,088	18,406	14,430
Less: Perpetual interest/profit on bonds/sukuks	(4,241)	(3,605)	(4,328)	(4,257)
Profit for the period attributable to equity holders of the Group/Parent Company after interest on perpetual bonds/sukuks	13,806	10,483	14,078	10,173
Weighted average number of shares outstanding during the period	668,365,426	668,365,426	668,365,426	668,365,426
Basic earnings per share (RO)	0.021	0.016	0.021	0.015

As there were no dilutive potential shares, the diluted earnings per share is identical to the basic earnings per share.

26. NET ASSETS PER SHARE

The calculation of net assets per share is as follows:

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> 30-Jun-23 <i>(RO'000)</i>	<i>(Audited)</i> 31-Dec-22 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Jun-23 <i>(RO'000)</i>	<i>(Audited)</i> 31-Dec-22 <i>(RO'000)</i>
Equity attributable to shareholders of the parent (RO'000)	188,797	244,377	193,847	247,039
Number of shares outstanding at the end of the period	668,365,426	668,365,426	668,365,426	668,365,426
Net assets per share (RO)	0.282	0.366	0.290	0.370

27. APPROVAL OF FINANCIAL STATEMENTS

These unaudited condensed interim financial statements were approved and authorized for release by the Board of Directors on 13 August 2023.