

**MUSCAT INSURANCE COMPANY SAOG****NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017****1 Legal status and principal activities**

Muscat Insurance Company SAOG, formerly known as Muscat National Holding Company SAOG (“the Company”) is registered as a public joint stock company in the Sultanate of Oman. The commercial name of Muscat National Holding Company SAOG was amended to Muscat Insurance Company SAOG on 15 August 2017, registered under the commercial registration number 1452916. The Company was formerly operating as an investment company whereby its license was amended by Capital Market Authority to underwrite general insurance and life assurance business from 17 August 2017, vide its administration decision E/59/2017 dated 30 August 2017.

The Company has been restructured during the year by amalgamating its two fully owned subsidiaries in order to comply with provisions of amendments to Oman’s Insurance Companies Law to bring the share capital to RO 10 million by August 2017. Accordingly, the subsidiaries Muscat Insurance Company SAOC (“MIC”) and Muscat Life Assurance Company SAOC (“MLAC”) have been merged with the Company by transferring their assets and liabilities, as well as the licenses to underwrite portfolio of general and life insurance businesses.

**1.1 Amalgamation of Subsidiary Companies****1.1.1 Muscat Insurance Company SAOC**

MIC was incorporated as a closed joint stock Company, under the Commercial Companies Law, 1974, as amended, engaged in the business of general insurance.

During the year, a scheme for amalgamation of MIC with the Company (“the Scheme”) was approved by the Board of Directors of the Company and MIC through resolutions dated 24 June 2017 and 7 June 2017. The Scheme was approved by the members of the Company and MIC in their respective Extraordinary General Meetings held on 27 July 2017 and 22 June 2017. The scheme was sanctioned by Ministry of Commerce and Industry vide its letter dated 10 September 2017 having reference MOCI/411/Certificate/2017 with the appointed date of 21 August 2017 for merger of MIC with the Company and all the relevant matters in terms of transferring the rights and obligations.

The scheme envisages amalgamation by:

i. Issuance of 8 ordinary shares of the Company against 5 shares previously held in MIC by each minority shareholders as consideration shares of the Company in consideration of vesting of their ownership rights in MIC from the effective date i.e. the date of filing of authority’s approval with the Registrar of the Companies, Muscat, Sultanate of Oman. Issuance of 8,319,226 shares of the Company to the Company against 5,349,983 shares previously held in MIC (hereinafter referred as “MNHC Shares”) in consideration of vesting of their ownership rights in MIC from effective date (as explained above). On the same day when the MNHC Shares were issued to the Company and immediately after the allotment of MNHC Shares, the same were cancelled in accordance with article 85 of the Companies Law.

ii. On effective date, all assets and liabilities of MIC, in accordance with the provisions contained in section 13 of the Commercial Companies Law, 1974, as amended, have been transferred to the Company.

**1.1.2 Muscat Life Assurance Company SAOC**

MLAC was incorporated as a closed joint stock company, under the Commercial Companies Law, 1974, as amended, engaged in the business of life assurance.

**MUSCAT INSURANCE COMPANY SAOG****NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017** (continued)**1 Legal status and principal activities** (continued)**1.1 Amalgamation of Subsidiary Companies** (continued)**1.1.2 Muscat Life Assurance Company SAOC** (continued)

During the year, a scheme for amalgamation of MLAC with the Company (“the Second Scheme”) was approved by the Board of Directors of the Company and MLAC through resolutions both dated 9 July 2017. The Second Scheme was approved by the members of the Company and MLAC in their respective Extraordinary General Meetings held on 27 July 2017 and 25 July 2017. The Second Scheme was sanctioned by Ministry of Commerce and Industry vide its letter dated 10 September 2017 having reference MOCI/411/Certificate/2017 with the appointed date of 21 August 2017 for merger of MLAC with the Company and all the relevant matters in terms of transferring the rights and obligations.

The scheme envisages amalgamation by:

- i. Issuance of 6 ordinary shares of the Company against 4 shares previously held in MLAC by each minority shareholders as consideration shares of the Company in consideration of vesting of their ownership rights in MLAC from the effective date i.e. the date of filing of authority’s approval with the Registrar of the Companies, Muscat, Sultanate of Oman. Issuance of 7,139,582 shares of the Company to the Company against 5,199,985 shares previously held in MLAC (hereinafter referred as “MNHC Stocks”) in consideration of vesting of their ownership rights in MLAC from effective date (as explained above). On the same day when the MNHC Stocks were issued to the Company and immediately after the allotment of MNHC Stocks, the same were cancelled in accordance with article 85 of the Companies Law.
- ii. On effective date, all assets and liabilities of MLAC, in accordance with the provisions contained in section 13 of the Commercial Companies Law, 1974, as amended, have been transferred to the Company.

**1.2 Amalgamation Schemes**

On 5 September 2017, the Company assumed the management control of MIC and MLAC pursuant to the Company’s successful approval from authorities for amalgamation of 100% of shares on the appointed date i.e. 21 August 2017. As a result, MIC and MLAC amalgamated with the Company during the period ended 30 September 2017.

Pursuant to the requirements of the Royal decree 39/2014, the Scheme and the Second Scheme (hereinafter referred to as the “Amalgamation Schemes”) in accordance with the substance of the transaction for amalgamation of MIC and MLAC with the Company, management believes that predecessor (book value) accounting is appropriate to present the amalgamation. Consequently the amalgamation of MIC and MLAC has been accounted for in these condensed interim financial statements from 5 September 2017 (“Acquisition Date”) being the date on which the Company has assumed the management control of MIC and MLAC.

Details of net identifiable assets acquired and liabilities assumed at the date of acquisition is given in note 24.3.

**2 Separate financial statements**

As stated in note 1.1 above, the amalgamation of MIC and MLAC has been accounted effective from 5 September 2017. Accordingly, the consolidated financial statements are no longer required and the status of the Company’s financial statements has been changed to separate financial statements.

**MUSCAT INSURANCE COMPANY SAOG****NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
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Investments in subsidiary companies were previously accounted for based on equity method of accounting as per the requirements of International Accounting Standard (IAS) 27 - 'Separate Financial Statements'. These investments have been eliminated against the net identifiable assets acquired as part of the Amalgamation Schemes accounted for in accordance with the predecessor accounting method. For further details on accounting policy, refer note 3.2.

Comparative figures in these financial statements reflect the combined results of all the three entities.

**3 Summary of significant accounting policies****3.1 Basis of preparation**

The unaudited condensed interim financial statements for the nine-month period ended 30 September 2017 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'.

This unaudited condensed interim financial statements comprises the statements of comprehensive income, financial position, changes in equity and cash flows of the Company.

This unaudited condensed interim financial statements does not include all the information required for full annual financial statements and therefore, should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

This unaudited condensed interim financial statements has been prepared on a going concern basis and using the historical cost convention. The historical cost convention has been modified to include the measurement of fair value of investments carried at fair value through profit or loss, available-for-sale investments and held for trading investments.

The condensed interim statement of financial position is presented in descending order of liquidity, as this presentation is more appropriate to the Company's operations.

Information on future accounting developments and their potential effect on the financial statements are provided in the annual consolidated financial statements for the year ended 31 December 2016.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning on 1 January 2017 which have a material impact on the unaudited condensed interim financial statements.

The Company's statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, held for trading investments, investments carried at fair value through profit or loss, premium and insurance receivables, available for sale investments, receivables and prepayments, dividend payable, trade and other payables and provision for taxation. The following balances would generally be classified as non-current: investment property, property and equipment, provision for employees' end of service benefits. The following balances are of mixed nature (including both current and non-current portions): fixed deposits, investments held to maturity, reinsurers' share in insurance funds, deferred tax asset – net, reinsurance payable and insurance funds.

**3.2 Business combinations**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

**MUSCAT INSURANCE COMPANY SAOG****NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
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The Company accounts for business combinations under common control using predecessor accounting (book value) accounting when control is transferred to the Company. The consideration transferred in acquisition is generally measured at fair value, assets acquired and liabilities assumed recognised using the book values in the financial statements of transferor. For the difference between consideration paid and capital of the transferor, an adjustment is reflected in the retained earnings.

**4 Critical estimates and judgments**

The preparation of unaudited condensed interim financial statements requires management to make judgments, 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 unaudited condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the preparation of consolidated financial statements of the Company for the year ended 31 December 2016.

**5 Financial risk factors**

The Company's activities expose it to a variety of financial risks: Market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. The condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual consolidated financial statements as at and for the year ended 31 December 2016. There have been no changes in the risk management policies since year-end.

**6 Fair values estimation**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

For investments traded in organised financial markets, fair value is determined by reference to stock exchange quoted market prices at the close of business on the reporting date, adjusted for transaction costs necessary to realise the asset. Fair value of unquoted investments is based on valuation techniques used by the Company. The fair value of trade and other receivables is estimated at the present value of future cash flow, discounted at the market rate of interest at the reporting date. The fair values of the Company's financial assets and liabilities are not materially different from their carrying values as of the reporting date.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.



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**7 Underwriting results**

This is analysed as follows:

|  | Unaudited<br>For the three<br>month period<br>ended 30<br>September<br>2017<br>RO | Unaudited<br>For the three<br>month period<br>ended 30<br>September<br>2016<br>RO | Unaudited<br>For the nine<br>month<br>period<br>ended 30<br>September<br>2017<br>RO | Unaudited<br>For the nine<br>month period<br>ended 30<br>September<br>2016<br>RO |
|--|---|---|---|--|
| <b>Revenue</b>   |   |   |   |  |
| Gross written premiums arising from insurance contracts issued | 4,112,385   | 3,250,054   | 15,305,475  | 12,076,978   |
| Movement in unearned premiums                                  | 118,885   | 1,034,976   | (2,543,523)   | (259,269)  |
| <b>Insurance premium revenue</b>                               | <b>4,231,270</b>  | 4,285,030   | <b>12,761,952</b>   | 11,817,709   |
| Premiums ceded to reinsurers on insurance contracts issued     | (2,188,397)   | (1,755,424)   | (10,210,126)  | (7,398,596)  |
| Movement in unearned premiums                                  | (528,413)   | (1,067,726)   | 1,905,763   | (317,513)  |
| <b>Insurance premium ceded to reinsurers</b>                   | <b>(2,716,810)</b>  | (2,823,150)   | <b>(8,304,363)</b>  | (7,716,109)  |
| Gross claims settled   | (1,769,770)   | (1,733,965)   | (5,799,852)   | (5,533,080)  |
| Reinsurance share of claims settled                            | 942,869   | 796,480   | 3,038,782   | 2,944,894  |
| <b>Net claims settled</b>                                      | <b>(826,901)</b>  | (937,485)   | <b>(2,761,070)</b>  | (2,588,186)  |
| Movement in net outstanding claims                             | (271,413)   | (72,892)  | (392,919)   | (482,106)  |
| <b>Net claims incurred</b>                                     | <b>(1,098,314)</b>  | (1,010,377)   | <b>(3,153,989)</b>  | (3,070,292)  |
| Commission income  | 249,044   | 294,180   | 1,170,123   | 681,057  |
| Commission expense   | 67,125  | (63,565)  | (49,492)  | 364,302  |
| <b>Net commission</b>  | <b>316,169</b>  | 230,615   | <b>1,120,631</b>  | 1,045,359  |
| Other underwriting income                                      | 31,935  | 16,917  | 140,272   | 90,012   |
| <b>Underwriting results</b>                                    | <b>764,250</b>  | 699,035   | <b>2,564,503</b>  | 2,166,679  |

The general business net written premium and underwriting results before reinsurance recoveries can be analysed as follows:

|                                  | Unaudited<br>For the nine month period ended<br>30 September 2017 |   | Unaudited<br>For the nine month period ended<br>30 September 2016 |   |
|----------------------------------|---|---|---|---|
|                                  | Net written<br>Premium<br>RO                                      | Underwriting<br>results before<br>reinsurance<br>recoveries<br>RO | Net written<br>premium<br>RO                                      | Underwriting<br>results before<br>reinsurance<br>recoveries<br>RO |
| Motor                            | 4,210,970   | (1,260,358)   | 3,323,749   | (759,623)   |
| Fire                             | 5,718   | 125,773   | 6,338   | 68,227  |
| Marine                           | 14,602  | 30,471  | 18,003  | 58,981  |
| Engineering, accident and others | 90,137  | (164,585)   | 87,053  | 529,691   |
|                                  | <b>4,321,427</b>  | <b>(1,268,699)</b>  | <b>3,435,143</b>  | <b>(102,724)</b>  |



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**7 Underwriting results** (continued)

The life business net written premium and underwriting results before reinsurance recoveries are analysed as follows:

|                                  | Unaudited                                      |  | Unaudited  |  |
|----------------------------------|--|--|--|--|
|                                  | For the nine period ended<br>30 September 2017 |  | For the nine month period ended<br>30 September 2016 |  |
|                                  | Net written<br>premium<br>RO                   | Underwriting<br>result before<br>reinsurance<br>recoveries<br>RO | Net written<br>premium<br>RO                         | Underwriting<br>result before<br>reinsurance<br>recoveries<br>RO |
| Group life and group credit life | 58,396   | 73,530   | (30,478)   | 1,636  |
| Medical                          | 715,526  | (205,320)  | 1,296,013  | (82,728)   |
|                                  | <b>773,922</b>                                 | <b>(131,790)</b>   | <b>1,265,535</b>                                     | <b>(81,092)</b>  |

The net claims ratios for general insurance business are as follows:

|                                  | Unaudited   | Unaudited   |
|----------------------------------|---|---|
|                                  | For the nine<br>month period<br>ended 30<br>September 2017<br>% | For the nine<br>month period<br>ended 30<br>September 2016<br>% |
| Motor                            | 72  | 74  |
| Fire                             | 40  | 220   |
| Marine                           | 67  | 33  |
| Engineering, accident and others | 32  | 38  |
| Overall loss ratio               | 71  | 73  |

The net claims ratios for life insurance business are as follows:

|               | Unaudited   | Unaudited   |
|---------------|---|---|
|               | For the nine<br>month period<br>ended 30<br>September 2017<br>% | For the nine<br>month period<br>ended 30<br>September 2016<br>% |
| Group life    | 7   | 45  |
| Group medical | 81  | 87  |



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**8 Investment income**

|  | <b>For the three<br/>month period<br/>ended 30<br/>September<br/>2017<br/>RO</b> | <b>For the three<br/>month period<br/>ended 30<br/>September<br/>2016<br/>RO</b> | <b>For the nine<br/>month period<br/>ended 30<br/>September<br/>2017<br/>RO</b> | <b>For the nine<br/>month period<br/>ended 30<br/>September<br/>2016<br/>RO</b> |
|--|--|--|---|---|
| Interest income on fixed deposits  | <b>133,246</b>   | 109,452  | <b>391,772</b>  | 182,783   |
| Interest income on bonds - net of<br>amortisation charge   | <b>32,833</b>  | 32,917   | <b>102,571</b>  | 212,553   |
| Realised gain on disposal of held for<br>trading investments – net                               | -  | -  | <b>150,787</b>  | -   |
| Dividend income  | <b>12,569</b>  | 10,892   | <b>189,363</b>  | 163,178   |
| Rental income  | <b>23,631</b>  | 23,942   | <b>70,893</b>   | 96,928  |
| Unrealised loss on held for trading<br>investments – net   | -  | (8,529)  | -   | (66,514)  |
| Impairment loss on available-for-sale<br>investments   | -  | -  | <b>(82,151)</b>   | -   |
| Unrealised (loss) / gain on investments<br>carried at fair value through profit or<br>loss - net | <b>(27,340)</b>  | 22,793   | <b>(225,961)</b>  | 53,773  |
| Other investment income / (loss)   | <b>1,955</b>   | (37)   | <b>3,448</b>  | 1,496   |
|  | <b><u>176,894</u></b>  | <b><u>191,430</u></b>  | <b><u>600,722</u></b>   | <b><u>644,197</u></b>   |

**9 Fixed deposits**

|  | <b>Unaudited<br/>30 September<br/>2017<br/>RO</b> | <b>Unaudited<br/>30 September<br/>2016<br/>RO</b> | <b>Audited<br/>31 December<br/>2016<br/>RO</b> |
|--|---|---|--|
| Fixed deposits with banks                  | <b>8,500,000</b>                                  | 9,050,000   | 9,050,000                                      |
| Fixed deposits with financial institutions | <b>5,200,000</b>                                  | 1,650,000   | 2,150,000                                      |
|  | <b><u>13,700,000</u></b>                          | <b><u>10,700,000</u></b>                          | <b><u>11,200,000</u></b>                       |

As at 30 September 2017, the deposits with banks and financial institutions have maturity period of four to thirty six months (30 September 2016 and 31 December 2016 – twelve to thirty six months) from the date of placement.

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Company has pledged to the Capital Market Authority certain specific bank deposits, investments carried at fair value through profit or loss and investments held to maturity included in the unaudited condensed interim statement of financial position at their carrying amount of RO 8,358,346 (30 September 2016 - RO 8,521,524 and 31 December 2016 - RO 8,529,782). Under the terms of the legislation, the Company can transfer these assets only with the prior approval of the Capital Market Authority.



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**10 Investments**

(a) *At fair value through profit or loss*

|                    | Fair value                                 |  |                                      | Average cost                               |  |   |
|--------------------|--|--|--------------------------------------|--|--|---|
|                    | Unaudited<br>30<br>September<br>2017<br>RO | Unaudited<br>30<br>September<br>2016<br>RO | Audited<br>31 December<br>2016<br>RO | Unaudited<br>30<br>September<br>2017<br>RO | Unaudited<br>30<br>September<br>2016<br>RO | Audited<br>31<br>December<br>2016<br>RO |
| <b>Quoted</b>      |  |  |                                      |  |  |   |
| Banking            | 2,734,888                                  | 2,264,780                                  | 2,767,107                            | 3,431,651                                  | 3,408,617                                  | 3,281,980                               |
| Services           | 543,534                                    | 677,148                                    | 653,236                              | 564,306                                    | 514,089                                    | 506,937                                 |
| Industry           | 242,242                                    | 208,757                                    | 211,853                              | 152,067                                    | 157,354                                    | 157,352                                 |
| Oil and energy     | 217,487                                    | 330,143                                    | 298,908                              | 161,155                                    | 161,155                                    | 161,155                                 |
| Consumer goods     | 285,811                                    | 322,695                                    | 323,445                              | 48,381                                     | 48,442                                     | 48,442                                  |
| Mutual fund        | 23,290                                     | 18,731                                     | 20,299                               | 25,000                                     | 25,000                                     | 25,000                                  |
| <b>Unquoted</b>    |  |  |                                      |  |  |   |
| Agriculture / food | 43,750                                     | 43,750                                     | 43,750                               | 62,500                                     | 62,500                                     | 62,500                                  |
| Industry           | 2,850                                      | -  | 1,550                                | 5,120                                      | -  | -                                       |
| Services           | 21,108                                     | 22,998                                     | 21,108                               | 9,269                                      | 9,269                                      | 9,269                                   |
|                    | <b>4,114,960</b>                           | <b>3,889,002</b>                           | <b>4,341,256</b>                     | <b>4,459,449</b>                           | <b>4,386,426</b>                           | <b>4,252,635</b>                        |

Quoted investments are listed on Muscat Securities Market.

(b) *Held for trading*

These represented foreign quoted investments held by portfolio manager on behalf of the Company as follows:

|                                | Fair value                                 |  |   | Average cost                               |  |   |
|--------------------------------|--|--|---|--|--|---|
|                                | Unaudited<br>30<br>September<br>2017<br>RO | Unaudited<br>30<br>September<br>2016<br>RO | Audited<br>31<br>December<br>2016<br>RO | Unaudited<br>30<br>September<br>2017<br>RO | Unaudited<br>30<br>September<br>2016<br>RO | Audited<br>31<br>December<br>2016<br>RO |
| Technology, media and telecom  | -  | 223,175                                    | 224,407                                 | -  | 394,859                                    | 394,859                                 |
| Industry                       | -  | 113,156                                    | 111,664                                 | -  | 60,500                                     | 60,499                                  |
| Healthcare and pharmaceuticals | -  | 346,065                                    | 299,635                                 | -  | 94,882                                     | 94,882                                  |
| Oil and energy                 | -  | 54,951                                     | 55,990                                  | -  | 63,731                                     | 63,731                                  |
| Services                       | -  | 43,834                                     | 45,841                                  | -  | 70,746                                     | 70,746                                  |
| Agriculture and food           | -  | 38,693                                     | 35,934                                  | -  | 16,720                                     | 16,720                                  |
|                                | -  | 819,874                                    | 773,471                                 | -  | 701,438                                    | 701,437                                 |

(c) *Available for sale investments - unquoted*

|                        | Fair value                                 |  |   | Average cost                               |  |   |
|------------------------|--|--|---|--|--|---|
|                        | Unaudited<br>30<br>September<br>2017<br>RO | Unaudited<br>30<br>September<br>2016<br>RO | Audited<br>31<br>December<br>2016<br>RO | Unaudited<br>30<br>September<br>2017<br>RO | Unaudited<br>30<br>September<br>2016<br>RO | Audited<br>31<br>December<br>2016<br>RO |
| Services and insurance | 484,990                                    | 547,998                                    | 567,141                                 | 402,805                                    | 402,805                                    | 402,805                                 |

Management believes that fair values of unquoted investments classified as available for sale approximate to their carrying values as of 30 September 2017, 30 September 2016 and 31 December 2016.



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**10 Investments** (continued)

(d) *Investments held to maturity:*

|                              | Amortised costs                         |   |                                      |
|------------------------------|---|---|--------------------------------------|
|                              | Unaudited<br>30 September<br>2017<br>RO | Unaudited<br>30 September<br>2016<br>RO | Audited<br>31 December<br>2016<br>RO |
| Government development bonds | <b>2,046,093</b>                        | 4,069,057                               | 4,063,015                            |

Fair value of held to maturity investments as of 30 September 2017 was RO 2.276 million (30 September 2016 - RO 4.349 million and 31 December 2016 - RO 4.349 million).

(e) Details of the Company's investments in which its holding exceeds 10% of the market value of the reporting Company's investment portfolio is as follows:

|   | % of<br>investment<br>portfolio | Number of<br>securities | Fair value<br>RO | Cost<br>RO       |
|---|---------------------------------|-------------------------|------------------|------------------|
| <b>MSM quoted security:</b>             |                                 |                         |                  |                  |
| <b>At 30 September 2017 - Unaudited</b> |                                 |                         |                  |                  |
| HSBC Bank Oman SAOG                     | <b>54.42</b>                    | <b>20,663,885</b>       | <b>2,503,356</b> | <b>2,995,046</b> |
| At 30 September 2016 - Unaudited        |                                 |                         |                  |                  |
| HSBC Bank Oman SAOG                     | 45.73                           | 20,663,885              | 2,036,713        | 2,995,046        |
| At 31 December 2016 - Audited           |                                 |                         |                  |                  |
| HSBC Bank Oman SAOG                     | 43.64                           | 20,663,885              | 2,479,666        | 2,995,046        |

**11 Premium and insurance receivables**

|  | Unaudited<br>30 September<br>2017<br>RO | Unaudited<br>30 September<br>2016<br>RO | Audited<br>31 December 2016<br>RO |
|--|---|---|-----------------------------------|
| Premium receivable                                   | <b>1,892,311</b>                        | 2,142,716                               | 1,555,860                         |
| Premium receivable from related parties [note 21(b)] | <b>459,120</b>                          | 472,909                                 | 334,701                           |
| Reinsurance balances receivable                      | <b>308,963</b>                          | 252,557                                 | 420,177                           |
|  | <b>2,660,394</b>                        | 2,868,182                               | 2,310,738                         |
| Less: provision for impairment                       | <b>(93,303)</b>                         | (93,303)                                | (93,303)                          |
|  | <b>2,567,091</b>                        | 2,774,879                               | 2,217,435                         |



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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017 (continued)**

**12 Receivables and prepayments**

|                                   | <b>Unaudited</b>    | Unaudited    | Audited     |
|-----------------------------------|---------------------|--------------|-------------|
|                                   | <b>30 September</b> | 30 September | 31 December |
|                                   | <b>2017</b>         | 2016         | 2016        |
|                                   | <b>RO</b>           | RO           | RO          |
| Other receivables and prepayments | <b>1,506,628</b>    | 272,700      | 345,779     |
| Accrued interest                  | <b>348,430</b>      | 198,590      | 256,905     |
|                                   | <b>1,855,058</b>    | 471,290      | 602,684     |

**13 Property and equipment**

|                                  | Land             | Building       | Furniture and<br>equipment | Motor<br>vehicles | Computer<br>hardware<br>and software | Total            |
|----------------------------------|------------------|----------------|----------------------------|-------------------|--------------------------------------|------------------|
|                                  | RO               | RO             | RO                         | RO                | RO                                   | RO               |
| <b>Cost</b>                      |                  |                |                            |                   |                                      |                  |
| At 1 January 2017                | 1,878,434        | 472,325        | 285,159                    | 131,029           | 318,414                              | 3,085,361        |
| Additions                        | -                | -              | 15,509                     | -                 | 11,448                               | 26,957           |
| Deletions                        | -                | -              | (145)                      | -                 | -                                    | (145)            |
| At 30 September 2017             | <b>1,878,434</b> | <b>472,325</b> | <b>300,523</b>             | <b>131,029</b>    | <b>329,862</b>                       | <b>3,112,173</b> |
| <b>Accumulated depreciation</b>  |                  |                |                            |                   |                                      |                  |
| At 1 January 2017                | -                | 222,782        | 121,418                    | 86,811            | 212,948                              | 643,959          |
| Charge for the period            | -                | 13,461         | 29,888                     | 12,684            | 22,846                               | 78,879           |
| Deletions                        | -                | -              | (90)                       | -                 | -                                    | (90)             |
| At 30 September 2017             | -                | <b>236,243</b> | <b>151,216</b>             | <b>99,495</b>     | <b>235,794</b>                       | <b>722,748</b>   |
| <b>Net carrying value</b>        |                  |                |                            |                   |                                      |                  |
| At 30 September 2017- Unaudited  | <b>1,878,434</b> | <b>236,082</b> | <b>149,307</b>             | <b>31,534</b>     | <b>94,068</b>                        | <b>2,389,425</b> |
| At 30 September 2016 - Unaudited | 1,878,434        | 254,081        | 151,567                    | 54,409            | 109,071                              | 2,447,562        |
| At 31 December 2016 - Audited    | 1,878,434        | 249,543        | 163,741                    | 44,218            | 105,466                              | 2,441,402        |



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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017** (continued)

**14 Investment property**

|   | <b>Land<br/>RO</b> | <b>Building<br/>RO</b> | <b>Total<br/>RO</b> |
|---|--------------------|------------------------|---------------------|
| <b>Cost</b>                             |                    |                        |                     |
| At 1 January and 30 September 2017      | <b>992,250</b>     | <b>630,000</b>         | <b>1,622,250</b>    |
| <b>Accumulated depreciation</b>         |                    |                        |                     |
| At 1 January 2017                       | -                  | <b>48,674</b>          | <b>48,674</b>       |
| Charge for the period                   | -                  | <b>31,414</b>          | <b>31,414</b>       |
| <b>At 30 September 2017</b>             | <b>-</b>           | <b>80,088</b>          | <b>80,088</b>       |
| <b>Net carrying value</b>               |                    |                        |                     |
| <b>At 30 September 2017 – Unaudited</b> | <b>992,250</b>     | <b>549,912</b>         | <b>1,542,162</b>    |
| At 30 September 2016 - Unaudited        | 992,250            | 591,912                | 1,584,162           |
| At 31 December 2016 - Audited           | 992,250            | 581,326                | 1,573,576           |

At 30 September 2017, the management believes that the fair value of land and building approximates to its carrying value, based upon an independent external market valuation as at 31 December 2016.

**15 Insurance funds and reinsurers' share in insurance funds**

|   | <b>Unaudited<br/>30 September<br/>2017<br/>RO</b> | <b>Unaudited<br/>30 September<br/>2016<br/>RO</b> | <b>Audited<br/>31 December<br/>2016<br/>RO</b> |
|---|---|---|--|
| <b>Gross</b>  |   |   |  |
| -Outstanding claims reported and loss adjustment expenses | <b>11,951,970</b>                                 | 11,124,212  | 10,887,063                                     |
| -Claims incurred but not reported (IBNR)                  | <b>1,283,000</b>                                  | 881,000   | 1,121,000                                      |
| -Unearned premium reserve (UPR)                           | <b>12,546,546</b>                                 | 10,755,618  | 10,003,023                                     |
| <b>Total insurance funds – gross</b>                      | <b>25,781,516</b>                                 | 22,760,830  | 22,011,086                                     |
| <b>Reinsurance</b>  |   |   |  |
| -Outstanding claims reported and loss adjustment expenses | <b>10,071,232</b>                                 | 9,605,314   | 9,327,244                                      |
| -Claims incurred but not reported (IBNR)                  | <b>700,275</b>                                    | 495,275   | 610,275  |
| -Unearned premium reserve (UPR)                           | <b>8,151,461</b>                                  | 6,666,987   | 6,245,698                                      |
| <b>Total reinsurers' share in insurance fund</b>          | <b>18,922,968</b>                                 | 16,767,576  | 16,183,217                                     |
| <b>Net</b>  |   |   |  |
| -Outstanding claims reported and loss adjustment expenses | <b>1,880,738</b>                                  | 1,518,898   | 1,559,819                                      |
| -Claims incurred but not reported (IBNR)                  | <b>582,725</b>                                    | 385,725   | 510,725  |
| -Unearned premium reserve (UPR)                           | <b>4,395,085</b>                                  | 4,088,631   | 3,757,325                                      |
| <b>Total insurance funds – net</b>                        | <b>6,858,548</b>                                  | 5,993,254   | 5,827,869                                      |



**MUSCAT INSURANCE COMPANY SAOG**

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017** (continued)

**15 Insurance funds and reinsurers' share in insurance funds** (continued)

The Company has been following local regulations for provision for unearned premium reserve / unexpired risk reserve (UPR) in respect of general insurance business at 45% of the net written premium. In addition, the Company uses 1/24th method as a statistically acceptable method for calculation of UPR and shortfall in provision, if any, is provided for. For life business, an independent valuation is carried for unearned premium reserves by an independent actuary at year end. Management uses estimation techniques to arrive at quarterly provisions.

**16 Trade and other payables**

|                                     | <b>Unaudited</b><br><b>30 September</b><br><b>2017</b><br><b>RO</b> | <b>Unaudited</b><br>30 September<br>2016<br>RO | <b>Audited</b><br>31 December<br>2016<br>RO |
|-------------------------------------|---|--|---|
| Claims and other payables           | <b>984,526</b>  | 1,374,926                                      | 1,610,258                                   |
| Accrued expenses                    | <b>1,222,645</b>  | 561,355  | 969,194                                     |
| Due to related parties [note 21(b)] | <b>73,140</b>   | 56,063   | 85,546                                      |
| Advance rent                        | -   | -  | 3,427                                       |
| End of service benefits             | <b>202,714</b>  | 161,507  | 180,235                                     |
|                                     | <b><u>2,483,025</u></b>   | <u>2,153,851</u>                               | <u>2,848,660</u>                            |

**17 Reinsurance payable**

|  | <b>Unaudited</b><br><b>30 September</b><br><b>2017</b><br><b>RO</b> | <b>Unaudited</b><br>30 September<br>2016<br>RO | <b>Audited</b><br>31 December<br>2016<br>RO |
|--|---|--|---|
| Premium and loss reserve retained from treaty reinsurers | <b>4,250,234</b>  | 3,513,416                                      | 3,880,117                                   |
| Payable to reinsurers                                    | <b>3,078,197</b>  | 2,974,760                                      | 2,422,716                                   |
|  | <b><u>7,328,431</u></b>   | <u>6,488,176</u>                               | <u>6,302,833</u>                            |

**18 Contingency reserve**

|                                       | <b>Unaudited</b><br><b>30 September</b><br><b>2017</b><br><b>RO</b> | <b>Unaudited</b><br>30 September<br>2016<br>RO | <b>Audited</b><br>31 December<br>2016<br>RO |
|---------------------------------------|---|--|---|
| At the beginning of the period / year | <b>1,476,172</b>  | 1,303,536                                      | 1,303,536                                   |
| Transfer during the period / year     | <b>174,541</b>  | 122,604  | 172,636                                     |
| At the end of the period / year       | <b><u>1,650,713</u></b>   | <u>1,426,140</u>                               | <u>1,476,172</u>                            |

The contingency reserve is not distributable without prior approval from the Capital Market Authority.

**19 Legal reserve**

The statutory reserve which is not available for distribution is calculated in accordance with article 106 of the Commercial Companies Law. The annual appropriation shall be 10% of the profit for the year after tax, until such time the legal reserve amounts to at least one third of the issued and paid up share capital.



**MUSCAT INSURANCE COMPANY SAOG**

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017** (continued)

**20 Share capital**

|   | <u>Unaudited</u><br><b>30 September</b><br><b>2017</b><br><b>RO</b> | <u>Unaudited</u><br>30 September<br>2016<br>RO | <u>Audited</u><br>31 December<br>2016<br>RO |
|---|---|--|---|
| Authorised - Ordinary shares of RO 1 each             | <u><b>30,000,000</b></u>  | 5,000,000                                      | 5,000,000                                   |
| Issued and fully paid - Ordinary shares of RO 1 each. | <u><b>10,000,042</b></u>  | 5,000,000                                      | 5,000,000                                   |

Major shareholder of the company who own 10% or more of the company's shares capital are as follows:

|                 | <u>Unaudited</u><br><b>30 September</b><br><b>2017</b><br><b>RO</b> | <u>Unaudited</u><br>30 September<br>2016<br>RO | <u>Audited</u><br>31 December<br>2016<br>RO |
|-----------------|---|--|---|
| Dr. Omar Zawawi | <u><b>3,035,800</b></u>   | 1,517,900                                      | 1,517,900                                   |

The Annual General Meeting of shareholders held on 27 March 2017 (2016 - 28 March 2016) approved a cash dividend at the rate of RO 0.100 (2016 - RO 0.050) per share amounting to RO 500,000 (2016 - RO 250,000) for the year ended 31 December 2016. Further, a stock dividend at the rate of 100% amounting to RO 5,000,000 (2016 – nil) was approved.

**21 Related parties transactions and balances**

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

The Company enters into transactions in the normal course of business with shareholders, directors, key management personnel and entities in which certain shareholders and directors have the ability to control or exercise significant influence in financial and operating decisions. These transactions are entered on arm's length basis.



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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017** (continued)

**21 Related parties transactions and balances** (continued)

(a) *Transactions with related parties*

Transactions with related parties or holders of 10% or more of the Company's shares or their family members, included in the condensed interim statement of comprehensive income are as follows.

|  | <b>Unaudited<br/>For the nine<br/>month period<br/>ended 30<br/>September<br/>2017<br/>RO</b> | <b>Unaudited<br/>For the nine<br/>month period<br/>ended 30<br/>September<br/>2016<br/>RO</b> |
|--|---|---|
| Gross premium written                    | <b>2,334,281</b>  | 2,440,423   |
| Net claims incurred                      | <b>533,745</b>  | 255,925   |
| Dividend income                          | -   | 6,077   |
| Interest income                          | <b>43,052</b>   | 8,818   |
| Expenses incurred                        | <b>38,000</b>   | 8,223   |
| Capital expenditure                      | <b>2,630</b>  | 450   |
| Compensation of key management personnel | <b>213,697</b>  | 173,531   |
| Directors' sitting fee and remuneration  | <b>26,800</b>   | 19,200  |

(b) *Balances with related parties included in condensed interim statement of financial position are as follows:*

|  | <b>Unaudited<br/>30 September<br/>2017<br/>RO</b> | <b>Unaudited<br/>30 September<br/>2016<br/>RO</b> | <b>Audited<br/>31 December<br/>2016<br/>RO</b> |
|--|---|---|--|
| Insurance premium receivable (note 11) | <b>459,120</b>                                    | 472,909   | 334,701  |
| Investments                            | <b>129,115</b>                                    | 161,643   | 176,402  |
| Fixed deposits                         | <b>1,250,000</b>                                  | 1,250,000   | 1,250,000                                      |
| Trade and other payable (note 16)      | <b>73,140</b>                                     | 56,063  | 85,546   |

There is no provision or write offs during the period ended 30 September 2017, 30 September 2016 and 31 December 2016 in respect of amounts due from related entities.



**MUSCAT INSURANCE COMPANY SAOG**

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017** (continued)

**22 Segment reporting**

The Company is organised into three major operating segments, General Insurance, Life Insurance and General Investment. Segment information is as follows:

|   | <b>General<br/>Insurance<br/>RO</b> | <b>Life<br/>Insurance<br/>RO</b> | <b>General<br/>Investment<br/>RO</b> | <b>Total<br/>RO</b> |
|---|-------------------------------------|----------------------------------|--------------------------------------|---------------------|
| <b>At 30 September 2017 - Unaudited</b> |                                     |                                  |                                      |                     |
| Gross premiums written                  | <u>14,047,383</u>                   | <u>1,258,092</u>                 | <u>-</u>                             | <u>15,305,475</u>   |
| <b>Profit for the period</b>            | <u>767,869</u>                      | <u>141,196</u>                   | <u>-</u>                             | <u>909,065</u>      |
| <b>At 30 September 2016 - Unaudited</b> |                                     |                                  |                                      |                     |
| Gross premiums written                  | <u>10,906,746</u>                   | <u>1,170,232</u>                 | <u>-</u>                             | <u>12,076,978</u>   |
| Profit / (loss) for the period          | <u>718,483</u>                      | <u>369,097</u>                   | <u>(188,569)</u>                     | <u>899,011</u>      |

The total assets for each segment are as follows:

|   | <b>General<br/>Insurance<br/>RO</b> | <b>Life<br/>Insurance<br/>RO</b> | <b>Investment<br/>RO</b> | <b>Total<br/>RO</b> |
|---|-------------------------------------|----------------------------------|--------------------------|---------------------|
| <b>Assets</b>                           |                                     |                                  |                          |                     |
| <b>At 30 September 2017 - Unaudited</b> |                                     |                                  |                          |                     |
|   | <u>42,154,688</u>                   | <u>10,272,680</u>                | <u>-</u>                 | <u>52,427,368</u>   |
| At 31 December 2016 - Audited           | <u>33,711,977</u>                   | <u>6,081,634</u>                 | <u>7,731,783</u>         | <u>47,525,394</u>   |
| At 30 September 2016 - Unaudited        | <u>30,702,852</u>                   | <u>11,453,986</u>                | <u>5,170,372</u>         | <u>47,327,209</u>   |

The total liabilities for each segment are as follows:

|   | <b>General<br/>insurance<br/>RO</b> | <b>Life<br/>insurance<br/>RO</b> | <b>Investment<br/>RO</b> | <b>Total<br/>RO</b> |
|---|-------------------------------------|----------------------------------|--------------------------|---------------------|
| <b>At 30 September 2017 - Unaudited</b> |                                     |                                  |                          |                     |
|   | <u>30,769,552</u>                   | <u>5,058,896</u>                 | <u>-</u>                 | <u>35,828,448</u>   |
| At 31 December 2016 - Audited           | <u>25,647,474</u>                   | <u>5,523,440</u>                 | <u>164,625</u>           | <u>31,335,539</u>   |
| At 30 September 2016 - Unaudited        | <u>25,371,075</u>                   | <u>6,125,688</u>                 | <u>99,886</u>            | <u>31,596,649</u>   |

**23 Fair value estimation**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Level 1:**

Level 1 assets and liabilities are typically exchange -traded positions traded in active markets. These positions are valued using unadjusted quoted prices in active markets.



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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017** (continued)

**23 Fair value estimation** (continued)

**Level 2:**

Fair value is determined using valuation techniques based on valuation models with directly or indirectly market observable inputs. These valuation techniques include discounted cash flow analysis models, option pricing models, simulation models and other standard models commonly used by market participants. Valuation techniques incorporate assumptions that other market participants would use in their valuations, such as discount rates, default rates, credit spreads and option volatilities. These inputs need to be directly or indirectly observable in order to be classified as level 2.

**Level 3:**

Level 3 assets are valued using techniques similar to those outlined for level 2, except that if the instrument has one or more inputs that are unobservable and significant to the fair value measurement of the instrument in its entirety, it will be classified as level 3.

|  | <b>Unaudited</b><br><b>30 September</b><br><b>2017</b><br><b>RO</b> | <b>Unaudited</b><br>30 September<br>2016<br>RO | <b>Audited</b><br>31 December<br>2016<br>RO |
|--|---|--|---|
| <b>Level 1</b>                                   |   |  |   |
| Investments at fair value through profit or loss | <b>4,043,565</b>  | 3,822,254                                      | 4,274,848                                   |
| Held for trading investments                     | -   | 819,874  | 773,471                                     |
|  | <b>4,043,565</b>  | 4,642,128                                      | 5,048,319                                   |
| <b>Level 2</b>                                   |   |  |   |
| Investments at fair value through profit or loss | -   | -  | -   |
| <b>Level 3</b>                                   |   |  |   |
| Available for sale investment                    | <b>556,385</b>  | 614,746  | 633,549                                     |

There were no transfers between level 1, level 2 and level 3 of the fair value hierarchy of the investment securities.

The management uses breakup values of the investment securities as a valuation methodology for valuation of investment securities categorised in level 3 of the fair value hierarchy.

**24 Amalgamation of Subsidiaries**

On 5 September 2017, the Company assumed management control of MIC and MLAC pursuant to the Company's successful approval from authorities for amalgamation of 100% of shares. Amalgamating MIC and MLAC enabled the Company to comply with the provisions of amendments to Oman's Insurance Companies Law to bring the share capital to RO 10 million by August 2017.

As explained in note 1.1, MIC and MLAC have been amalgamated into the Company and their assets and liabilities have been transferred to the Company on appointed date of 21 August 2017. However, the amalgamation of MIC and MLAC has been accounted for as a business combination effective from the date when the management assumed control i.e. 31 August 2017 in accordance with IFRS 3 "Business Combinations".

An explanation of accounting treatment for non-controlling interest in MIC and MLAC acquired as part of amalgamation has been disclosed in note 25.

**24.1 Consideration transferred**

|                            |                               |
|----------------------------|-------------------------------|
| Shares transferred to MIC  | <b>RO</b><br><b>8,319,250</b> |
| Shares transferred to MLAC | <b>7,139,600</b>              |
|                            | <b>15,458,850</b>             |

**MUSCAT INSURANCE COMPANY SAOG****NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017** (continued)**24 Amalgamation of Subsidiaries** (continued)**24.2 Acquisition related costs**

The Company incurred acquisition related costs of RO 2,491 (2016: RO 17,075) on legal fees. These costs have been included in administrative expenses.

**24.3 Identifiable net assets acquired and liabilities assumed**

For the purpose of predecessor accounting, carrying values of acquired net assets of MIC were assumed at the date of amalgamation in accordance with IFRS 3 “Business Combinations”. The related recognised amounts of net assets as at 31 August 2017 are as follows:

|                                   | MIC<br>RO        | MLAC<br>RO       | Total<br>RO       |
|-----------------------------------|------------------|------------------|-------------------|
| Cash and cash equivalents         | 2,702,558        | 186,631          | 2,889,189         |
| Fixed deposits                    | 7,275,000        | 4,725,000        | 12,000,000        |
| Held for trading investments      | -                | 621,815          | 621,815           |
| Premium and insurance receivable  | 1,926,813        | 725,867          | 2,652,680         |
| Available for sale investments    | 1,269,142        | -                | 1,269,142         |
| Other receivables and prepayments | 1,271,633        | 315,386          | 1,587,019         |
| Reinsurance contracts             | 9,435,413        | -                | 9,435,413         |
| Investments held to maturity      | 3,023,325        | 1,023,578        | 4,046,903         |
| Property, plant and equipment     | 3,421,944        | -                | 3,421,944         |
| Investment property               | 1,545,614        | 1,908,906        | 3,454,520         |
| Deferred tax                      | 8,545            | 795              | 9,340             |
| Due to reinsurers                 | (5,920,616)      | (294,491)        | (6,215,107)       |
| Other liabilities and payable     | (2,930,463)      | (399,607)        | (3,330,070)       |
| Insurance contracts               | (14,466,389)     | (1,842,965)      | (16,309,354)      |
| Provision for taxation            | (164,237)        | (42,295)         | (206,532)         |
| Net assets                        | <u>8,398,282</u> | <u>6,928,620</u> | <u>15,326,902</u> |

**24.4 Merger adjustment**

Pursuant to the predecessor accounting approach adopted for amalgamation, the merger reserve has been recognised as follows

|  |                          |
|--|--------------------------|
| Residual identifiable net assets at the date of acquisition                | <u>RO<br/>15,326,902</u> |
| Company share (99.999%)  | <u>15,326,749</u>        |
| Fair value of consideration transferred to the Company                     | RO<br>15,458,808         |
| Less: Book value of total identifiable net assets acquired (Company share) | <u>(15,326,749)</u>      |
| Merger adjustment  | <u>132,059</u>           |

**25 Acquisition of Non-Controlling Interest (NCI)**

NCI acquired as part of the scheme are measured at fair value at the date of amalgamation. The difference between the fair value of consideration and carrying amount of NCI at the date of amalgamation has been adjusted in retained earnings as the management believes that the acquisition of NCI pursuant to amalgamation was part of amalgamation transaction.

**MUSCAT INSURANCE COMPANY SAOG****NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017** (continued)**25 Acquisition of Non-Controlling Interest (“NCI”) (continued)****25.1** The following table summarises information related to NCI amalgamated:

|                        |                          |
|------------------------|--------------------------|
| NCI percentage         | <b>%</b><br><b>0.001</b> |
|                        | <b>RO</b>                |
| Assets                 | <b>414</b>               |
| Liabilities            | <b>261</b>               |
| Net assets (note 25.2) | <b>153</b>               |

**25.2** NCI share in residual net assets at the date of amalgamation is as follows:

|   |                   |
|---|-------------------|
|   | <b>RO</b>         |
| Residual identifiable net assets at the date of acquisition | <b>15,326,902</b> |
| NCI Share (0.001%)  | <b>153</b>        |

**25.3** NCI amalgamated is measured as follows at the date of amalgamation:

|   |             |
|---|-------------|
|   | <b>RO</b>   |
| NCI share of residual identifiable net assets | <b>153</b>  |
| Fair value of consideration transferred       | <b>(42)</b> |
|   | <b>111</b>  |

**26 Corresponding figures**

Certain corresponding figures for the previous period presented for comparative purposes have been reclassified in order to conform with the presentation for the current period. However, such reclassifications do not impact previously reported net profit or equity of the Company.