

DIRECTORS' REPORT

For three months ended 31 March 2021

Dear Shareholders,

On behalf of the Board of Directors of National Life & General Insurance Co SAOG ("the Company" or "NLGIC"), it's my pleasure to present to you the unaudited results of the group for the three months period ended 31 March 2021.

I am pleased to update you that for the year 2020, in addition to being the market leader for Health segment, NLGIC has now become the market leader of the Oman Motor Insurance segment with a 15% market share of Gross Written Premiums (GWP). (NLGIC has written Oman Motor GWP of RO 17 million in FY 2020 out of total Oman market Motor GWP of RO 111.5 million.*)

Performance Highlights for the three months period ended 31 March 2021:

Amounts in RO '000	Jan-Mar 2021	Jan-Mar 2020	Variance
Gross premium	56,455	52,384	8%
Net Underwriting Result	5,162	4,936	5%
Investment Income	1,592	1,072	49%
Profit after Tax	2,711	2,356	15%

Gross Premiums and Net Underwriting Results:

Gross Written Premium (GWP) grew by 8% to RO 56.5 million as compared to RO 52.4 million in the corresponding period of the previous year. Group medical business in Oman and Overseas operations were the key contributors to growth in GWP during the first quarter.

The Net Underwriting Result (NUR) of RO 5.2 million in Q1 2021 was 5% higher than NUR of RO 4.9 million in Q1 2020. The increase in NUR of RO 226K was mainly from Oman operations (RO 639K) which was offset by reduced profitability in overseas operations (RO 413K).

*Source: Gross Written Premium data available on Capital Market Authority portal.

Investment Income

The company's investment income increased by 49% to RO 1.6 million as compared to RO 1.1 million in the corresponding period of the previous year. The Investment Income comprised of interest income of RO 1 million from fixed income securities, dividend from equities of RO 0.2 million and realized gain of RO 0.4 million from sale of bonds during Q1 2021.

Net Profit After Tax (NPAT)

With improved Net Underwriting Results and Investment Income, the Company achieved a growth of 15% in profits with NPAT of RO 2.7 million in Q1 2021 vs RO 2.4 million in Q1 2020.

Recent events

As a part of its continued efforts to enhance customer experience, the Company opened four new branches in Oman during the first quarter of 2021 in Falaj Al Qabail, Halban, Jalan Bani Bu Ali and Yanqul.

The Company also successfully implemented Value Added Tax (VAT) effective from 16th April 2021 in accordance with VAT Law and Regulations. The implementation will require the Company's General insurance and Health insurance customers to pay 5% VAT on the premiums charged.

Acknowledgements

We take this opportunity to express our sincere gratitude to His Majesty Sultan Haitham bin Tarik for his dynamic and progressive leadership. Under His Majesty's visionary leadership, we pray for the steady growth, stability, and enduring prosperity of our great country.

I would like to thank our esteemed shareholders, partners and regulators for their continued support and trust. I would also like to especially thank the management team and all our employees for their performance, hard work and commitment.



Khalid Muhammad AlZubair
Chairman

**NATIONAL LIFE AND GENERAL INSURANCE
COMPANY SAOG AND ITS SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31ST MARCH 2021**

Principal place of business:

Building No: 115, Plot No: 133
Block No: 146, Way No: 4202
Greater Muttrah, Muscat
Sultanate of Oman.

Registered address:

P.O. Box 798
Postal Code 117
Wadi Kabir
Sultanate of Oman

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31st MARCH 2021**

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NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31st March 2021

	Notes	31 March 2021 RO (Unaudited)	31 December 2020 RO (Audited)	31 March 2020 RO (Unaudited)
ASSETS				
Cash and cash equivalents	4	11,501,000	10,233,957	6,633,964
Bank deposits	5	46,883,995	41,596,096	32,858,434
Investments at fair value through profit or loss	6(a)	288,247	-	-
Investments carried at amortised cost	6(b)	14,204,783	14,204,940	14,214,805
Investments carried at fair value through other comprehensive income	6(c)	32,148,742	37,034,234	29,856,625
Insurance and reinsurance receivables	7	68,421,905	43,155,850	76,346,487
Reinsurance share of outstanding claims and IBNR reserve	12	6,876,684	5,867,158	7,822,155
Reinsurance share of actuarial/ mathematical and unexpired risk reserve	13	14,121,788	10,307,915	14,708,452
Other receivables and prepayments	8	6,555,792	5,698,261	6,190,675
Loans to policyholders		109,047	113,873	138,533
Property and equipment		6,868,484	6,943,707	6,703,141
Deferred tax asset	19	296,276	197,262	792,072
Intangible Assets (including Goodwill)		466,748	472,647	490,344
Total assets		208,743,491	175,825,900	196,755,687
EQUITY AND LIABILITIES				
EQUITY				
Capital and reserves				
Share capital	10	26,500,000	26,500,000	26,500,000
Legal reserve		8,532,859	8,261,717	6,996,677
Contingency reserve		13,654,290	12,970,009	11,790,769
Revaluation reserve		447,420	447,420	447,420
Fair value reserve		40,781	438,638	(3,549,589)
Foreign exchange fluctuation reserve		(23,858)	(23,710)	(27,738)
Retained earnings		11,396,553	18,826,386	8,427,593
Total equity		60,548,045	67,420,460	50,585,132
LIABILITIES				
Gross outstanding claims and IBNR reserve	12	31,657,628	23,171,076	29,965,029
Gross actuarial / mathematical and unexpired risk reserve	13	72,250,883	51,541,513	73,507,254
Due to reinsurers	14	11,406,809	8,088,029	11,802,927
Other liabilities	15	26,440,767	23,039,850	27,549,693
Short term loan		3,400,000	-	3,000,000
Income tax payable	19	3,039,359	2,564,972	345,652
Total liabilities		148,195,446	108,405,440	146,170,555
Total equity and liabilities		208,743,491	175,825,900	196,755,687
Net assets per share	17	0.228	0.254	0.191

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 26 April 2021 and were signed on their behalf by


Chairman


Chief Executive Officer

The attached notes 1 to 24 form part of these unaudited interim condensed consolidated financial statements.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2021

	Notes	31 March 2021 RO (Unaudited)	31 March 2020 RO (Unaudited)
Gross written premium		<u>56,454,695</u>	<u>52,383,970</u>
Gross premium, earned		35,745,325	37,279,897
Reinsurance share of ceded premium earned		<u>(5,541,182)</u>	<u>(7,543,423)</u>
Net premium earned		30,204,143	29,736,474
Commission income		1,113,514	1,157,714
Income from policy fees		481,455	301,733
Gross claims expense	12	(28,524,051)	(29,962,863)
Reinsurance share of gross claims expense	12	5,814,444	7,323,975
Commission expense		<u>(3,927,062)</u>	<u>(3,620,578)</u>
Net underwriting result		5,162,443	4,936,455
Investment income – net	18	1,591,970	1,071,565
Expected credit losses on financial assets		(3,018)	(1,818)
Other operating expense / income		(3,828)	(3,364)
Third party administration fees		(378,150)	(378,690)
General and administrative expenses		(3,189,577)	(2,933,682)
Finance cost		(515)	(13,450)
Amortisation of Intangible Assets		<u>(5,899)</u>	<u>(5,899)</u>
Profit before income tax		3,173,426	2,671,117
Income tax expense	19	<u>(462,008)</u>	<u>(315,554)</u>
Profit for the period		<u>2,711,418</u>	<u>2,355,563</u>
Other comprehensive income / (expense)			
<i>(Items that are or may be reclassified subsequently to profit or loss):</i>			
Exchange differences on translation of foreign operations		(148)	(5,781)
Change in value of debt investments carried at fair value through other comprehensive income– net		(591,023)	(2,550,481)
<i>(Items that will not be reclassified to profit or loss):</i>			
Change in value of investments carried at fair value through other comprehensive income– net		<u>282,338</u>	<u>(1,491,765)</u>
Other comprehensive expense for the period		(308,833)	(4,048,027)
Total comprehensive income / (expense) for the period		<u>2,402,585</u>	<u>(1,692,464)</u>
Earnings per share - basic and diluted	20	<u>0.010</u>	<u>0.009</u>

Items in the unaudited interim condensed consolidated statement of other comprehensive income above are disclosed net of tax.

The attached notes 1 to 24 form part of these unaudited interim condensed consolidated financial statements.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2021

	Share capital	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange fluctuation reserve	Retained earnings	Total equity
	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2020	26,500,000	6,761,121	11,185,599	447,420	165,048	(21,957)	13,865,365	58,902,596
Profit for the period	-	-	-	-	-	-	2,355,563	2,355,563
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	(4,042,246)	-	-	90,421
Change in foreign exchange fluctuation reserve	-	-	-	-	-	(5,781)	-	(19,612)
Total comprehensive income for the period	-	-	-	-	(4,042,246)	(5,781)	2,355,563	(1,692,464)
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	327,609	-	(327,609)	-
Dividends declared (Note 11)	-	-	-	-	-	-	(6,625,000)	(6,625,000)
Transfer to legal reserve	-	235,556	-	-	-	-	(235,556)	-
Transfer to contingency reserve	-	-	605,170	-	-	-	(605,170)	-
At 31 March 2020 (Unaudited)	26,500,000	6,996,677	11,790,769	447,420	(3,549,589)	(27,738)	8,427,593	50,585,132
At 1 January 2021	26,500,000	8,261,717	12,970,009	447,420	438,638	(23,710)	18,826,386	67,420,460
Profit for the period	-	-	-	-	-	-	2,711,418	2,711,418
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	(308,685)	-	-	(308,685)
Change in foreign exchange fluctuation reserve	-	-	-	-	-	(148)	-	(148)
Total comprehensive income for the period	-	-	-	-	(308,685)	(148)	-	2,402,585
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	(89,168)	-	89,168	-
Dividends declared (Note 11)	-	-	-	-	-	-	(9,275,000)	(9,275,000)
Transfer to legal reserve	-	271,142	-	-	-	-	(271,142)	-
Transfer to contingency reserve	-	-	684,281	-	-	-	(684,281)	-
At 31 March 2021 (Unaudited)	26,500,000	8,532,859	13,654,290	447,420	40,781	(23,858)	11,396,553	60,548,045

The attached notes 1 to 24 form part of these unaudited interim condensed consolidated financial statements.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended 31 March 2021

	Notes	31 March 2021	31 March 2020
		RO (Unaudited)	RO (Unaudited)
Cash flows from operating activities			
Profit before taxation		3,173,426	2,671,117
Adjustments for:			
Net (loss) / gain on investments at FVTPL, FVOCI, Amortised cost – net		(391,890)	-
Provision for / (reversal of) expected credit loss of financial assets		3,018	1,818
Allowance for impaired debts		123,509	98,772
Provision for employees' end of service benefits		105,158	71,662
Interest income net of amortization	18	(987,973)	(790,807)
Finance cost		515	13,450
Dividend income	18	(221,829)	(312,561)
Depreciation		230,196	212,932
Amortisation of Intangible Assets		5,899	5,899
Operating cash flows before movement in working capital		2,040,029	1,972,282
Changes in:			
Insurance and reinsurance receivables		(25,389,564)	(12,925,922)
Other receivables and prepayments		(1,233,740)	(438,213)
Reinsurance share of outstanding claims and IBNR reserve		(1,009,525)	(1,802,042)
Reinsurance share of actuarial / mathematical and unexpired risk reserve		(3,813,873)	(1,163,577)
Gross outstanding claims and IBNR reserve		8,486,552	8,260,439
Gross actuarial / mathematical and unexpired risk reserve		20,709,370	15,104,073
Due to reinsurers		3,318,780	2,965,368
Other liabilities		(5,994,112)	(14,464,981)
		(2,886,083)	(2,492,573)
Employees' end of service benefits paid		(4,416)	-
Income tax paid		(6,588)	(1,621,098)
Net cash used in operating activities		(2,897,087)	(4,113,671)
Cash flows from investing activities			
Movement in bank deposits		(5,304,799)	4,500,000
Purchase of property and equipment		(154,975)	(133,927)
Purchase of investment securities		(1,261,108)	(15,753,085)
Proceeds from disposal of investment securities		6,088,291	1,261,649
Proceeds from disposal of property and equipment		-	29,418
Interest income received from bank deposits, bonds and securities		1,337,379	818,570
Dividends received		56,490	37,626
Net movement in loans to policyholders		4,826	(9,098)
Net cash from/ (used in) investing activities		766,104	(9,248,847)
Cash flows from financing activities			
Finance cost paid		(515)	(13,450)
(Repayment of) / proceeds from short term loan		3,400,000	1,000,000
Net cash from financing activities		3,399,485	986,550
Net (decrease) / increase in cash and cash equivalents		1,268,502	(12,375,968)
Currency translation adjustment		(148)	(5,781)
Cash and cash equivalents at the beginning of the period	4	10,267,621	19,025,565
Cash and cash equivalents at the end of the period	4	11,535,975	6,643,816

The attached notes 1 to 24 form part of these unaudited interim condensed consolidated financial statements.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three months ended 31 March 2021

1 Legal status and principal activities

National Life and General Insurance Company SAOG (the Company or the Parent Company) is a public joint stock company incorporated in the Sultanate of Oman in 1995 and is engaged in the business of life and general insurance within the Sultanate of Oman, United Arab Emirates (UAE) and Kuwait. It commenced its operations with life and health business in Oman and diversified into general insurance business after obtaining general insurance license in 2006. The Group has expanded its operations in UAE with a branch in Dubai to transact life insurance business as per the license dated 13 May 2007 issued by United Arab Emirates Insurance Authority. During 2014, the Parent Company obtained a license dated 8 May 2014 to have a branch in Abu Dhabi issued by United Arab Emirates Insurance Authority and commenced operations in Abu Dhabi during 2015. During October 2017, the Group has obtained license for branch operations in Kuwait and the branch has commenced insurance operations during the first quarter of 2018.

The Parent Company is a subsidiary of Oman International Development and Investment Company SAOG (OMINVEST), a public joint stock company incorporated in the Sultanate of Oman.

2 Basis of preparation and accounting policies

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' using the same accounting policies, basis of consolidation and methods of computations as those used in the consolidated financial statements for the year ended 31 December 2020. The interim condensed consolidated financial statements do not contain all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the annual financial statements as at 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the results for the three month period ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

The comparative information, included in these unaudited interim condensed consolidated financial statements as at 31 March 2020, are for the three month period then ended and is unaudited.

The Parent Company has two fully owned subsidiaries "NLGIC Support Services Private Limited" in India and "Inayah TPA LLC" in UAE due to which consolidated financial statements comprise of the Parent Company and its subsidiaries (together referred to as the Group).

2.2 Changes in accounting policy and disclosures

(a) New and amended standards and interpretations effective after 1 January 2021 and relevant for the company's operations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

The Group has adopted standard, interpretation or amendment that has been issued and is effective as at 01 January 2021. Although these amendments apply for the first time in 2021, they do not have a material impact on the interim condensed consolidated financial statements of the Group.

(b) Standards, amendments or interpretations to existing standards which are relevant for the group but are not yet effective and have not been early adopted by the group.

Certain new standards, amendments to standards and interpretations are not yet effective for the three months ended 31 March 2021, with the Group not opting for early adoption. These have, therefore, not been applied in preparing these unaudited interim condensed consolidated financial statements. Details of these standards should be read in conjunction with the annual financial statements as at 31 December 2020.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three months ended 31 March 2021

3 Critical accounting judgment and key sources of estimation uncertainty

The preparation of interim condensed consolidated 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 consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and estimates which should be read in conjunction with the annual financial statements as at 31 December 2020.

On 11 March 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID-19) to be a pandemic. In light of the rapid spread of COVID-19 across the globe, various economies and sectors have faced significant disruptions and uncertainty and governments and authorities have instigated a host of measures to contain or delay the spread of the virus. The pandemic has impacted the Group as well and the Group has taken steps during this period to alleviate the impact of the event on its operations in terms of business levels, customer service levels and to be able to meet all regulatory requirements and follow all directives being issued by the Government in this regard. In terms of insurance operations, regulators in Oman and Dubai have mandated insurance companies to pay claims related to Covid-19 as per regulatory directives. The Group has accounted for Expected Credit losses on its investments and Other receivables as well as provision for bad and doubtful debts on its Premiums and insurance balance receivables to the best of the management's knowledge to represent a fair value of these assets as at the reporting date. In terms of insurance liabilities, the Group has made estimates of claims reported and claims incurred but not reported based on available information to reflect amounts which as per the management's judgment is adequate to cover the liabilities as at the date of reporting.

4 Cash and cash equivalents

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Balances with banks	11,510,067	10,246,154	6,611,392
Cash in hand	25,908	21,467	32,424
Cash and cash equivalents	11,535,975	10,267,621	6,643,816
Less: ECL on cash and bank balances	(34,975)	(33,664)	(9,852)
Cash and cash equivalents – net of ECL	11,501,000	10,233,957	6,633,964

5 Bank deposits

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Deposits	46,982,930	41,678,130	32,904,495
Less: ECL on bank deposits	(98,935)	(82,034)	(46,061)
	46,883,995	41,596,096	32,858,434

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended 31 March 2021
6 Investment securities

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Investments at fair value through profit or loss	6(a) 288,247	-	-
Investments carried at amortised cost	6(b) 14,204,783	14,204,940	14,214,805
Investment carried at fair value through other comprehensive income	6(c) 32,148,742	37,034,234	29,856,625
	<u>46,641,772</u>	<u>51,239,174</u>	<u>44,071,430</u>

6 (a) Investments at fair value through profit or loss

	31 March 2021		31 December 2020		31 March 2020	
	Market value	Cost	Market value	Cost	Market value	Cost
	RO	RO	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Quoted foreign						
Foreign Shares and Funds	<u>288,247</u>	<u>149,319</u>	-	-	-	-
	<u>288,247</u>	<u>149,319</u>	-	-	-	-

(i) Movement in investments at fair value through profit or loss:

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
At 1 January	-	-	-
Additions during the period / year	297,814	-	-
Fair value changes (note 18)	(9,567)	-	-
At 31 March / 31 December	<u>288,247</u>	<u>-</u>	<u>-</u>

6 (b) Investments carried at amortised cost

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Bonds - over one year from the date of inception	14,238,305	14,238,969	14,241,128
Less: ECL on Investments carried at amortised cost	(33,522)	(34,029)	(26,323)
	<u>14,204,783</u>	<u>14,204,940</u>	<u>14,214,805</u>
Annual interest rates	<u>4% to 6.75%</u>	<u>4% to 6.75%</u>	<u>4% to 6.75%</u>

(i) Movement in investments carried at amortised cost:

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
At 1 January	14,204,940	2,569,435	2,569,435
Additions during the period / year	-	11,673,001	11,673,001
Amortisation during the year	(664)	(4,609)	(2,450)
Realised gain on disposal	-	-	-
Movement in Expected credit losses	507	(32,887)	(25,181)
At 31 March / 31 December	<u>14,204,783</u>	<u>14,204,940</u>	<u>14,214,805</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended 31 March 2021

6 Investment securities (continued)

6 (c) Investments carried at fair value through other comprehensive income (FVOCI)

	31 March 2021		31 December 2020		31 March 2020	
	Market value RO (Unaudited)	Cost RO (Unaudited)	Market value RO (Audited)	Cost RO (Audited)	Market value RO (Unaudited)	Cost RO (Unaudited)
Local						
Quoted	24,778,047	24,590,515	29,964,227	29,254,886	21,528,378	24,184,229
	<u>24,778,047</u>	<u>24,590,515</u>	<u>29,964,227</u>	<u>29,254,886</u>	<u>21,528,378</u>	<u>24,184,229</u>
Foreign						
Unquoted	119,579	853,449	119,579	853,449	119,579	853,449
Quoted	7,251,116	6,739,562	6,950,428	6,497,116	8,208,668	9,018,180
	<u>7,370,695</u>	<u>7,593,011</u>	<u>7,070,007</u>	<u>7,350,565</u>	<u>8,328,247</u>	<u>9,871,629</u>
Local and Foreign	<u>32,148,742</u>	<u>32,183,526</u>	<u>37,034,234</u>	<u>36,605,451</u>	<u>29,856,625</u>	<u>34,055,858</u>

(i) Movement in investments carried at fair value through other comprehensive income:

	31 March 2021 RO (Unaudited)	31 December 2020 RO (Audited)	31 March 2020 RO (Unaudited)
At 1 January	37,034,234	31,709,063	31,709,063
Additions during the period / year	963,294	8,508,286	4,080,084
Disposals during the period / year	(5,893,465)	(3,514,122)	(1,327,066)
Realised gain on disposal (note 18)	401,457	-	-
Fair value change	(356,778)	331,007	(4,605,456)
At 31 March/ 31 December	<u>32,148,742</u>	<u>37,034,234</u>	<u>29,856,625</u>

Fair Value changes above are disclosed net of tax in the other comprehensive income as Change in value of debt investments carried at FVOCI - loss of RO 591,023 (31 March 2020 – loss of RO 2,550,481) and Change in value of investments carried at FVOCI – gain of RO 282,338 (31 March 2020 – loss of RO 1,491,765). In accordance with IFRS 9, upon disposal of debt investments carried at FVOCI, the resulting realized gain or loss since inception will be reclassified to profit or loss whereas upon disposal of investments carried at FVOCI the resulting realized gain or loss since inception will not be reclassified to profit or loss and will be transferred to retained earnings.

6 (c) Investment in subsidiaries

		31 March 2021 Carrying value RO	31 December 2020 Carrying value RO	31 March 2020 Carrying value RO
Country	Holding %			
NLGIC support services Pvt. Ltd. (NSSPL)	India	100.00	285,886	270,387
Inayah TPA LLC	UAE	100.00	597,891	591,134
		<u>883,777</u>	<u>861,521</u>	<u>797,302</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

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7 Insurance and reinsurance receivables

	31 March 2021		31 December 2020		31 March 2020		
	Life RO (Unaudited)	Total RO (Unaudited)	Life RO (Audited)	General RO (Audited)	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)
Insurance receivables	60,885,085	4,130,550	34,337,865	4,045,882	58,040,461	4,462,926	62,503,387
Reinsurance balances receivables	5,359,771	388,812	6,493,981	496,926	15,344,076	206,366	15,550,442
	66,244,856	4,519,362	40,831,846	4,542,808	73,384,537	4,669,292	78,053,829
Allowance for expected credit losses	(1,473,105)	(869,208)	(1,368,477)	(850,327)	(998,440)	(708,902)	(1,707,342)
	64,771,751	3,650,154	39,463,369	3,692,481	72,386,097	3,960,390	76,346,487

Movement in allowance for expected credit losses:

At 1 January	1,368,477	850,327	902,761	705,809	902,761	705,809	1,608,570
Provided during the period / year	104,628	18,881	465,716	144,518	95,679	3,093	98,772
Written off during the period / year	-	-	-	-	-	-	-
At 31 March/ 31 December	1,473,105	869,208	1,368,477	850,327	998,440	708,902	1,707,342

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

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8 Other receivables and prepayments

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Receivable from other insurance companies and individuals	1,501,377	1,468,181	1,301,592
Other receivables	4,232,263	3,041,915	4,318,227
Accrued interest	1,178,714	1,545,083	885,340
Deferred acquisition costs	-	-	7,739
	6,912,354	6,055,179	6,512,898
Provision for doubtful debts	(349,513)	(349,513)	(317,591)
Expected credit losses of other receivables	(7,049)	(7,405)	(4,632)
	6,555,792	5,698,261	6,190,675

9 Restrictions on transfer of assets

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Group has identified to the Capital Market Authority certain specific bank deposits, investments and loans to policyholders included in the statement of financial position at a total value of RO 47,094,274 (31 December 2020 - RO 46,781,499 and 31 March 2020 - RO 42,762,198). Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the Capital Market Authority. The Group has provided bank guarantee of RO 50,000 (2020: RO 50,000) to the Oman Unified Bureau for the Orange Card which is secured by a fixed deposit.

In accordance with the law governing the operation of insurance companies within the United Arab Emirates, and Kuwait the Group has identified to the Insurance Authority, Abu Dhabi - UAE and The Ministry of Commerce and Industry, Kuwait certain specific fixed deposits included in the statement of financial position at a total value of RO 1,007,975 (31 December 2020 - RO 1,007,975 and 31 March 2020 - RO 991,142) and RO 2,452,450 (31 December 2020 - RO 2,197,650 and 31 March 2020 - 1,879,150) respectively. Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the respective authorities.

The Group has credit facility of RO 5,000,000 (31 December 2020 - RO 5,000,000 and 31 March 2020 - RO 5,000,000) with Ahli Bank SAOG for which the Group has provided negative pledge confirmation over its current assets and an undertaking not to create any encumbrance on its assets to any other lenders. In UAE, the Group has credit facility of RO 3,689,000 (31 December 2020 - RO 3,689,000 and 31 March 2020 - Nil) with local bank which are secured by way of 110% of amount held under fixed deposit with the bank.

10 Share capital

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
At 31 March/ 31 December	26,500,000	26,500,000	26,500,000
Number of shares	265,000,000	265,000,000	265,000,000

11 Dividends paid

Shareholders in annual general meeting dated 28 Mar 2021 (2020 - annual general meeting dated 13 May 2020) approved cash dividend of RO 9,275,000 (31 December 2020 – cash dividend of RO 6,625,000) which has been paid subsequently.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

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12 Claims

Life and general	31 March 2021			31 December 2020			31 March 2020		
	Gross outstanding claims RO (Unaudited)	Reinsurers' share of outstanding claims RO (Unaudited)	Net outstanding claims RO (Unaudited)	Gross outstanding claims RO (Audited)	Reinsurers' share of outstanding claims RO (Audited)	Net outstanding claims RO (Audited)	Gross outstanding claims RO (Unaudited)	Reinsurers' share of outstanding claims RO (Unaudited)	Net outstanding claims RO (Unaudited)
At 1 January									
- Claims incurred	15,798,077	(4,119,131)	11,678,946	15,095,173	(4,427,985)	10,667,188	15,095,173	(4,427,985)	10,667,188
- Incurred but not reported	7,372,999	(1,748,027)	5,624,972	6,609,417	(1,592,128)	5,017,289	6,609,417	(1,592,128)	5,017,289
	23,171,076	(5,867,158)	17,303,918	21,704,590	(6,020,113)	15,684,477	21,704,590	(6,020,113)	15,684,477
Add: Claims provided during the period / year	28,524,051	(5,814,444)	22,709,607	104,777,917	(24,700,432)	80,077,485	29,962,863	(7,323,975)	22,638,888
Less: Claims paid during the period / year	(20,037,499)	4,804,918	(15,232,581)	(103,311,431)	24,853,387	(78,458,044)	(21,702,424)	5,521,933	(16,180,491)
At 31 March/ 31 December	31,657,628	(6,876,684)	24,780,944	23,171,076	(5,867,158)	17,303,918	29,965,029	(7,822,155)	22,142,874
Analysis of outstanding claims at 31 March/ 31 December									
- Claims incurred	23,784,623	(5,028,767)	18,755,856	15,798,077	(4,119,131)	11,678,946	23,070,967	(6,063,888)	17,007,079
- Incurred but not reported	7,873,005	(1,847,917)	6,025,088	7,372,999	(1,748,027)	5,624,972	6,894,062	(1,758,267)	5,135,795
	31,657,628	(6,876,684)	24,780,944	23,171,076	(5,867,158)	17,303,918	29,965,029	(7,822,155)	22,142,874

Substantially all of the claims are expected to be paid within twelve months of the reporting date. The amounts due from reinsurers are contractually due within three months from the date of submission of accounts to the reinsurer.

The Group estimates its insurance liabilities and reinsurance assets principally based on previous experience. Incurred but not reported (IBNR) estimates for the medical and life business are based on an independent actuary's report. Claims requiring Court or arbitration decisions are estimated individually.

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For the three months ended 31 March 2021
13 Gross actuarial / mathematical and unexpired risk reserve

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Actuarial / mathematical and unexpired risk reserve - life assurance			
Gross	63,803,590	43,372,671	64,995,336
Reinsurers' share	(13,896,808)	(10,138,094)	(14,470,564)
	49,906,782	33,234,577	50,524,772
Unexpired risk reserve – general insurance			
Gross	8,447,293	8,168,842	8,511,918
Reinsurers' share	(224,980)	(169,821)	(237,888)
	8,222,313	7,999,021	8,274,030
Actuarial / mathematical and unexpired risk reserve – total			
Gross	72,250,883	51,541,513	73,507,254
Reinsurers' share	(14,121,788)	(10,307,915)	(14,708,452)
	58,129,095	41,233,598	58,798,802

Movement during the period / year:

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Actuarial / mathematical and unexpired risk reserve – life assurance			
At 1 January	33,234,577	37,001,242	37,001,242
Net movement in the statement of comprehensive income	16,672,205	(3,766,665)	13,523,530
At 31 March/ 31 December	49,906,782	33,234,577	50,524,772
Unexpired risk reserve – general insurance			
At 1 January	7,999,021	7,857,064	7,857,064
Net movement in the statement of comprehensive income	223,292	141,957	416,966
At 31 March/ 31 December	8,222,313	7,999,021	8,274,030

14 Due to reinsurers

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Reinsurance balances payable – life insurance	10,230,419	7,074,604	11,278,858
Reinsurance balances payable – general insurance	1,176,390	1,013,425	524,069
	11,406,809	8,088,029	11,802,927

15 Other liabilities

	31 March 2021	31 December 2020	31 March 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Accounts payable	779,106	7,723,515	4,543,111
Commission Payable	6,499,634	5,307,564	6,873,839
Accrued expenses	3,995,806	4,431,544	2,966,750
Other payables	14,207,063	4,680,260	12,324,143
Employees' end of service benefits	959,158	896,967	841,850
	26,440,767	23,039,850	27,549,693

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16 Contingent liabilities
(a) Contingencies

At 31 March 2021, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Group amounting to RO 263,568 (31 December 2020 - RO 683,663 and 31 March 2020 – RO 324,193) given in the normal course of business from which it is anticipated that no material liabilities will arise.

(b) Legal claims

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 income or financial position.

17 Net assets per share

Net assets per share is calculated by dividing the net assets attributable to equity holders of the Parent Company at the reporting date by the number of shares outstanding at the reporting date as follows:

	31 March 2021 RO (Unaudited)	31 December 2020 RO (Audited)	31 March 2020 RO (Unaudited)
Net assets (RO)	<u>60,548,045</u>	<u>67,420,460</u>	<u>50,585,132</u>
Number of shares outstanding at 31 March/ 31 December	<u>265,000,000</u>	<u>265,000,000</u>	<u>265,000,000</u>
Net assets per share (RO)	<u>0.228</u>	<u>0.254</u>	<u>0.191</u>

18 Investment income – net

	31 March 2021 RO (Unaudited)	31 March 2020 RO (Unaudited)
Interest income on bank deposits and other investments	459,226	379,556
Interest income on bonds, net of amortisation charge	528,701	408,657
Interest income on loans to policy holders	46	2,594
Dividend income	221,829	312,561
Net unrealised (loss) / gain on investments carried at fair value through profit or loss	(9,567)	-
Net realised gain on investment carried at FVOCI – debt instruments	401,457	-
	<u>1,601,692</u>	<u>1,103,368</u>
Investment acquisition cost and portfolio management fees	(9,722)	(31,803)
	<u>1,591,970</u>	<u>1,071,565</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
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For the three months ended 31 March 2021
19 Income tax

	31 March 2021	31 March 2020
	RO	RO
	(Unaudited)	(Unaudited)
Statement of comprehensive income:		
Current tax		
- For the year	480,976	333,469
Deferred tax	(18,968)	(17,915)
	462,008	315,554
	31 March 2021	31 December 2020
	RO	RO
	(Unaudited)	(Audited)
Current liability		
Income tax payable	3,039,359	1,636,275
Non-current asset		
Deferred tax asset	296,276	221,007
		31 March 2020
		RO
		(Unaudited)
		345,652
		792,072

The tax rate applicable to the Parent Company is 15% (31 March 2020 – 15%).

20 Earnings per share – basic and diluted

Earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the three months ended as follows:

	31 March 2021	31 March 2020
	(Unaudited)	(Unaudited)
Profit for the three months ended (RO)	2,711,418	2,355,563
Weighted average number of shares outstanding @ RO 0.100 per share	265,000,000	265,000,000
Basic and diluted earnings per share (RO)	0.010	0.009

No figure for diluted earnings per share has been presented as the Company has not issued any instruments which would have an impact on earnings per share when exercised.

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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21 Related party transactions

(a) Transactions with related parties of the Parent Company or holders of 10% or more of the Parent Company's shares or their family members included in the statements of comprehensive income and statement of financial position are as follows:

	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Top Senior Executives	Key management personnel of major shareholder	Other related parties
31 March 2021 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income							
Gross premium income	1,502,027	-	-	1,266,235	-	-	235,792
Claims expense	522,634	13,191	-	369,328	-	-	140,115
Reinsurer's share of claims paid	932	-	-	932	-	-	-
Interest income on deposits	167,124	-	-	167,124	-	-	-
Commission expense	181,534	-	-	49,745	-	-	131,790
Other expenses	42,249	-	-	32,304	-	-	9,945
Director sitting fees	7,687	-	7,162	-	525	-	-
Directors' remuneration	43,101	-	43,101	-	-	-	-
Other Transactions							
Investment in Deposits	3,550,000	-	-	3,550,000	-	-	-
Maturity/ Liquidation of Deposit	1,000,000	-	-	1,000,000	-	-	-
Increase in bank balances	3,913,954	-	-	3,913,954	-	-	-
Decrease in bank balances	1,435,361	-	-	1,435,361	-	-	-
Statement of financial position							
Directors' remuneration & sitting fees	226,301	-	226,301	-	-	-	-
Claims payable to related parties	687,800	9,510	-	495,967	-	-	182,323
Commission payable	334,119	-	-	18,456	-	-	315,663
Payable to related parties	3,286	-	-	3,286	-	-	-
Receivable from related parties	18,662	-	-	537	18,125	-	-
Bank balances	4,213,616	-	-	4,213,616	-	-	-
Fixed deposits balances	15,725,000	-	-	15,725,000	-	-	-
Premium receivable from related parties	2,044,945	5,575	-	1,669,141	-	-	370,230
Investment in Bonds	4,045,000	2,795,000	-	1,250,000	-	-	-
Reinsurance balance receivable	14,224	-	-	14,224	-	-	-
Accrued interest receivable	217,543	-	-	217,543	-	-	-

During January to March 2021, subsidiary in India (NSSPL) has charged the parent company service fees of RO 148,025. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 15,646. Carrying value of investment as on 31.03.2021 is RO 285,885 and due to NSSPL as at 31.03.2021 is RO 41,855.

During January to March 2021, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 141,906 and paid rental to the parent company of RO 6,321. The Parent Company has accounted Inayah Share of profit from subsidiary of RO 6,758. Carrying value of investment as on 31.03.2021 is RO 597,891, it's related intangibles are RO 320,258 and due to Inayah TPA LLC as at 31.03.2021 is RO 155,874.

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21 Related party transactions (continued)

	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Top Senior Executives	Key management personnel of major shareholder	Other related parties
31 March 2020 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income							
Gross premium income	628,960	82,871	-	514,433	-	-	31,656
Claims expense	391,332	13,485	-	294,619	-	-	83,228
Reinsurer's share of claims paid	2,461	-	-	2,461	-	-	-
Interest income on deposits	133,748	-	-	133,748	-	-	-
Income from bonds and equity	156,028	-	-	156,028	-	-	-
Commission expense	61,233	-	-	48,986	-	-	12,247
Other expenses	56,125	-	-	46,066	-	-	10,059
Director sitting fees	5,100	-	5,100	-	-	-	-
Directors' remuneration	44,900	-	44,900	-	-	-	-
Other Transactions							
Short Term Loan taken	1,000,000	-	-	1,000,000	-	-	-
Bond purchase	495,000	495,000	-	-	-	-	-
Maturity/ Liquidation of Deposit	4,000,000	-	-	4,000,000	-	-	-
Increase in bank balances	37,608	-	-	37,608	-	-	-
Decrease in bank balances	5,423,896	-	-	5,423,896	-	-	-
Statement of financial position							
Directors' remuneration & sitting fees	226,900	-	226,900	-	-	-	-
Claims payable to related parties	331,838	7,687	-	247,221	-	-	76,930
Commission payable	316,124	-	-	18,801	-	-	297,323
Payable to related parties	3,005,878	-	-	3,005,878	-	-	-
Receivable from related parties	295,597	-	-	281,965	13,632	-	-
Bank balances	1,877,854	-	-	1,877,854	-	-	-
Fixed deposits/Bonds balances	8,675,000	-	-	8,675,000	-	-	-
Premium receivable from related parties	604,598	86,172	-	424,051	-	-	94,376
Investment in Bonds	4,045,000	2,795,000	-	1,250,000	-	-	-
Reinsurance balance receivable	14,205	-	-	14,205	-	-	-
Accrued interest receivable	140,227	-	-	140,227	-	-	-

During January to March 2020, subsidiary in India (NSSPL) has charged the parent company service fees of RO 117,822. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 10,298. Carrying value of investment as on 31.03.2020 is RO 220,907 and due to NSSPL as at 31.03.2020 is RO 28,085.

During January to March 2020, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 130,992. The Parent Company has accounted Inayah Share of profit from subsidiary of RO 10,530. Carrying value of investment as on 31.03.2020 is RO 576,395, it's related intangibles are RO 343,854 and due to Inayah TPA LLC as at 31.03.2020 is RO 309,641.

No major provision has been required during three months ended 31 March 2021 (31 March 2020 – nil) in respect of amounts due from related parties.

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21 Related party transactions (continued)

(b) Compensation of key management personnel

The remuneration of members of key management during the year (salaries, incentives, fees, allowances and other statutory payments) was as follows:

	31 March 2021	31 March 2020
	RO	RO
	(Unaudited)	(Unaudited)
Short-term benefits	171,637	163,544
Employees' end of service benefits & leave salary accrual	24,894	41,963
	196,531	205,507
Number of key management personnel	8	9

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the three months ended 31 March 2021**
22 Segmental information
22.1 Primary reporting format - business segments

The Group's operating businesses are organised and managed separately according to the nature of the activities and services provided, with each segment representing a strategic business unit that offers different services.

The following table presents premium and profit information and asset and liability information regarding business segments for the three months ended 31 March 2021 and 31 March 2020.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that have been allocated on a reasonable basis.

31 March 2021 (Unaudited)	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	51,215,316	5,239,379	-	56,454,695
Movement in unearned premiums	(20,430,919)	(278,451)	-	(20,709,370)
Gross premiums earned	30,784,397	4,960,928	-	35,745,325
Insurance premium ceded to reinsurers	(9,034,665)	(320,390)	-	(9,355,055)
Movement in unearned premiums	3,758,714	55,159	-	3,813,873
Premium ceded to reinsurers, earned	(5,275,951)	(265,231)	-	(5,541,182)
Net premiums	25,508,446	4,695,697	-	30,204,143
Claims	(25,049,873)	(3,474,178)	-	(28,524,051)
Reinsurers' share of claims	5,722,206	92,238	-	5,814,444
Net claims	(19,327,667)	(3,381,940)	-	(22,709,607)
Income from policy fees	25,316	456,139	-	481,455
Commission income on premium ceded to reinsurers	1,057,609	55,905	-	1,113,514
Commission expense	(3,204,937)	(722,125)	-	(3,927,062)
Net underwriting results	4,058,767	1,103,676	-	5,162,443
Investment income – net	1,288,630	325,744	(22,404)	1,591,970
ECL on financial assets	(8,868)	5,850	-	(3,018)
Other operating (loss) / income	2,287	206	(6,321)	(3,828)
Third party administration fees	(378,150)	-	-	(378,150)
General and administrative expenses	(2,417,914)	(777,984)	6,321	(3,189,577)
Finance cost	(515)	-	-	(515)
Amortisation of intangible assets	(5,899)	-	-	(5,899)
Income tax	(366,477)	(95,531)	-	(462,008)
Profit for the period	2,171,861	561,961	(22,404)	2,711,418

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the three months ended 31 March 2021**
22 Segmental information (continued)
22.1 Primary reporting format - business segments (continued)

31 March 2020 (Unaudited)	Life and medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	47,218,932	5,165,038	-	52,383,970
Movement in unearned premiums	<u>(14,701,875)</u>	<u>(402,198)</u>	-	<u>(15,104,073)</u>
Gross premiums earned	<u>32,517,057</u>	<u>4,762,840</u>	-	<u>37,279,897</u>
Insurance premium ceded to reinsurers	(8,424,871)	(282,129)	-	(8,707,000)
Movement in unearned premiums	<u>1,178,345</u>	<u>(14,768)</u>	-	<u>1,163,577</u>
Premium ceded to reinsurers, earned	<u>(7,246,526)</u>	<u>(296,897)</u>	-	<u>(7,543,423)</u>
Net premiums	<u>25,270,531</u>	<u>4,465,943</u>	-	<u>29,736,474</u>
Claims	(27,365,993)	(2,596,870)	-	(29,962,863)
Reinsurers' share of claims	<u>7,107,600</u>	<u>216,375</u>	-	<u>7,323,975</u>
Net claims	<u>(20,258,393)</u>	<u>(2,380,495)</u>	-	<u>(22,638,888)</u>
Income from policy fees	22,505	279,228	-	301,733
Commission income on premium ceded to reinsurers	1,114,152	43,562	-	1,157,714
Commission expense	<u>(2,973,482)</u>	<u>(647,096)</u>	-	<u>(3,620,578)</u>
Net underwriting results	3,175,313	1,761,142	-	4,936,455
Investment income – net	798,458	293,935	(20,828)	1,071,565
ECL on financial assets	1,708	(3,526)	-	(1,818)
Other operating income	(8,646)	5,282	-	(3,364)
Third party administration fees	(378,690)	-	-	(378,690)
General and administrative expenses	(2,223,397)	(710,285)	-	(2,933,682)
Finance cost	(13,450)	-	-	(13,450)
Amortisation of intangible assets	(5,899)	-	-	(5,899)
Income tax	<u>(160,389)</u>	<u>(155,165)</u>	-	<u>(315,554)</u>
Profit for the period	<u>1,185,008</u>	<u>1,191,383</u>	<u>(20,828)</u>	<u>2,355,563</u>
	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
31 March 2021 (Unaudited)				
Segment assets	<u>170,920,035</u>	<u>38,904,962</u>	<u>(1,081,506)</u>	<u>208,743,491</u>
Segment liabilities	<u>127,159,590</u>	<u>21,233,585</u>	<u>(197,729)</u>	<u>148,195,446</u>
31 December 2020 (Audited)				
Segment assets	<u>136,950,626</u>	<u>39,953,815</u>	<u>(1,078,541)</u>	<u>175,825,900</u>
Segment liabilities	<u>86,012,529</u>	<u>22,609,931</u>	<u>(217,020)</u>	<u>108,405,440</u>
31 March 2020 (Unaudited)				
Segment assets	<u>162,603,774</u>	<u>35,286,941</u>	<u>(1,135,028)</u>	<u>196,755,687</u>
Segment liabilities	<u>117,511,827</u>	<u>28,996,454</u>	<u>(337,726)</u>	<u>146,170,555</u>

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the three months ended 31 March 2021**
22 Segmental information (continued)
22.2 Primary reporting format - geographic segments
Geographic Information

The Group has operations in three geographic locations in Middle East - Oman, UAE and Kuwait. The businesses are organised and managed separately, with each segment representing a strategic business unit.

The following table presents premium and profit information and asset and liability information regarding business segments for the three months ended 31 March 2021 and 31 March 2020.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that have been allocated on a reasonable basis.

	Oman RO	UAE RO	Kuwait RO	Subsidiaries RO	Adjustments and eliminations RO	Total RO
31 March 2021 (Unaudited)						
Gross premium written	28,748,852	26,729,237	976,606	-	-	56,454,695
Movement in unearned premiums	(11,705,864)	(8,944,706)	(58,800)	-	-	(20,709,370)
Gross premiums earned	17,042,988	17,784,531	917,806	-	-	35,745,325
Insurance premium ceded to reinsurers	(1,305,063)	(8,036,539)	(13,453)	-	-	(9,355,055)
Movement in unearned premiums	570,257	3,248,603	(4,987)	-	-	3,813,873
Premium ceded to reinsurers, earned	(734,806)	(4,787,936)	(18,440)	-	-	(5,541,182)
Net premiums	16,308,182	12,996,595	899,366	-	-	30,204,143
Claims	(10,952,053)	(16,838,511)	(733,487)	-	-	(28,524,051)
Reinsurers' share of claims	553,193	5,245,513	15,738	-	-	5,814,444
Net claims	(10,398,860)	(11,592,998)	(717,749)	-	-	(22,709,607)
Income from policy fees	456,228	19,181	6,046	-	-	481,455
Commission income on premium ceded to reinsurers	65,141	1,048,262	111	-	-	1,113,514
Commission expense	(1,565,382)	(2,182,102)	(179,578)	-	-	(3,927,062)
Net underwriting results	4,865,309	288,938	8,196	-	-	5,162,443
Investment income – net	1,336,193	264,231	13,950	-	(22,404)	1,591,970
ECL on financial assets	(15,176)	12,033	125	-	-	(3,018)
Other operating (loss) / income	(4,771)	7,058	206	-	(6,321)	(3,828)
Third party administration fees	(48,705)	(576,783)	(42,593)	289,931	-	(378,150)
General and administrative expenses	(1,987,541)	(802,750)	(143,780)	(261,827)	6,321	(3,189,577)
Finance cost	(515)	-	-	-	-	(515)
Amortisation of intangible assets	(5,899)	-	-	-	-	(5,899)
Income tax	(456,308)	-	-	(5,700)	-	(462,008)
Profit / (loss) for the period	3,682,587	(807,273)	(163,896)	22,404	(22,404)	2,711,418

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22 Segmental information (continued)
22.2 Primary reporting format - geographic segments (continued)
Geographic Information (continued)

	Oman RO	UAE RO	Kuwait RO	Subsidiaries RO	Adjustments and eliminations RO	Total RO
31 March 2020 (Unaudited)						
Gross premium written	25,828,930	25,895,182	659,858	-	-	52,383,970
Movement in unearned premiums	(9,351,201)	(5,693,743)	(59,129)	-	-	(15,104,073)
Gross premiums earned	16,477,729	20,201,439	600,729	-	-	37,279,897
Insurance premium ceded to reinsurers	(951,232)	(7,742,634)	(13,134)	-	-	(8,707,000)
Movement in unearned premiums	8,083	1,260,877	(105,383)	-	-	1,163,577
Premium ceded to reinsurers, earned	(943,149)	(6,481,757)	(118,517)	-	-	(7,543,423)
Net premiums	15,534,580	13,719,682	482,212	-	-	29,736,474
Claims	(11,407,339)	(18,136,783)	(418,741)	-	-	(29,962,863)
Reinsurers' share of claims	1,163,992	6,030,511	129,472	-	-	7,323,975
Net claims	(10,243,347)	(12,106,272)	(289,269)	-	-	(22,638,888)
Income from policy fees	292,678	(5,821)	14,876	-	-	301,733
Commission income on premium ceded to reinsurers	64,290	1,093,294	130	-	-	1,157,714
Commission expense	(1,421,560)	(2,093,499)	(105,519)	-	-	(3,620,578)
Net underwriting results	4,226,641	607,384	102,430	-	-	4,936,455
Investment income – net	798,443	273,430	20,520	-	(20,828)	1,071,565
ECL on financial assets	(2,023)	5,316	(5,111)	-	-	(1,818)
Other operating income / (loss)	(7,988)	(648)	5,272	-	-	(3,364)
Third party administration fees	(45,531)	(567,830)	(14,143)	248,814	-	(378,690)
General and administrative expenses	(1,835,827)	(730,916)	(147,719)	(219,220)	-	(2,933,682)
Finance cost	(9,286)	(4,164)	-	-	-	(13,450)
Amortisation of intangible assets	(5,899)	-	-	-	-	(5,899)
Income tax	(306,788)	-	-	(8,766)	-	(315,554)
Profit / (loss) for the period	2,811,742	(417,428)	(38,751)	20,828	(20,828)	2,355,563
31 March 2021 (Unaudited)						
Segment assets	126,512,924	76,124,952	5,637,560	1,549,561	(1,081,506)	208,743,491
Segment liabilities	83,995,598	60,242,253	3,489,540	665,784	(197,729)	148,195,446
31 December 2020 (Audited)						
Segment assets	107,461,187	62,688,585	5,491,513	1,263,156	(1,078,541)	175,825,900
Segment liabilities	59,619,749	45,421,612	3,179,464	401,635	(217,020)	108,405,440
31 March 2020 (Unaudited)						
Segment assets	101,008,079	88,604,610	7,377,137	900,889	(1,135,028)	196,755,687
Segment liabilities	74,272,334	69,374,034	2,758,326	103,587	(337,726)	146,170,555

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23 Risk management

The Group's activities expose it to a variety of risks: capital management risk, credit risk, reinsurance risk, liquidity risk, financial risks, market risk (includes currency risk interest rate risk and equity price risk), and insurance risks (includes frequency and severity of claims, sources of uncertainty in the estimation of future benefit payments and premium receipts, process used to decide on assumptions and change in assumptions). The interim condensed financial statements do not include all information and disclosures required relating to risk management and should be read in conjunction with the annual financial statements as at 31 December 2020. There have been no material changes in the risk management policies since year ended 31 December 2020.

24 Fair values

The fair values of the Group's financial assets and liabilities are not materially different from their carrying values as of the reporting date.

There were no level 3 financial instruments measured at fair value.

31 March 2021 (Unaudited)	Level 1	Level 2	Total
Investments	<u>32,317,410</u>	<u>119,579</u>	<u>32,436,989</u>
31 December 2020 (Audited)	Level 1	Level 2	Total
Investments	<u>36,914,655</u>	<u>119,579</u>	<u>37,034,234</u>
31 March 2020 (Unaudited)	Level 1	Level 2	Total
Investments	<u>29,737,046</u>	<u>119,579</u>	<u>29,856,625</u>

There were no transfers between any levels mentioned above.