

DIRECTORS' REPORT

For three month period ended 31 March 2022

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 month period ended 31 March 2022.

Acquisition of RSA Middle East

In addition to being a market leader in Oman, to achieve further growth, NLGIC intends to strategically enter other insurance markets and emerge as a leading GCC insurer from Oman. NLGIC has identified RSA Middle East B.S.C (c) Bahrain ("RSA Middle East") as a target that will help in achieving its aspirations of becoming a strong global brand and creating long term value for all the stakeholders.

RSA Middle East is a leading provider of property and casualty insurance in the Middle East, offering solutions for commercial and retail clients, across a range of product lines that include motor, property, medical, SME as well as tailored solutions for large corporates. With a history of 50 years, RSA Middle East has operations in Bahrain, UAE, Oman and the Kingdom of Saudi Arabia. It operates in Oman under Al Ahlia Insurance Insurance Company SAOG, and in Saudi Arabia, under Al Alamiya Cooperative Insurance Company. The audited consolidated assets and equity position of RSA Middle East as of 31 December, 2021 amounted to RO 267 million and RO 131 million, respectively.

NLGIC has entered into agreements to fully acquire RSA Middle East, subject to the respective regulatory and shareholders approvals. The transaction will be executed as follows:

- Acquire 50.01% shareholding in RSA Middle East from Sun Alliance Insurance Overseas Ltd., a fully owned entity of Royal & Sun Alliance Insurance Limited against cash consideration; and
- Exchange the remaining shares of RSA Middle East, owned by four reputable Saudi shareholders, for new shares to be issued by NLGIC.

The proposed acquisition of RSA Middle East by NLGIC will create a Pan-GCC regionally diversified insurance brand, supported by a diverse set of shareholders, higher scale and best-in-class service standards. The transaction will add significant value to all the stakeholders and result in key benefits, such as robust regional presence with diversification benefits, use of technology and complimentary offerings to fuel growth, and establishing highest standards of technical excellence. The proposed transaction will also result in bringing new reputable Saudi shareholders to Muscat Stock Exchange (MSX). The transaction is also in line with the government's vision to enhance collaboration and business development between the Sultanate of Oman and Saudi Arabia.

Performance Highlights for the three months period ended 31 March 2022:

I am pleased to update you that for the year 2021, NLGIC has retained the market leadership in Medical and Motor Insurance in Oman. NLGIC Kuwait has also grown significantly over the past 4 years by writing a GWP of RO 5.5 million in 2021, which is 64% higher than the Gross Written Premium of the previous period.

Gross Written Premiums (GWP) and Net Underwriting Results (NUR):

GWP grew by 10% to RO 62.1 million as compared to RO 56.5 million in the corresponding period of the previous year. Significant increase in UAE Medical business operations were the key contributors to growth in GWP during the first quarter.

The NUR of RO 5 million in Q1 2022 was marginally lower than the NUR of RO 5.2 million in Q1 2021, due to decrease in NUR of Oman Medical business and Oman Motor business which was largely offset by an increase in UAE Medical business.

Investment Income

The company's investment income decreased by 31% to RO 1.1 million as compared to RO 1.6 million in the corresponding period of the previous year, which was due to the one-time gain on sale of bonds of RO 0.4 million that the company had benefited from in Q1 2021.

Net Profit After Tax

The Company achieved a healthy profit of RO 2 million during the three-month period ended 31 March 2022 (RO 2.7 million in corresponding period of 2021), in spite of challenges faced by reduced profitability in motor insurance and due to the absence of one-time gains on sale of bonds. The major reason for the reduced profitability in motor insurance was an increase in the motor claims as well as unhealthy competition in the pricing for motor insurance premiums

by the market. The Company expects the pressure on motor profitability to reduce in the near future.

Recent Awards

NLGIC won awards as “Oman’s Most Trusted Brand 2022” in the Insurance category and “Top Omani Brands 2022” in the Insurance category. These awards are a constant reassurance of NLGIC’s commitment towards providing innovative solutions that enhance customer experience.

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 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 2022**

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 2022**

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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 2022

	Notes	31 March 2022 RO (Unaudited)	31 December 2021 RO (Audited)	31 March 2021 RO (Unaudited)
ASSETS				
Cash and cash equivalents	4	18,523,172	14,431,408	11,501,000
Bank deposits	5	47,282,541	47,393,330	46,883,995
Investments at fair value through profit or loss	6(a)	1,273,517	1,363,031	288,247
Investments carried at amortised cost	6(b)	11,193,557	11,197,834	14,204,783
Investments carried at fair value through other comprehensive income	6(c)	37,359,216	38,110,950	32,148,742
Insurance and reinsurance receivables	7	77,636,941	49,382,592	68,421,905
Reinsurance share of outstanding claims and IBNR reserve	12	8,638,811	6,284,674	6,876,684
Reinsurance share of actuarial/ mathematical and unexpired risk reserve	13	13,787,267	11,230,415	14,121,788
Other receivables and prepayments	8	9,399,484	8,623,931	6,555,792
Loans to policyholders		68,928	70,204	109,047
Property and equipment		6,465,197	6,619,588	6,868,484
Deferred tax asset	19	221,680	259,592	296,276
Intangible Assets (including Goodwill)		443,152	449,051	466,748
Total assets		232,293,463	195,416,600	208,743,491
EQUITY AND LIABILITIES				
EQUITY				
Capital and reserves				
Share capital	10	26,500,000	26,500,000	26,500,000
Legal reserve		8,833,333	8,833,333	8,532,859
Contingency reserve		15,927,214	15,147,024	13,654,290
Revaluation reserve		352,345	352,345	447,420
Fair value reserve		628,285	259,524	40,781
Foreign exchange fluctuation reserve		(26,037)	(21,976)	(23,858)
Retained earnings		16,724,468	15,357,050	11,396,553
Total equity		68,939,608	66,427,300	60,548,045
LIABILITIES				
Gross outstanding claims and IBNR reserve	12	41,314,218	28,717,762	31,657,628
Gross actuarial / mathematical and unexpired risk reserve	13	79,536,981	57,250,770	72,250,883
Due to reinsurers	14	11,346,719	8,277,998	11,406,809
Other liabilities	15	18,858,878	25,969,292	26,440,767
Short term loan		10,650,000	7,500,000	3,400,000
Income tax payable	19	1,647,059	1,273,478	3,039,359
Total liabilities		163,353,855	128,989,300	148,195,446
Total equity and liabilities		232,293,463	195,416,600	208,743,491
Net assets per share	17	0.260	0.251	0.228

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 26 April 2022 and were signed on their behalf by


Chairman


Chief Executive Officer

The attached notes 1 to 25 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 2022

	Notes	31 March 2022 RO (Unaudited)	31 March 2021 RO (Unaudited)
Gross written premium		<u>62,097,562</u>	<u>56,454,695</u>
Gross premium, earned		39,811,351	35,745,325
Reinsurance share of ceded premium earned		<u>(6,000,635)</u>	<u>(5,541,182)</u>
Net premium earned		33,810,716	30,204,143
Commission income		1,205,537	1,113,514
Income from policy fees		463,535	481,455
Gross claims expense	12	(32,465,915)	(28,524,051)
Reinsurance share of gross claims expense	12	6,268,704	5,814,444
Commission expense		<u>(4,285,629)</u>	<u>(3,927,062)</u>
Net underwriting result		4,996,948	5,162,443
Investment income – net	18	1,095,828	1,591,970
Expected credit losses on financial assets		(27,621)	(3,018)
Other operating (expense) / income		28,456	(3,828)
Third party administration fees		(348,607)	(378,150)
General and administrative expenses		(3,294,418)	(3,189,577)
Finance cost		(34,811)	(515)
Amortisation of Intangible Assets		<u>(5,899)</u>	<u>(5,899)</u>
Profit before income tax		2,409,876	3,173,426
Income tax expense	19	<u>(351,889)</u>	<u>(462,008)</u>
Profit for the period		<u>2,057,987</u>	<u>2,711,418</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		(4,061)	(148)
Change in value of debt investments carried at fair value through other comprehensive income– net		(167,908)	(591,023)
<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>626,290</u>	<u>282,338</u>
Other comprehensive income / (expense) for the period		454,321	(308,833)
Total comprehensive income for the period		<u>2,512,308</u>	<u>2,402,585</u>
Earnings per share - basic and diluted	20	<u>0.008</u>	<u>0.010</u>

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

The attached notes 1 to 25 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 2022

	Share capital RO	Legal reserve RO	Contingency reserve RO	Revaluation reserve RO	Fair value reserve RO	Foreign exchange fluctuation reserve RO	Retained earnings RO	Total equity RO
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)	2,711,418	2,402,585
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	(89,168)	-	89,168	-
Dividends declared and paid (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)	<u>26,500,000</u>	<u>8,532,859</u>	<u>13,654,290</u>	<u>447,420</u>	<u>40,781</u>	<u>(23,858)</u>	<u>11,396,553</u>	<u>60,548,045</u>
At 1 January 2022	26,500,000	8,833,333	15,147,024	352,345	259,524	(21,976)	15,357,050	66,427,300
Profit for the period	-	-	-	-	-	-	2,057,987	2,057,987
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	458,382	-	-	458,382
Change in foreign exchange fluctuation reserve	-	-	-	-	-	(4,061)	-	(4,061)
Total comprehensive income for the period	-	-	-	-	458,382	(4,061)	2,057,987	2,512,308
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	(89,621)	-	89,621	-
Transfer to contingency reserve	-	-	780,190	-	-	-	(780,190)	-
At 31 March 2022 (Unaudited)	<u>26,500,000</u>	<u>8,833,333</u>	<u>15,927,214</u>	<u>352,345</u>	<u>628,285</u>	<u>(26,037)</u>	<u>16,724,468</u>	<u>68,939,608</u>

The attached notes 1 to 25 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 2022

		31 March 2022	31 March 2021
	Notes	RO (Unaudited)	RO (Unaudited)
Cash flows from operating activities			
Profit before taxation		2,409,876	3,173,426
Adjustments for:			
Unrealised loss on investments at FVTPL (net)	18	89,514	-
Realised gain on investments at FVTPL, FVOCI, Amortised cost – net	18	-	(391,890)
Provision for / (reversal of) expected credit loss of financial assets		27,621	3,018
Allowance for impaired debts		121,658	123,509
Provision for employees' end of service benefits		126,652	105,158
Interest income net of amortization	18	(1,054,080)	(987,973)
Finance cost		34,811	515
Dividend income	18	(141,172)	(221,829)
Depreciation		239,271	230,196
Amortisation of Intangible Assets		5,899	5,899
Operating cash flows before movement in working capital		1,860,050	2,040,029
Changes in:			
Insurance and reinsurance receivables		(28,376,007)	(25,389,564)
Other receivables and prepayments		(1,208,770)	(1,233,740)
Reinsurance share of outstanding claims and IBNR reserve		(2,354,137)	(1,009,525)
Reinsurance share of actuarial / mathematical and unexpired risk reserve		(2,556,852)	(3,813,873)
Gross outstanding claims and IBNR reserve		12,596,456	8,486,552
Gross actuarial / mathematical and unexpired risk reserve		22,286,211	20,709,370
Due to reinsurers		3,068,721	3,318,780
Other liabilities		(7,197,212)	(5,994,112)
		(1,881,540)	(2,886,083)
Employees' end of service benefits paid		(49,742)	(4,416)
Income tax paid		(399)	(6,588)
Net cash used in operating activities		(1,931,681)	(2,897,087)
Cash flows from investing activities			
Movement in bank deposits		110,671	(5,304,799)
Purchase of property and equipment		(84,880)	(154,975)
Purchase of investment securities		(118,209)	(1,261,108)
Proceeds from disposal of investment securities		1,125,455	6,088,291
Interest income received from bank deposits, bonds and securities		1,831,743	1,337,379
Dividends received		61,676	56,490
Net movement in loans to policyholders		1,276	4,826
Net cash from investing activities		2,927,732	766,104
Cash flows from financing activities			
Finance cost paid		(34,811)	(515)
(Repayment of) / proceeds from short term loan		3,150,000	3,400,000
Net cash from financing activities		3,115,189	3,399,485
Net (decrease) / increase in cash and cash equivalents		4,111,240	1,268,502
Currency translation adjustment		(4,061)	(148)
Cash and cash equivalents at the beginning of the period	4	14,469,199	10,267,621
Cash and cash equivalents at the end of the period	4	18,576,378	11,535,975

The attached notes 1 to 25 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 2022

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 2021. 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 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the results for the three month period ended 31 March 2022 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 2021, 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 2021.

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 2022, 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 2021.

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 2022
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 2021.

4 Cash and cash equivalents

	31 March 2022	31 December 2021	31 March 2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Balances with banks	18,535,525	14,448,802	11,510,067
Cash in hand	40,853	20,397	25,908
Cash and cash equivalents	18,576,378	14,469,199	11,535,975
Less: ECL on cash and bank balances	(53,206)	(37,791)	(34,975)
Cash and cash equivalents – net of ECL	18,523,172	14,431,408	11,501,000

5 Bank deposits

	31 March 2022	31 December 2021	31 March 2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Deposits	47,389,465	47,500,135	46,982,930
Less: ECL on bank deposits	(106,924)	(106,805)	(98,935)
	47,282,541	47,393,330	46,883,995

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 2022
6 Investment securities

	31 March 2022	31 December 2021	31 March 2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Investments at fair value through profit or loss	6(a) 1,273,517	1,363,031	288,247
Investments carried at amortised cost	6(b) 11,193,557	11,197,834	14,204,783
Investment carried at fair value through other comprehensive income	6(c) 37,359,216	38,110,950	32,148,742
	49,826,290	50,671,815	46,641,772

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

	31 March 2022		31 December 2021		31 March 2021	
	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	1,273,517	1,273,695	1,363,031	1,273,695	288,247	149,319
	1,273,517	1,273,695	1,363,031	1,273,695	288,247	149,319

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

	31 March 2022	31 December 2021	31 March 2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
At 1 January	1,363,031	-	-
Additions during the period / year	-	1,273,695	297,814
Fair value changes (note 18)	(89,514)	89,336	(9,567)
At 31 March / 31 December	1,273,517	1,363,031	288,247

6 (b) Investments carried at amortised cost

	31 March 2022	31 December 2021	31 March 2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Bonds - over one year from the date of inception	11,222,002	11,226,661	14,238,305
Less: ECL on Investments carried at amortised cost	(28,445)	(28,827)	(33,522)
	11,193,557	11,197,834	14,204,783
Annual interest rates	4% to 6.75%	4% to 6.75%	4% to 6.75%

(i) Movement in investments carried at amortised cost:

	31 March 2022	31 December 2021	31 March 2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
At 1 January	11,197,834	14,204,940	14,204,940
Matured / sold during the period / year	-	(3,330,248)	-
Amortisation during the year	(4,659)	(11,176)	(664)
Realised gain on disposal	-	329,116	-
Movement in Expected credit losses	382	5,202	507
At 31 March / 31 December	11,193,557	11,197,834	14,204,783

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 2022**
6 Investment securities (continued)
6 (c) Investments carried at fair value through other comprehensive income (FVOCI)

	31 March 2022		31 December 2021		31 March 2021	
	Market value	Cost	Market value	Cost	Market value	Cost
	RO (Unaudited)	RO (Unaudited)	RO (Audited)	RO (Audited)	RO (Unaudited)	RO (Unaudited)
Local						
Quoted	<u>28,713,057</u>	<u>28,856,201</u>	29,895,152	29,872,971	24,778,047	24,590,515
	28,713,057	28,856,201	29,895,152	29,872,971	24,778,047	24,590,515
Foreign						
Unquoted	81,382	722,179	81,382	722,179	119,579	853,449
Quoted	<u>8,564,777</u>	<u>7,055,204</u>	8,134,416	7,209,040	7,251,116	6,739,562
	8,646,159	7,777,383	8,215,798	7,931,219	7,370,695	7,593,011
Local and Foreign	<u>37,359,216</u>	<u>36,633,584</u>	<u>38,110,950</u>	<u>37,804,190</u>	<u>32,148,742</u>	<u>32,183,526</u>

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

	31 March 2022 RO (Unaudited)	31 December 2021 RO (Audited)	31 March 2021 RO (Unaudited)
At 1 January	38,110,950	37,034,234	37,034,234
Additions during the period / year	118,209	11,986,973	963,294
Disposals during the period / year	(1,352,047)	(12,375,573)	(5,893,465)
Realised gain on disposal (note 18)	-	499,342	401,457
Fair value change	482,104	965,974	(356,778)
At 31 March / 31 December	<u>37,359,216</u>	<u>38,110,950</u>	<u>32,148,742</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 150,345 (31 December 2021 - loss of RO 397,351 and 31 March 2021 - loss of RO 591,023) and Change in value of investments carried at FVOCI – gain of RO 608,727 (31 December 2021 - gain of RO 1,307,552 and 31 March 2021 – gain of RO 282,338). 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

	Country	Holding %	31 March 2022	31 December 2021	31 March 2021
			Carrying value RO	Carrying value RO	Carrying value RO
NLGIC support services Pvt. Ltd. (NSSPL)	India	100.00	364,803	328,206	285,886
Inayah TPA LLC	UAE	100.00	630,749	621,553	597,891
			<u>995,552</u>	<u>949,759</u>	<u>883,777</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 2022
7 Insurance and reinsurance receivables

	31 March 2022			31 December 2021			31 March 2021		
	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)	Life RO (Audited)	General RO (Audited)	Total RO (Audited)	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)
Insurance receivables	73,737,301	4,779,552	78,516,853	44,809,079	4,547,647	49,356,726	60,885,085	4,130,550	65,015,635
Reinsurance balances receivables	1,162,715	614,139	1,776,854	1,713,537	871,234	2,584,771	5,359,771	388,812	5,748,583
	<u>74,900,016</u>	<u>5,393,691</u>	<u>80,293,707</u>	<u>46,522,616</u>	<u>5,418,881</u>	<u>51,941,497</u>	<u>66,244,856</u>	<u>4,519,362</u>	<u>70,764,218</u>
Allowance for expected credit losses	(1,770,459)	(886,307)	(2,656,766)	(1,728,178)	(830,727)	(2,558,905)	(1,473,105)	(869,208)	(2,342,313)
	<u>73,129,557</u>	<u>4,507,384</u>	<u>77,636,941</u>	<u>44,794,438</u>	<u>4,588,154</u>	<u>49,382,592</u>	<u>64,771,751</u>	<u>3,650,154</u>	<u>68,421,905</u>
Movement in allowance for expected credit losses:									
At 1 January	1,728,178	830,727	2,558,905	1,368,477	850,327	2,218,804	1,368,477	850,327	2,218,804
Provided during the period / year	50,275	71,383	121,658	458,268	25,922	484,190	104,628	18,881	123,509
Written off during the period / year	(7,994)	(15,803)	(23,797)	(98,567)	(45,522)	(144,089)	-	-	-
At 31 March / 31 December	<u>1,770,459</u>	<u>886,307</u>	<u>2,656,766</u>	<u>1,728,178</u>	<u>830,727</u>	<u>2,558,905</u>	<u>1,473,105</u>	<u>869,208</u>	<u>2,342,313</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

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8 Other receivables and prepayments

	31 March 2022 RO (Unaudited)	31 December 2021 RO (Audited)	31 March 2021 RO (Unaudited)
Receivable from other insurance companies and individuals	2,597,603	2,513,645	1,501,377
Receivable from medical providers	559,058	-	-
Other receivables	5,626,305	4,744,571	4,232,263
Accrued interest	1,026,286	1,772,906	1,178,714
	9,809,252	9,031,122	6,912,354
Provision for doubtful debts	(389,195)	(389,195)	(349,513)
Expected credit losses of other receivables	(20,573)	(17,996)	(7,049)
	9,399,484	8,623,931	6,555,792

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 54,185,694 (31 December 2021 - RO 52,921,238 and 31 March 2021 - RO 47,094,274). 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 (2021: 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 1,014,663 (31 December 2021 - RO 1,014,663 and 31 March 2021 - RO 1,007,975) and RO 3,216,850 (31 December 2021 - RO 3,216,850 and 31 March 2021 - 2,452,450) 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 2021 - RO 5,000,000 and 31 March 2021 - 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 nil credit facility (31 December 2021 - RO 3,256,860 and 31 March 2021 - 3,689,000) with local bank which are secured by way of 110% of amount held under fixed deposit with the bank.

10 Share capital

	31 March 2022 RO (Unaudited)	31 December 2021 RO (Audited)	31 March 2021 RO (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 30 Mar 2022 (2021 - annual general meeting dated 28 Mar 2021) approved nil cash dividend (31 December 2021 – cash dividend of RO 9,275,000 which has been paid).

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 2022

12 Claims

Life and general	31 March 2022			31 December 2021			31 March 2021		
	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	19,707,578	(4,192,891)	15,514,687	15,798,077	(4,119,131)	11,678,946	15,798,077	(4,119,131)	11,678,946
- Incurred but not reported	9,010,184	(2,091,783)	6,918,401	7,372,999	(1,748,027)	5,624,972	7,372,999	(1,748,027)	5,624,972
	28,717,762	(6,284,674)	22,433,088	23,171,076	(5,867,158)	17,303,918	23,171,076	(5,867,158)	17,303,918
Add: Claims provided during the period / year	32,465,915	(6,268,703)	26,197,212	116,929,034	(24,312,425)	92,616,609	28,524,051	(5,814,444)	22,709,607
Less: Claims paid during the period / year	(19,869,459)	3,914,566	(15,954,893)	(111,382,348)	23,894,909	(87,487,439)	(20,037,499)	4,804,918	(15,232,581)
At 31 March / 31 December	41,314,218	(8,638,811)	32,675,407	28,717,762	(6,284,674)	22,433,088	31,657,628	(6,876,684)	24,780,944
Analysis of outstanding claims at 31 March / 31 December									
- Claims incurred	32,635,061	(6,402,327)	26,232,734	19,707,578	(4,192,891)	15,514,687	23,784,623	(5,028,767)	18,755,856
- Incurred but not reported	8,679,157	(2,236,484)	6,442,673	9,010,184	(2,091,783)	6,918,401	7,873,005	(1,847,917)	6,025,088
	41,314,218	(8,638,811)	32,675,407	28,717,762	(6,284,674)	22,433,088	31,657,628	(6,876,684)	24,780,944

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 2022
13 Gross actuarial / mathematical and unexpired risk reserve

	31 March 2022	31 December 2021	31 March 2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Actuarial / mathematical and unexpired risk reserve - life assurance			
Gross	71,303,357	49,472,746	63,803,590
Reinsurers' share	<u>(13,533,050)</u>	<u>(10,983,411)</u>	<u>(13,896,808)</u>
	<u>57,770,307</u>	<u>38,489,335</u>	<u>49,906,782</u>
Unexpired risk reserve – general insurance			
Gross	8,233,624	7,778,024	8,447,293
Reinsurers' share	<u>(254,217)</u>	<u>(247,004)</u>	<u>(224,980)</u>
	<u>7,979,407</u>	<u>7,531,020</u>	<u>8,222,313</u>
Actuarial / mathematical and unexpired risk reserve – total			
Gross	79,536,981	57,250,770	72,250,883
Reinsurers' share	<u>(13,787,267)</u>	<u>(11,230,415)</u>	<u>(14,121,788)</u>
	<u>65,749,714</u>	<u>46,020,355</u>	<u>58,129,095</u>

Movement during the period / year:

	31 March 2022	31 December 2021	31 March 2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Actuarial / mathematical and unexpired risk reserve – life assurance			
At 1 January	38,489,335	33,234,577	33,234,577
Net movement in the statement of comprehensive income	19,280,972	5,254,758	16,672,205
At 31 March / 31 December	<u>57,770,307</u>	<u>38,489,335</u>	<u>49,906,782</u>
Unexpired risk reserve – general insurance			
At 1 January	7,531,020	7,999,021	7,999,021
Net movement in the statement of comprehensive income	448,387	(468,001)	223,292
At 31 March / 31 December	<u>7,979,407</u>	<u>7,531,020</u>	<u>8,222,313</u>

14 Due to reinsurers

	31 March 2022	31 December 2021	31 March 2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Reinsurance balances payable – life insurance	10,071,145	7,042,631	10,230,419
Reinsurance balances payable – general insurance	<u>1,275,574</u>	<u>1,235,367</u>	<u>1,176,390</u>
	<u>11,346,719</u>	<u>8,277,998</u>	<u>11,406,809</u>

15 Other liabilities

	31 March 2022	31 December 2021	31 March 2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Accounts payable	951,357	8,801,255	779,106
Commission Payable	7,730,553	6,429,312	6,499,634
Accrued expenses	2,925,312	4,143,290	3,995,806
Other payables	6,159,660	5,580,349	14,207,063
Employees' end of service benefits	<u>1,091,996</u>	<u>1,015,086</u>	<u>959,158</u>
	<u>18,858,878</u>	<u>25,969,292</u>	<u>26,440,767</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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16 Contingent liabilities
(a) Contingencies

At 31 March 2022, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Group amounting to RO 452,770 (31 December 2021 - RO 293,273 and 31 March 2021 – RO 263,568) 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 2022 RO (Unaudited)	31 December 2021 RO (Audited)	31 March 2021 RO (Unaudited)
Net assets (RO)	<u>68,939,608</u>	<u>66,427,300</u>	<u>60,548,045</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>0.260</u>	<u>0.251</u>	<u>0.228</u>

18 Investment income – net

	31 March 2022 RO (Unaudited)	31 March 2021 RO (Unaudited)
Interest income on bank deposits and other investments	491,315	459,226
Interest income on bonds, net of amortisation charge	562,630	528,701
Interest income on loans to policy holders	135	46
Dividend income	141,172	221,829
Net unrealised (loss) / gain on investments carried at fair value through profit or loss	(89,514)	(9,567)
Net realised gain on investment carried at FVOCI – debt instruments	-	401,457
	<u>1,105,738</u>	<u>1,601,692</u>
Investment acquisition cost and portfolio management fees	<u>(9,910)</u>	<u>(9,722)</u>
	<u>1,095,828</u>	<u>1,591,970</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
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For the three months ended 31 March 2022
19 Income tax

	31 March 2022	31 March 2021
	RO	RO
	(Unaudited)	(Unaudited)
Statement of comprehensive income:		
Current tax		
- For the year	382,642	480,976
Deferred tax	(30,753)	(18,968)
	351,889	462,008
	31 March 2022	31 December 2021
	RO	RO
	(Unaudited)	(Audited)
Current liability		
Income tax payable	1,647,059	1,273,478
Non-current asset		
Deferred tax asset	221,680	259,592
		31 March 2021
		RO
		(Unaudited)
		3,039,359

The tax rate applicable to the Parent Company is 15% (31 March 2021 – 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 2022	31 March 2021
	(Unaudited)	(Unaudited)
Profit for the three months ended (RO)	2,057,987	2,711,418
Weighted average number of shares outstanding @ RO 0.100 per share	265,000,000	265,000,000
Basic and diluted earnings per share (RO)	0.008	0.010

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.

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 2022

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 2022 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income							
Gross premium income	1,032,058	100,017	-	713,709	-	-	218,332
Claims expense	637,475	17,780	-	476,222	-	-	143,473
Reinsurer's share of claims paid	-	-	-	-	-	-	-
Interest income on deposits	203,138	-	-	203,138	-	-	-
Bonds Interest & Dividend Income	41,410	34,952	-	6,458	-	-	-
Commission expense	67,263	-	-	44,854	-	-	22,409
Other expenses	95,333	-	-	62,418	-	-	32,915
Director sitting fees	11,157	-	10,559	-	598	-	-
Directors' remuneration	37,500	-	37,500	-	-	-	-
Other Transactions							
Short Term Loan repayment	2,650,000	-	-	2,650,000	-	-	-
Maturity of Bonds	983,608	-	-	983,608	-	-	-
Investment in Deposits	3,288,608	-	-	3,288,608	-	-	-
Maturity/ Liquidation of Deposit	3,288,608	-	-	3,288,608	-	-	-
Increase in bank balances	899,913	-	-	899,913	-	-	-
Decrease in bank balances	47,111	-	-	47,111	-	-	-
Statement of financial position							
Directors' remuneration & sitting fees	192,707	-	192,101	-	606	-	-
Claims payable to related parties	998,729	12,101	-	778,867	-	-	207,761
Commission payable	215,814	-	-	16,093	-	-	199,721
Payable to related parties	5,708,111	-	-	5,708,111	-	-	-
Receivable from related parties	4,505	-	-	-	4,505	-	-
Bank balances	1,926,304	-	-	1,926,304	-	-	-
Fixed deposits balances	16,141,392	-	-	16,141,392	-	-	-
Premium receivable from related parties	1,002,408	101,959	-	454,954	-	-	445,495
Investment in Bonds	8,945,548	5,245,368	-	3,700,180	-	-	-
Reinsurance balance receivable	8,079	-	-	8,079	-	-	-
Accrued interest receivable	201,759	-	-	201,759	-	-	-

During January to March 2022, subsidiary in India (NSSPL) has charged the parent company service fees of RO 180,579. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 40,658. Carrying value of investment as on 31.03.2022 is RO 364,803 and due to NSSPL as at 31.03.2022 is RO 24,839.

During January to March 2022, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 193,121 and paid rental to the parent company of RO 6,321. The Parent Company has accounted Inayah Share of profit from subsidiary of RO 9,196. Carrying value of investment as on 31.03.2022 is RO 630,750, it's related intangibles are RO 296,662 and due to Inayah TPA LLC as at 31.03.2022 is RO 280,570.

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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 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.

No major provision has been required during three months ended 31 March 2022 (31 March 2021 – nil) in respect of amounts due from related parties.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

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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 2022	31 March 2021
	RO	RO
	(Unaudited)	(Unaudited)
Short-term benefits	236,562	171,637
Employees' end of service benefits & leave salary accrual	88,569	24,894
	325,131	196,531
Number of key management personnel	9	8

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the three months ended 31 March 2022**
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 2022 and 31 March 2021.

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 2022 (Unaudited)	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	56,889,734	5,207,828	-	62,097,562
Movement in unearned premiums	(21,830,611)	(455,600)	-	(22,286,211)
Gross premiums earned	35,059,123	4,752,228	-	39,811,351
Insurance premium ceded to reinsurers	(8,193,942)	(363,545)	-	(8,557,487)
Movement in unearned premiums	2,549,639	7,213	-	2,556,852
Premium ceded to reinsurers, earned	(5,644,303)	(356,332)	-	(6,000,635)
Net premiums	29,414,820	4,395,896	-	33,810,716
Claims	(27,830,507)	(4,635,408)	-	(32,465,915)
Reinsurers' share of claims	5,411,628	857,076	-	6,268,704
Net claims	(22,418,879)	(3,778,332)	-	(26,197,211)
Income from policy fees	33,091	430,444	-	463,535
Commission income on premium ceded to reinsurers	1,155,585	49,952	-	1,205,537
Commission expense	(3,583,617)	(702,012)	-	(4,285,629)
Net underwriting results	4,601,000	395,948	-	4,996,948
Investment income – net	728,404	417,278	(49,854)	1,095,828
ECL on financial assets	(15,571)	(12,050)	-	(27,621)
Other operating (loss) / income	35,638	(861)	(6,321)	28,456
Third party administration fees	(348,607)	-	-	(348,607)
General and administrative expenses	(2,445,272)	(855,467)	6,321	(3,294,418)
Finance cost	(34,811)	-	-	(34,811)
Amortisation of intangible assets	(5,899)	-	-	(5,899)
Income tax	(351,889)	-	-	(351,889)
Profit for the period	2,162,993	(55,152)	(49,854)	2,057,987

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22 Segmental information (continued)
22.1 Primary reporting format - business segments (continued)

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	<u>(20,430,919)</u>	<u>(278,451)</u>	-	<u>(20,709,370)</u>
Gross premiums earned	<u>30,784,397</u>	<u>4,960,928</u>	-	<u>35,745,325</u>
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	<u>(5,275,951)</u>	<u>(265,231)</u>	-	<u>(5,541,182)</u>
Net premiums	<u>25,508,446</u>	<u>4,695,697</u>	-	<u>30,204,143</u>
Claims	(25,049,873)	(3,474,178)	-	(28,524,051)
Reinsurers' share of claims	5,722,206	92,238	-	5,814,444
Net claims	<u>(19,327,667)</u>	<u>(3,381,940)</u>	-	<u>(22,709,607)</u>
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	<u>(3,204,937)</u>	<u>(722,125)</u>	-	<u>(3,927,062)</u>
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 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	<u>(366,477)</u>	<u>(95,531)</u>	-	<u>(462,008)</u>
Profit for the period	<u>2,171,861</u>	<u>561,961</u>	<u>(22,404)</u>	<u>2,711,418</u>
	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
31 March 2022 (Unaudited)				
Segment assets	<u>184,658,718</u>	<u>48,935,706</u>	<u>(1,300,961)</u>	<u>232,293,463</u>
Segment liabilities	<u>135,321,006</u>	<u>28,338,258</u>	<u>(305,409)</u>	<u>163,353,855</u>
31 December 2021 (Audited)				
Segment assets	<u>152,680,345</u>	<u>44,001,315</u>	<u>(1,265,060)</u>	<u>195,416,600</u>
Segment liabilities	<u>103,992,510</u>	<u>25,312,091</u>	<u>(315,301)</u>	<u>128,989,300</u>
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>

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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 2022 and 31 March 2021.

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 2022 (Unaudited)						
Gross premium written	27,952,831	32,444,402	1,700,329	-	-	62,097,562
Movement in unearned premiums	(10,691,683)	(11,341,470)	(253,058)	-	-	(22,286,211)
Gross premiums earned	17,261,148	21,102,932	1,447,271	-	-	39,811,351
Insurance premium ceded to reinsurers	(1,235,332)	(7,161,640)	(160,515)	-	-	(8,557,487)
Movement in unearned premiums	37,703	2,431,923	87,226	-	-	2,556,852
Premium ceded to reinsurers, earned	(1,197,629)	(4,729,717)	(73,289)	-	-	(6,000,635)
Net premiums	16,063,519	16,373,215	1,373,982	-	-	33,810,716
Claims	(15,077,643)	(16,300,752)	(1,087,520)	-	-	(32,465,915)
Reinsurers' share of claims	1,943,367	4,250,751	74,586	-	-	6,268,704
Net claims	(13,134,276)	(12,050,001)	(1,012,934)	-	-	(26,197,211)
Income from policy fees	422,713	31,795	9,027	-	-	463,535
Commission income on premium ceded to reinsurers	50,071	1,128,115	27,351	-	-	1,205,537
Commission expense	(1,471,668)	(2,577,952)	(236,009)	-	-	(4,285,629)
Net underwriting results	1,930,359	2,905,172	161,417	-	-	4,996,948
Investment income – net	930,661	286,829	(71,808)	-	(49,854)	1,095,828
ECL on financial assets	(21,206)	(6,870)	455	-	-	(27,621)
Other operating (loss) / income	(1,571)	36,091	257	-	(6,321)	28,456
Third party administration fees	(47,539)	(614,070)	(60,698)	373,700	-	(348,607)
General and administrative expenses	(2,063,764)	(741,646)	(172,183)	(323,146)	6,321	(3,294,418)
Finance cost	(34,811)	-	-	-	-	(34,811)
Amortisation of intangible assets	(5,899)	-	-	-	-	(5,899)
Income tax	(351,189)	-	-	(700)	-	(351,889)
Profit / (loss) for the period	335,041	1,865,506	(142,560)	49,854	(49,854)	2,057,987

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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 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 income / (loss)	(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

	Oman RO	UAE RO	Kuwait RO	Subsidiaries RO	Adjustments and eliminations RO	Total RO
31 March 2022 (Unaudited)						
Segment assets	134,407,727	86,705,160	11,162,012	1,319,525	(1,300,961)	232,293,463
Segment liabilities	90,421,505	67,365,669	5,548,117	323,973	(305,409)	163,353,855
31 December 2021 (Audited)						
Segment assets	115,832,156	68,128,438	10,662,833	2,058,233	(1,265,060)	195,416,600
Segment liabilities	71,122,700	52,203,491	4,869,936	1,108,474	(315,301)	128,989,300
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

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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 2021. There have been no material changes in the risk management policies since year ended 31 December 2021.

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 2022 (Unaudited)	Level 1	Level 2	Total
Investments	<u>38,551,351</u>	<u>81,382</u>	<u>38,632,733</u>
31 December 2021 (Audited)	Level 1	Level 2	Total
Investments	<u>39,392,599</u>	<u>81,382</u>	<u>39,473,981</u>
31 March 2021 (Unaudited)	Level 1	Level 2	Total
Investments	<u>32,317,410</u>	<u>119,579</u>	<u>32,436,989</u>

There were no transfers between any levels mentioned above.

25 Subsequent event

On 03rd April 2022, the Company has entered into agreements to fully acquire of Royal & Sun Alliance Insurance (Middle East) BSC ('RSA Middle East'), from Sun Alliance Insurance Overseas LTD (SAIO), a fully owned entity of Royal & Sun Alliance Insurance Limited. The Company will execute the transaction in two parts: (i) Acquiring 50.00002% shareholding in RSA Middle East from SAIO; and (ii) Exchange the remaining shares of RSA Middle East, owned by Saudi shareholders, for new shares to be issued by the Company. The acquisition is subject to the respective regulatory and company's shareholders approvals.