

DIRECTORS' REPORT

FOR SIX MONTHS ENDED 30 JUNE 2019

Dear Shareholders,

I have the pleasure to present to you, the Director's Report on behalf of the Board of Directors of National Life & General Insurance Co SAOG ("the Company" or "NLGIC")

At the outset, I am proud to confirm that, as per the recently published Oman Insurance Sector Annual Statistical Report by the Capital Market Authority, for the year 2018, NLGIC continues to maintain its number one ranking in terms of Gross Written Premiums, Investment Income and Net Profit after Tax.

Performance Highlights for the six months period ended 30 June 2019:

The company continues to deliver strong performance in H1 2019 with improved results across key parameters as compared to corresponding period of the previous year

Amounts in RO '000	Jan-Jun 2019	Jan-Jun 2018	Variance
Gross premiums	89,024	81,702	9%
Net Underwriting Result	10,822	10,358	4%
Investment Income	1,627	1,472	11%
Profit after Tax	5,143	5,113	1%

Gross Premiums and Net Underwriting Results:

Gross Written Premium (GWP) has grown by 9% to RO 89 million as compared to RO 81.7 million in the corresponding period of the previous year. Group medical business in Oman has been the key contributor to the growth in GWP during the H1 2019.

The Net Underwriting Result (NUR) of RO 10.8 million is 4% higher than NUR of RO 10.4 million in the corresponding period of the previous year. With improved loss ratios, the General Insurance business in Oman is the main reason for the growth in the NUR of the company.

Investment Income:

The Company's investment strategy to move towards higher yielding bonds has resulted in improved performance in the investment income. The company's investment income increased by 11% to RO 1.6 million as compared to RO 1.5 million in the corresponding period of the previous year.

Net Profit After Tax (NPAT):

With positive growth across all parameters i.e. the GWP, NUR and Investment Income, the Company has achieved NPAT of RO 5.1 million during H1 2019. The profits are 1% higher than the NPAT of the previous year.

Recent events:

During Q2 2019, the company has won the award for “Innovative Digital Services - Insurance” at Oman Banking and Finance Awards 2019 (New Age Banking Summit held on 30th April 2019). In May 2019, AM Best has affirmed the company’s Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of “bbb+” with stable outlook.

In keeping with company’s vision to contribute to society benefit, NLGIC has extended its support to a range of charitable organizations as well as charitable programs during the holy month of Ramadhan helping the disabled, students and the underprivileged in Oman and the UAE.

Talent development:

The company remains committed to development of local talents and empowering them to realize their potential. Enhanced focus is placed on Omanization that resulted in induction of Omani Nationals in leadership positions as well as attaining Omanization percentage of 75% as at end of June 2019.

Regulatory environment:

The Capital Market Authority has already implemented some new regulations such as New Code of Corporate Governance for listed companies, New Brokers regulations and the New Commercial Companies Law. It is in the process of introducing further regulations such as Rules for Third Party Administrators, Health licensing Criteria for insurance companies, New Regulations for Investing Assets of Insurance Companies, New Solvency requirements for Insurance Companies, etc. The Company welcomes the changes in regulations as a positive step to enhance the regulatory environment with standardized insurance practices and better supervision on all participants of the insurance industry, which will ultimately benefit the customers and the insurance industry as a whole.

Acknowledgements

I take this opportunity 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 hard work and commitment.

We are profoundly thankful to His Majesty Sultan Qaboos Bin Said for his vision and wise leadership for the steady growth, stability and enduring prosperity of our great country. We also extend our heartfelt greetings to His Majesty Sultan Qaboos Bin Said and the people of Oman on the blessed occasion of the 49th Renaissance day.



Khalid Muhammad AlZubair
Chairman

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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30th JUNE 2019**

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 SIX MONTHS ENDED 30th JUNE 2019**

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NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30th June 2019

		30 June 2019	31 December 2018	30 June 2018
	Notes	RO (Unaudited)	RO (Audited)	Restated RO (Unaudited)
ASSETS				
Cash and cash equivalents	4	8,134,066	17,818,846	4,600,973
Bank deposits	5	34,964,744	34,896,420	46,567,130
Premiums and insurance balance receivables	7	77,781,344	43,750,195	55,538,434
Reinsurers' share of outstanding claims	12	10,419,015	9,720,551	13,219,451
Reinsurers' share of actuarial / mathematical and unexpired risk reserve	13	16,372,912	18,407,967	23,262,414
Other receivables and prepayments		7,924,549	4,727,341	4,149,356
Investments at fair value through profit or loss	6(a)	-	1,292,498	2,983,345
Investments carried at amortised cost	6(b)	9,240,914	2,871,739	7,363
Investments carried at fair value through other comprehensive income	6(c)	23,633,964	21,153,006	14,710,880
Loans to policyholders		186,770	218,374	231,630
Investment property	9	-	-	1,150,000
Property and equipment		5,620,343	5,646,648	1,815,949
Deferred tax asset	19	336,981	290,128	279,107
Intangible Assets (including Goodwill)		508,042	519,839	336,830
Total assets		195,123,644	161,313,552	168,852,862
EQUITY AND LIABILITIES				
EQUITY				
Capital and reserves				
Share capital	10	26,500,000	26,500,000	26,500,000
Legal reserve		6,255,214	5,740,890	5,346,553
Contingency reserve		10,402,002	9,354,092	8,698,691
Revaluation reserve		447,420	447,420	447,420
Fair value reserve		(1,343,491)	(1,064,317)	(1,188,960)
Foreign exchange fluctuation reserve		(2,682)	(1,282)	(2,364)
Retained earnings		10,963,159	12,681,669	9,338,146
Total equity		53,221,622	53,658,472	49,139,486
LIABILITIES				
Gross outstanding claims	12	32,329,684	25,048,008	33,038,725
Gross actuarial / mathematical and unexpired risk reserve	13	70,632,875	52,962,614	64,398,185
Due to reinsurers	14	10,172,513	2,554,304	7,882,548
Other liabilities	15	21,945,983	25,477,097	12,441,175
Short term loan and overdraft from banks		5,900,000	-	1,000,000
Income tax payable	19	920,967	1,613,057	952,743
Total liabilities		141,902,022	107,655,080	119,713,376
Total equity and liabilities		195,123,644	161,313,552	168,852,862
Net assets per share	17	0.201	0.202	0.185

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 30 July 2019 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 six months ended 30 June 2019

	Notes	30 June 2019	30 June 2018
		RO	Restated
		(Unaudited)	RO
			(Unaudited)
Gross written premium		89,024,422	81,702,260
Gross premium, earned		71,354,161	63,060,866
Premium ceded to reinsurers, earned		(19,918,515)	(24,554,758)
Net insurance premium revenue		51,435,646	38,506,108
Commission income on premium ceded to reinsurers		2,723,163	5,647,511
Income from policy fees		846,866	895,067
Gross claims expense	12	(56,051,863)	(47,085,285)
Reinsurers' share of claims	12	18,335,770	18,802,398
Commission expense		(6,467,750)	(6,407,905)
Net underwriting result		10,821,832	10,357,894
Investment income – net	18	1,627,310	1,472,305
Expected credit losses on financial assets		5,265	15,112
Other operating expense / income		40,331	(23,496)
Third party administration fees		(951,000)	(1,020,693)
General and administrative expenses		(5,549,460)	(4,747,327)
Finance cost		(37,607)	(7,014)
Amortisation of Intangible Assets		(11,798)	-
Profit before income tax		5,944,873	6,046,781
Income tax	19	(801,638)	(933,601)
Profit for the period		5,143,235	5,113,180
Other comprehensive expense			
Items that will be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(1,400)	(11,896)
Change in value of debt investments carried at fair value through other comprehensive income		86,506	(117,287)
Change in allowance for debt investments		6,663	(31,277)
Items that will not be reclassified to profit or loss:			
Change in value of investments carried at fair value through other comprehensive income		(371,854)	(171,288)
Other comprehensive expense for the period		(280,085)	(331,748)
Total comprehensive income for the period		4,863,150	4,781,432
Earnings per share - basic and diluted	20	0.019	0.019

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 six months ended 30 June 2019

	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 2018 (Restated)	26,500,000	4,810,390	7,733,953	447,420	(833,162)	9,532	10,796,443	49,464,576
IFRS 9 and IFRS 15– Day 1 adjustments	-	-	-	-	(34,792)	-	(868,830)	(903,622)
At 1 January 2019 (Adjusted-Restated)	26,500,000	4,810,390	7,733,953	447,420	(867,954)	9,532	9,927,613	48,560,954
Profit for the period	-	-	-	-	-	-	5,113,180	5,113,180
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	(288,575)	-	-	(288,575)
Change in allowance for debt investments	-	-	-	-	(31,277)	-	-	(31,277)
Change in foreign exchange fluctuation reserve	-	-	-	-	-	(11,896)	-	(11,896)
Total comprehensive income for the period	-	-	-	-	(319,852)	(11,896)	5,113,180	4,781,432
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	(1,154)	-	1,154	-
Dividends declared and paid (Note 11)	-	-	-	-	-	-	(4,202,900)	(4,202,900)
Transfer to legal reserve	-	536,163	-	-	-	-	(536,163)	-
Transfer to contingency reserve	-	-	964,738	-	-	-	(964,738)	-
At 30 June 2018 (Unaudited-Restated)	26,500,000	5,346,553	8,698,691	447,420	(1,188,960)	(2,364)	9,338,146	49,139,486
At 1 January 2019	26,500,000	5,740,890	9,354,092	447,420	(1,064,317)	(1,282)	12,681,669	53,658,472
Profit for the period	-	-	-	-	-	-	5,143,235	5,143,235
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	(285,348)	-	-	(285,348)
Change in allowance for debt investments	-	-	-	-	6,663	-	-	6,663
Change in foreign exchange fluctuation reserve	-	-	-	-	-	(1,400)	-	(1,400)
Total comprehensive income for the period	-	-	-	-	(278,685)	(1,400)	5,143,235	4,863,150
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	(489)	-	489	-
Dividends declared and paid (Note 11)	-	-	-	-	-	-	(5,300,000)	(5,300,000)
Transfer to legal reserve	-	514,324	-	-	-	-	(514,324)	-
Transfer to contingency reserve	-	-	1,047,910	-	-	-	(1,047,910)	-
At 30 June 2019 (unaudited)	26,500,000	6,255,214	10,402,002	447,420	(1,343,491)	(2,682)	10,963,159	53,221,622

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 six months ended 30 June 2019

		30 June 2019	30 June 2018
	Notes	RO	Restated
		(Unaudited)	RO
			(Unaudited)
Operating activities			
Profit before taxation		5,944,873	6,046,781
Adjustments for:			
Net (loss) / gain on investments at fair value through profit or loss		164,209	99,632
Expected credit loss/(release) of financial assets		(5,265)	(15,112)
Allowance for impaired debts		253,733	180,663
Accrual for end on service benefits		90,965	81,794
Interest income	18	(1,423,878)	(1,143,680)
Finance cost		37,607	7,014
Dividend income	18	(380,645)	(458,075)
Expense from investment property	18	-	20,353
Depreciation		404,854	276,434
Amortisation of Intangible Assets		11,798	-
Profit on disposal of property and equipment		(9,994)	(3,077)
		<u>5,088,257</u>	<u>5,092,727</u>
Changes in working capital:			
Premium and insurance balances receivable		(34,284,882)	(17,254,661)
Other receivables and prepayments		(2,837,484)	(518,683)
Reinsurers' share of outstanding claims		(698,464)	(4,564,775)
Reinsurers' share of actuarial / mathematical and unexpired risk reserve		2,035,055	(8,321,536)
Gross outstanding claims		7,281,676	10,616,790
Actuarial / mathematical and unexpired risk reserve		17,670,261	18,641,394
Due to reinsurers		7,618,209	5,073,062
Other liabilities		(3,639,610)	(8,127,039)
		<u>(1,766,982)</u>	<u>637,279</u>
End of service benefits paid		(19,369)	(13,634)
Income tax paid		(1,535,980)	(1,509,207)
Net cash (used in) / from operating activities		<u>(3,322,331)</u>	<u>(885,562)</u>
Investing activities			
Placement in bank deposits (net)		(61,906)	2,845,742
Purchase of property and equipment		(378,555)	(656,173)
Purchase of investment securities		(9,337,809)	(3,401,431)
Proceeds from disposal of investment securities		1,330,938	705,014
Proceeds from disposal of property and equipment		10,000	3,082
Interest received		1,098,334	627,163
Dividends received		380,644	458,075
Expense on investment property	18	-	(20,353)
Net movement in loans to policyholders		31,604	27,594
Net cash used in investing activities		<u>(6,926,750)</u>	<u>588,713</u>
Financing activities			
Finance cost paid		(37,607)	(7,014)
Dividend paid		(5,300,000)	(4,202,900)
Short term loans		5,900,000	1,000,000
Net cash (used in) / from financing activities		<u>562,393</u>	<u>(3,209,914)</u>
Net changes in cash and cash equivalents			
		(9,686,688)	(3,506,763)
Currency translation adjustment		(1,400)	(11,896)
Cash and cash equivalents at the beginning of the period	4	<u>17,818,846</u>	<u>8,119,632</u>
		8,130,758	4,600,973
ECL on closing cash and bank balances		3,308	-
Cash and cash equivalents at the end of the period	4	<u>8,134,066</u>	<u>4,600,973</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

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the six months ended 30 June 2019

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 onwards. During October 2017, the Group has obtained licence 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 2018. 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 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the results for the six month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

The comparative information, included in these unaudited interim condensed consolidated financial statements as at 30 June 2018, are for the six 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 2019 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 2018.

The Group has adopted standard, interpretation or amendment that has been issued and is effective as at 01 January 2019. Although these amendments apply for the first time in 2019, 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 six months ended 30 June 2019, 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 2018.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the six months ended 30 June 2019

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 2018.

4 Cash and cash equivalents

	30 June 2019 RO (Unaudited)	31 December 2018 RO (Audited)	30 June 2018 RO (Unaudited)
Balances with banks	8,129,004	17,821,098	4,587,310
Cash in hand	19,158	15,152	13,663
Less: ECL on cash and bank balances	(14,096)	(17,404)	-
Cash and cash equivalents	8,134,066	17,818,846	4,600,973

5 Bank deposits

	30 June 2019 RO (Unaudited)	31 December 2018 RO (Audited)	30 June 2018 RO (Unaudited)
Deposits	35,003,975	34,942,069	41,853,173
Subordinated deposits	-	-	5,000,000
Less: ECL on bank deposits	(39,231)	(45,649)	(286,043)
	34,964,744	34,896,420	46,567,130

6 Investment securities

	30 June 2019 RO (Unaudited)	31 December 2018 RO (Audited)	30 June 2018 RO (Unaudited)
Investments at fair value through profit or loss	6(a) -	1,292,498	2,983,345
Investments carried at amortised cost	6(b) 9,240,914	2,871,739	7,363
Investment carried at fair value through other comprehensive income	6(c) 23,633,964	21,153,006	14,710,880
	32,874,878	25,317,243	17,701,588

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2019
6 Investment securities (continued)
6(a) Investments at fair value through profit or loss

	30 June 2019		31 December 2018		30 June 2018	
	Market value	Cost	Market value	Cost	Market value	Cost
	RO	RO	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Quoted local						
Banking and investment	-	-	1,292,498	1,647,791	816,555	871,280
Services	-	-	-	-	1,139,863	1,118,018
Mutual Fund	-	-	-	-	1,026,927	1,000,000
	<u>-</u>	<u>-</u>	<u>1,292,498</u>	<u>1,647,791</u>	<u>2,983,345</u>	<u>2,989,298</u>

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

	30 June 2019	31 December 2018	30 June 2018
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
At 1 January	1,292,498	2,571,628	2,571,628
Additions during the period / year	7,625	1,104,671	1,101,431
Disposals during the period / year at cost	(1,135,914)	(2,134,768)	(590,082)
Realised gain on disposal (note 18)	(164,209)	(18,257)	54,890
Fair value changes (note 18)	-	(230,776)	(154,522)
At 30 June / 31 December	<u>-</u>	<u>1,292,498</u>	<u>2,983,345</u>

6 (b) Investments carried at amortised cost

	30 June 2019	31 December 2018	30 June 2018
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Bonds - over one year from the date of inception	9,247,935	2,883,683	7,363
Less: ECL on Investments carried at amortised cost	(7,021)	(11,944)	-
	<u>9,240,914</u>	<u>2,871,739</u>	<u>7,363</u>
Annual interest rates	<u>4% to 6.75%</u>	<u>4% to 5.75%</u>	<u>4%</u>

(i) Movement in investments carried at amortised cost:

	30 June 2019	31 December 2018	30 June 2018
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
At 1 January	2,871,739	18,662	18,662
Additions during the period / year	6,371,616	2,876,320	-
Matured during the period / year	(7,364)	(11,299)	(11,299)
Amortisation during the period / year	-	-	-
Realised gain on maturity (note 18)	-	-	-
Movement in Expected credit losses	4,923	(11,944)	-
At 30 June / 31 December	<u>9,240,914</u>	<u>2,871,739</u>	<u>7,363</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2019
6 Investment securities (continued)
6 (c) Investments carried at fair value through other comprehensive income

	30 June 2019		31 December 2018		30 June 2018	
	Market value RO (Unaudited)	Cost RO (Unaudited)	Market value RO (Audited)	Cost RO (Audited)	Market value RO (Unaudited)	Cost RO (Unaudited)
Local						
Quoted	14,880,272	15,197,679	13,357,014	13,414,653	6,959,162	7,000,117
	14,880,272	15,197,679	13,357,014	13,414,653	6,959,162	7,000,117
Foreign						
Unquoted	119,579	853,449	119,579	853,448	133,697	901,968
Quoted	8,634,113	9,218,360	7,676,413	8,229,990	7,618,021	8,229,990
	8,753,692	10,071,809	7,795,992	9,083,438	7,751,718	9,131,958
	23,633,964	25,269,488	21,153,006	22,498,091	14,710,880	16,132,075

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

	30 June 2019 RO (Unaudited)	31 December 2018 RO (Audited)	30 June 2018 RO (Unaudited)
At 1 January	21,153,006	12,930,004	12,930,004
Transition adjustment on adoption of IFRS-9	-	-	(34,792)
At 1 January (Adjusted)	21,153,006	12,930,004	12,895,212
Additions during the period / year	2,958,568	9,714,536	2,300,000
Disposals during the period / year	(187,660)	(1,125,385)	(103,633)
Realised gain on disposal	489	(25,614)	1,806
Fair value change	(290,439)	(340,535)	(351,228)
Movement in ECL-IFRS 9	-	-	(31,277)
At 30 June / 31 December	23,633,964	21,153,006	14,710,880

6 (d) Investment in subsidiaries

		30 June 2019 Carrying value RO	31 December 2018 Carrying value RO	30 June 2018 Carrying value RO
	Country Holding %		Holding %	Holding %
NLGIC support services Pvt. Ltd. (NSSPL)	India	100.00 226,142	100.00 194,690	100.00 173,454
Inayah TPA LLC	UAE	100.00 890,867	100.00 918,681	100.00 613,836
		1,117,009	1,113,371	787,290

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
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7 Premiums and insurance balance receivables

	30 June 2019			31 December 2018			30 June 2018		
	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)
Premium receivable	55,052,975	3,754,620	58,807,595	30,409,303	3,279,045	33,688,348	49,271,727	3,176,842	52,448,569
Reinsurance balances receivable	20,213,239	69,774	20,283,013	11,013,154	104,224	11,117,378	3,706,006	468,292	4,174,298
	<u>75,266,214</u>	<u>3,824,394</u>	<u>79,090,608</u>	<u>41,422,457</u>	<u>3,383,269</u>	<u>44,805,726</u>	<u>52,977,733</u>	<u>3,645,134</u>	<u>56,622,867</u>
Allowance for impaired debts	(913,336)	(395,928)	(1,309,264)	(735,001)	(320,530)	(1,055,531)	(764,536)	(319,897)	(1,084,433)
	<u>74,352,878</u>	<u>3,428,466</u>	<u>77,781,344</u>	<u>40,687,456</u>	<u>3,062,739</u>	<u>43,750,195</u>	<u>52,213,197</u>	<u>3,325,237</u>	<u>55,538,434</u>
Movement in allowance for impaired debts									
At 1 January	735,001	320,530	1,055,531	697,075	206,695	903,770	697,075	206,695	903,770
Provided during the period / year	178,335	75,398	253,733	77,348	117,418	194,766	67,461	113,202	180,663
Written off during the period / year	-	-	-	(39,422)	(3,583)	(43,005)	-	-	-
At 30 June / 31 December	<u>913,336</u>	<u>395,928</u>	<u>1,309,264</u>	<u>735,001</u>	<u>320,530</u>	<u>1,055,531</u>	<u>764,536</u>	<u>319,897</u>	<u>1,084,433</u>

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8 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 33,363,222 (31 December 2018 - RO 30,884,931 and 30 June 2018 - RO 31,412,476). Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the Capital Market Authority.

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 464,142 (31 December 2018 - RO 459,034 and 30 June 2018 - RO 444,971) and RO 1,274,000 (31 December 2018 - RO 1,274,000 and 30 June 2018 - 1,274,000) 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 provided bank guarantee of RO 50,000 (31 December 2018 - RO 50,000 and 30 June 2018 - RO 50,000) to the Oman Unified Bureau for the Orange Card which is secured by a fixed deposit.

The Group has an overdraft facility of RO 1,900,000 with local bank 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.

9 Investment property

Investment property is stated at fair value (level 2), which has been determined based on the valuations performed by Hamptons International at least once in a year. Hamptons International is an industry specialist in valuing these types of investment properties.

Movement in value of investment property is set out below:

	30 June 2019 RO (Unaudited)	31 December 2018 RO (Audited)	30 June 2018 RO (Unaudited)
At 1 January	-	1,150,000	1,150,000
Fair value change	-	30,000	-
Reclassification to Property and Equipment	-	(1,180,000)	-
At 30 June / 31 December	<u>-</u>	<u>-</u>	<u>1,150,000</u>
Valuation Date	<u>NA</u>	<u>31 December 2018</u>	<u>31 December 2017</u>

10 Share capital

	30 June 2019 RO (Unaudited)	31 December 2018 RO (Audited)	30 June 2018 RO (Unaudited)
At 30 June / 31 December	<u>26,500,000</u>	<u>26,500,000</u>	<u>26,500,000</u>
Nominal Value per share	RO 0.100	RO 0.100	RO 0.100
Number of shares	265,000,000	265,000,000	265,000,000

11 Dividends paid

Shareholders in annual general meeting dated 27 March 2019 (2018 - annual general meeting dated 28 March 2018) approved cash dividend of RO 5,300,000 (31 December 2018 – cash dividend of RO 4,202,900) which was subsequently paid.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

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12 Claims

Life and general	30 June 2019			31 December 2018			30 June 2018		
	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	17,004,173	(6,343,482)	10,660,691	14,922,354	(5,564,331)	9,358,023	14,922,354	(5,564,331)	9,358,023
- Incurred but not reported	8,043,835	(3,377,069)	4,666,766	7,499,581	(3,090,345)	4,409,236	7,499,581	(3,090,345)	4,409,236
	25,048,008	(9,720,551)	15,327,457	22,421,935	(8,654,676)	13,767,259	22,421,935	(8,654,676)	13,767,259
Add: Claims provided during the period / year	56,051,863	(18,335,770)	37,716,093	101,156,584	(41,452,130)	59,704,454	47,085,285	(18,802,398)	28,282,887
Less: Claims paid during the period / year	(48,770,187)	17,637,306	(31,132,881)	(98,530,511)	40,386,255	(58,144,256)	(36,468,495)	14,237,623	(22,230,872)
At 30 June / 31 December	32,329,684	(10,419,015)	21,910,669	25,048,008	(9,720,551)	15,327,457	33,038,725	(13,219,451)	19,819,274
Analysis of outstanding claims at 30 June / 31 December									
- Claims incurred	24,853,296	(8,031,878)	16,821,418	17,004,173	(6,343,482)	10,660,691	26,138,899	(10,486,046)	15,652,853
- Incurred but not reported	7,476,388	(2,387,137)	5,089,251	8,043,835	(3,377,069)	4,666,766	6,899,826	(2,733,405)	4,166,421
	32,329,684	(10,419,015)	21,910,669	25,048,008	(9,720,551)	15,327,457	33,038,725	(13,219,451)	19,819,274

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 six 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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13 Gross actuarial / mathematical and unexpired risk reserve

	30 June 2019	31 December 2018	30 June 2018
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Actuarial / mathematical and unexpired risk reserve - life assurance			
Gross	63,249,690	45,399,305	57,627,532
Reinsurers' share	(15,840,085)	(17,892,867)	(22,829,950)
	<u>47,409,605</u>	<u>27,506,438</u>	<u>34,797,582</u>
Unexpired risk reserve – general insurance			
Gross	7,383,185	7,563,309	6,770,653
Reinsurers' share	(532,827)	(515,100)	(432,464)
	<u>6,850,358</u>	<u>7,048,209</u>	<u>6,338,189</u>
Actuarial / mathematical and unexpired risk reserve – total			
Gross	70,632,875	52,962,614	64,398,185
Reinsurers' share	(16,372,912)	(18,407,967)	(23,262,414)
	<u>54,259,963</u>	<u>34,554,647</u>	<u>41,135,771</u>
<i>Movement during the period / year:</i>			
	30 June 2019	31 December 2018	30 June 2018
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Actuarial / mathematical and unexpired risk reserve – life assurance			
At 1 January	27,506,438	24,852,702	24,852,702
Net movement in the statement of comprehensive income	19,903,167	2,653,736	9,944,880
At 30 June / 31 December	<u>47,409,605</u>	<u>27,506,438</u>	<u>34,797,582</u>
Unexpired risk reserve – general insurance			
At 1 January	7,048,209	5,963,211	5,963,211
Net movement in the statement of comprehensive income	(197,851)	1,084,998	374,978
At 30 June / 31 December	<u>6,850,358</u>	<u>7,048,209</u>	<u>6,338,189</u>
14 Due to reinsurers			
	30 June 2019	31 December 2018	30 June 2018
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Reinsurance balances payable – life insurance	9,513,071	1,988,268	7,210,794
Reinsurance balances payable – general insurance	659,442	566,036	671,754
	<u>10,172,513</u>	<u>2,554,304</u>	<u>7,882,548</u>
15 Other liabilities			
	30 June 2019	31 December 2018	30 June 2018
	RO	RO	Restated RO
	(Unaudited)	(Audited)	(Unaudited)
Accounts payable	13,237,255	16,951,097	4,978,515
Accrued expenses	3,244,100	3,524,821	2,904,767
Other payables	4,752,585	4,360,733	3,944,118
End of service benefits	712,043	640,446	613,775
	<u>21,945,983</u>	<u>25,477,097</u>	<u>12,441,175</u>

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16 Contingent liabilities
(a) Contingencies

At 30 June 2019, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Group amounting to RO 304,916 (31 December 2018 - RO 444,143 and 30 June 2018 – RO 384,983) 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:

	30 June 2019	31 December 2018	30 June 2018
	RO	RO	Restated RO
	(Unaudited)	(Audited)	(Unaudited)
Net assets (RO)	<u>53,221,622</u>	<u>53,658,472</u>	<u>49,139,486</u>
Number of shares outstanding at 30 June / 31 December	<u>265,000,000</u>	<u>265,000,000</u>	<u>265,000,000</u>
Net assets per share (RO)	<u>0.201</u>	<u>0.202</u>	<u>0.185</u>

18 Investment income – net

	30 June 2019	30 June 2018
	RO	RO
	(Unaudited)	(Unaudited)
Interest income on bank deposits and other investments	697,357	929,380
Interest income on bonds, net of amortisation charge	715,664	202,578
Interest income on loans to policy holders	10,857	11,722
Dividend income	380,645	458,075
Expense from investment property	-	(20,353)
Net unrealised (loss) / gain on investments carried at fair value through profit or loss	-	(154,522)
Net realised gain on investment carried at fair value through profit or loss and investment carried at amortised cost	<u>(164,209)</u>	<u>54,890</u>
	<u>1,640,314</u>	<u>1,481,770</u>
Investment acquisition cost and portfolio management fees	<u>(13,004)</u>	<u>(9,465)</u>
	<u>1,627,310</u>	<u>1,472,305</u>

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19 Income tax

	30 June 2019	30 June 2018
	RO	RO
	(Unaudited)	(Unaudited)
Statement of comprehensive income:		
Current tax		
- For the year	925,777	960,864
- For prior years	(85,151)	-
Deferred tax	(38,988)	(27,263)
	801,638	933,601
	30 June 2019	31 December 2018
	RO	RO
	(Unaudited)	(Audited)
Current liability		30 June 2018
Income tax payable	920,967	RO
	1,613,057	(Unaudited)
	952,743	
Non-current asset		
Deferred tax asset	336,981	290,128
	279,107	

The tax rate applicable to the Parent Company is 15% (30 June 2018 – 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 six months ended as follows:

	30 June 2019	30 June 2018
	(Unaudited)	Restated
	5,143,235	(Unaudited)
Profit for the six months ended (RO)	5,143,235	5,113,180
Weighted average number of shares outstanding @ RO 0.100 per share	265,000,000	265,000,000
Basic and diluted earnings per share (RO)	0.019	0.019

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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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	Directors	Subsidiaries	Top Senior	Key	Other
	shareholders	shareholders		& associates	Executives	management	related
				of major		personnel of	parties
				shareholder		major	
						shareholder	
30 June 2019 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income							
Gross premium income	1,896,105	101,237	4,084	1,517,399	-	-	273,385
Claims expense	1,153,113	25,604	-	888,243	-	-	239,266
Interest income on deposits	220,713	-	-	220,713	-	-	-
Income from bonds and equity	284,875	88,881	-	195,994	-	-	-
Commission expense	234,160	-	-	84,194	-	-	149,967
Other expenses	95,401	-	-	80,428	-	-	14,973
Director sitting fees	8,500	-	8,500	-	-	-	-
Directors' remuneration	91,500	-	91,500	-	-	-	-
Other Transactions							
Short Term Loan	4,000,000	-	-	4,000,000	-	-	-
Placement of Deposit	650,000	-	-	650,000	-	-	-
Maturity of Deposit	150,000	-	-	150,000	-	-	-
Movement in bank balances	1,236,611	-	-	1,236,611	-	-	-
Statement of financial position							
Directors' remuneration & sitting fees	91,500	-	91,500	-	-	-	-
Claims payable to related parties	722,707	11,739	-	577,614	-	-	133,354
Commission payable	426,880	-	-	15,515	-	-	411,366
Payable to related parties	4,003,612	-	-	4,003,612	-	-	-
Receivable from related parties	330,823	-	-	320,471	10,352	-	-
Bank balances	2,687,891	-	-	2,687,891	-	-	-
Fixed deposits/Bonds balances	10,675,000	-	-	10,675,000	-	-	-
Premium receivable from related parties	884,046	101,898	4,084	452,799	-	-	325,264
Investment in Bonds	3,550,000	2,300,000	-	1,250,000	-	-	-
Accrued interest receivable	219,013	-	-	219,013	-	-	-

During January to June 2019, subsidiary in India (NSSPL) has charged the parent company service fees of RO 227,527. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 32,852. Carrying value of investment as on 30.06.2019 is RO 226,142 and due to NSSPL as at 30.06.2019 is RO 12,357.

During January to June 2019, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 164,055. The Parent Company has accounted Inayah Share of loss from subsidiary of RO 16,016. Carrying value of investment as on 30.06.2019 is RO 890,867 and due to Inayah TPA LLC as at 30.06.2019 is RO 236,380.

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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
30 June 2018 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income							
Gross premium income	2,331,547	100,676	10,435	1,900,038	100	375	319,924
Claims expense	988,419	16,525	-	830,209	-	-	141,685
Reinsurers' share of claims paid	1,016	-	-	1,016	-	-	-
Interest income on deposits	141,304	-	-	141,304	-	-	-
Rent expenses	40,258	-	-	40,258	-	-	-
Commission expense	280,574	-	-	87,820	-	-	192,753
Other expenses	139,705	-	-	29,223	400	200	109,882
Director sitting fees	11,300	-	11,300	-	-	-	-
Directors' remuneration	88,700	-	88,700	-	-	-	-
Other Transactions							
Subscription of Bonds	2,300,000	2,300,000	-	-	-	-	-
Statement of financial position							
Directors' remuneration & sitting fees	93,900	-	93,900	-	-	-	-
Claims payable to related parties	776,750	10,550	-	707,281	-	-	58,919
Commission payable	397,792	-	-	17,071	-	-	380,721
Payable to related parties	40,207	-	-	-	-	-	40,207
Receivable from related parties	15,112	-	-	-	15,112	-	-
Bank balances	296,880	-	-	296,880	-	-	-
Fixed deposit balances	7,550,000	2,300,000	-	5,250,000	-	-	-
Premium receivable from related parties	1,351,583	7,506	-	1,009,293	-	-	334,783
Reinsurance balance receivable	65,530	-	-	65,530	-	-	-
Accrued interest receivable	87,542	-	-	87,542	-	-	-

During January to June 2018, subsidiary in India (NSSPL) has charged the parent company service fees of RO 182,851. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 17,651. Carrying value of investment as on 30.06.2018 is RO 173,454 and due to NSSPL as at 30.06.2018 is RO 27,917.

During January to June 2018, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 119,556. The Parent Company has accounted Inayah Share of Profit from subsidiary of RO 6,281. Carrying value of investment as on 30.06.2018 is RO 613,836 and due to Inayah TPA LLC as at 30.06.2018 is RO 101,739.

No major provision has been required during six months ended 30 June 2019 (30 June 2018 – 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:

	30 June 2019	30 June 2018
	RO	RO
	(Unaudited)	(Unaudited)
Short-term benefits	299,729	278,465
Employees' end of service benefits & leave salary accrual	41,763	16,666
	341,492	295,131
Number of key management personnel	9	8

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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 six months ended 30 June 2019 and 30 June 2018.

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

30 June 2019 (Unaudited)	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	80,552,542	8,471,880	-	89,024,422
Movement in unearned premiums	(17,850,385)	180,124	-	(17,670,261)
Gross premiums earned	62,702,157	8,652,004	-	71,354,161
Insurance premium ceded to reinsurers	(17,198,878)	(684,582)	-	(17,883,460)
Movement in unearned premiums	(2,052,782)	17,727	-	(2,035,055)
Premium ceded to reinsurers, earned	(19,251,660)	(666,855)	-	(19,918,515)
Net premiums	43,450,497	7,985,149	-	51,435,646
Claims	(51,198,258)	(4,853,605)	-	(56,051,863)
Reinsurers' share of claims	17,958,905	376,865	-	18,335,770
Net claims	(33,239,353)	(4,476,740)	-	(37,716,093)
Income from policy fees	548,043	298,823	-	846,866
Commission income on premium ceded to reinsurers	2,599,493	123,670	-	2,723,163
Commission expense	(5,500,287)	(967,463)	-	(6,467,750)
Net underwriting results	7,858,393	2,963,439	-	10,821,832
Investment income – net	1,053,502	590,644	(16,836)	1,627,310
ECL on financial assets	(8,602)	13,867	-	5,265
Other operating income / (expense)	38,225	2,106	-	40,331
Third party administration fees	(951,000)	-	-	(951,000)
General and administrative expenses	(4,065,997)	(1,483,463)	-	(5,549,460)
Finance cost	(37,607)	-	-	(37,607)
Amortisation of intangible assets	(11,798)	-	-	(11,798)
Income tax	(521,213)	(280,425)	-	(801,638)
Profit for the period	3,353,903	1,806,168	(16,836)	5,143,235

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2019**
22 Segmental information (continued)
22.1 Primary reporting format - business segments (continued)

30 June 2018 (Unaudited-Restated)	Life and medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	73,660,408	8,041,852	-	81,702,260
Movement in unearned premiums	<u>(18,235,053)</u>	<u>(406,341)</u>	-	<u>(18,641,394)</u>
Gross premiums earned	<u>55,425,355</u>	<u>7,635,511</u>	-	<u>63,060,866</u>
Insurance premium ceded to reinsurers	(32,251,578)	(624,716)	-	(32,876,294)
Movement in unearned premiums	8,290,173	31,363	-	8,321,536
Premium ceded to reinsurers, earned	<u>(23,961,405)</u>	<u>(593,353)</u>	-	<u>(24,554,758)</u>
Net premiums	<u>31,463,950</u>	<u>7,042,158</u>	-	<u>38,506,108</u>
Claims	(42,408,646)	(4,676,639)	-	(47,085,285)
Reinsurers' share of claims	18,668,502	133,896	-	18,802,398
Net claims	<u>(23,740,144)</u>	<u>(4,542,743)</u>	-	<u>(28,282,887)</u>
Income from policy fees	727,978	167,089	-	895,067
Commission income on premium ceded to reinsurers	5,527,515	119,996	-	5,647,511
Commission expense	<u>(5,535,249)</u>	<u>(872,656)</u>	-	<u>(6,407,905)</u>
Net underwriting results	8,444,050	1,913,844	-	10,357,894
Investment income – net	1,127,594	368,643	(23,932)	1,472,305
ECL on financial assets	35,220	(20,108)	-	15,112
Other operating (loss) / income	(22,253)	(1,243)	-	(23,496)
Third party administration fees	(1,020,693)	-	-	(1,020,693)
General and administrative expenses	(3,518,298)	(1,229,029)	-	(4,747,327)
Finance cost	(7,014)	-	-	(7,014)
Income tax	<u>(775,872)</u>	<u>(157,729)</u>	-	<u>(933,601)</u>
Profit for the period	<u>4,262,734</u>	<u>874,378</u>	<u>(23,932)</u>	<u>5,113,180</u>
	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
30 June 2019 (Unaudited)				
Segment assets	<u>165,070,180</u>	<u>31,057,658</u>	<u>(1,004,194)</u>	<u>195,123,644</u>
Segment liabilities	<u>115,369,494</u>	<u>26,781,265</u>	<u>(248,737)</u>	<u>141,902,022</u>
31 December 2018 (Audited)				
Segment assets	<u>132,509,581</u>	<u>29,829,631</u>	<u>(1,025,660)</u>	<u>161,313,552</u>
Segment liabilities	<u>80,591,696</u>	<u>27,349,022</u>	<u>(285,638)</u>	<u>107,655,080</u>
30 June 2018 (Unaudited-Restated)				
Segment assets	<u>144,729,196</u>	<u>24,850,272</u>	<u>(726,606)</u>	<u>168,852,862</u>
Segment liabilities	<u>95,633,880</u>	<u>24,209,152</u>	<u>(129,656)</u>	<u>119,713,376</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 six months ended 30 June 2019 and 30 June 2018.

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
30 June 2019 (Unaudited)						
Gross premium written	42,127,849	45,614,926	1,281,647	-	-	89,024,422
Movement in unearned premiums	(10,917,538)	(6,621,884)	(130,839)	-	-	(17,670,261)
Gross premiums earned	31,210,311	38,993,042	1,150,808	-	-	71,354,161
Insurance premium ceded to reinsurers	(2,596,359)	(14,945,234)	(341,867)	-	-	(17,883,460)
Movement in unearned premiums	(2,698,000)	707,368	(44,423)	-	-	(2,035,055)
Premium ceded to reinsurers, earned	(5,294,359)	(14,237,866)	(386,290)	-	-	(19,918,515)
Net premiums	25,915,952	24,755,176	764,518	-	-	51,435,646
Claims	(21,488,861)	(33,488,315)	(1,074,687)	-	-	(56,051,863)
Reinsurers' share of claims	4,817,917	12,961,585	556,268	-	-	18,335,770
Net claims	(16,670,944)	(20,526,730)	(518,419)	-	-	(37,716,093)
Income from policy fees	441,724	397,079	8,063	-	-	846,866
Commission income on premium ceded to reinsurers	430,494	2,292,074	595	-	-	2,723,163
Commission expense	(2,250,478)	(4,043,174)	(174,098)	-	-	(6,467,750)
Net underwriting results	7,866,748	2,874,425	80,659	-	-	10,821,832
Investment income – net	1,206,917	414,995	22,234	-	(16,836)	1,627,310
ECL on financial assets	6,893	(1,568)	(60)	-	-	5,265
Other operating (loss) / income	21,177	16,171	2,983	-	-	40,331
Third party administration fees	(113,028)	(1,171,583)	(57,971)	391,582	-	(951,000)
General and administrative expenses	(3,369,011)	(1,578,649)	(230,156)	(371,644)	-	(5,549,460)
Finance cost	(34,977)	(2,630)	-	-	-	(37,607)
Amortisation of intangible assets	(11,798)	-	-	-	-	(11,798)
Income tax	(798,536)	-	-	(3,102)	-	(801,638)
Profit for the period	4,774,385	551,161	(182,311)	16,836	(16,836)	5,143,235

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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
30 June 2018 (Unaudited-Restated)						
Gross premium written	35,906,776	45,191,988	603,496	-	-	81,702,260
Movement in unearned premiums	(9,309,860)	(8,930,020)	(401,514)	-	-	(18,641,394)
Gross premiums earned	26,596,916	36,261,968	201,982	-	-	63,060,866
Insurance premium ceded to reinsurers	(13,491,502)	(19,114,919)	(269,873)	-	-	(32,876,294)
Movement in unearned premiums	4,291,372	3,809,223	220,941	-	-	8,321,536
Premium ceded to reinsurers, earned	(9,200,130)	(15,305,696)	(48,932)	-	-	(24,554,758)
Net premiums	17,396,786	20,956,272	153,050	-	-	38,506,108
Claims	(17,069,526)	(29,914,737)	(101,022)	-	-	(47,085,285)
Reinsurers' share of claims	6,340,183	12,412,498	49,717	-	-	18,802,398
Net claims	(10,729,343)	(17,502,239)	(51,305)	-	-	(28,282,887)
Income from policy fees	360,729	525,457	8,881	-	-	895,067
Commission income on premium ceded to reinsurers	1,783,372	3,864,009	130	-	-	5,647,511
Commission expense	(2,245,954)	(4,112,302)	(49,649)	-	-	(6,407,905)
Net underwriting results	6,565,590	3,731,197	61,107	-	-	10,357,894
Investment income - net	956,901	518,408	20,928	-	(23,932)	1,472,305
ECL on financial assets	(7,442)	22,554	1,274	-	-	15,112
Other operating (loss) / income	(21,806)	(447)	(1,243)	-	-	(23,496)
Third party administration fees	(98,181)	(1,192,097)	(32,822)	302,407	-	(1,020,693)
General and administrative expenses	(2,818,374)	(1,472,343)	(186,092)	(270,518)	-	(4,747,327)
Finance cost	(7,014)	-	-	-	-	(7,014)
Income tax	(925,644)	-	-	(7,957)	-	(933,601)
Profit / (loss) for the period	3,644,030	1,607,272	(138,122)	23,932	(23,932)	5,113,180

	Oman RO	UAE RO	Kuwait RO	Subsidiaries RO	Adjustments and eliminations RO	Total RO
30 June 2019 (Unaudited)						
Segment assets	103,337,917	87,429,217	4,456,092	904,612	(1,004,194)	195,123,644
Segment liabilities	70,328,333	69,199,347	2,473,924	149,155	(248,737)	141,902,022
31 December 2018(Audited)						
Segment assets	88,450,483	69,612,661	3,167,382	1,108,686	(1,025,660)	161,313,552
Segment liabilities	52,428,561	53,125,028	2,018,465	368,664	(285,638)	107,655,080
30 June 2018 (Unaudited-Restated)						
Segment assets	94,716,399	71,848,804	2,242,419	771,846	(726,606)	168,852,862
Segment liabilities	63,265,611	55,601,303	801,222	174,896	(129,656)	119,713,376

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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 2018. There have been no material changes in the risk management policies since year ended 31 December 2018.

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.

30 June 2019 (Unaudited)	Level 1	Level 2	Total
Investments	<u>23,514,385</u>	<u>119,579</u>	<u>23,633,964</u>
31 December 2018 (Audited)	Level 1	Level 2	Total
Investments	<u>22,325,925</u>	<u>119,579</u>	<u>22,445,504</u>
30 June 2018 (Unaudited)	Level 1	Level 2	Total
Investments	<u>17,560,527</u>	<u>133,697</u>	<u>17,694,225</u>

There were no transfers between any levels mentioned above.

25 Prior period adjustments

The Group has reclassified policy issuance expenses from income from policy fees to commission expenses of the comparative period six months ended 30 June 2018 to maintain consistency. This reclassification has not resulted in change in previous period's reported profit and equity.

The Group has also restated the income from policy fees towards implementation of IFRS 15 w.e.f. 1st January 2018. The restatement has resulted in changes as presented below for the comparative figures of June 2018 to maintain consistency. This restatement has resulted in change of RO 248,449 in previous period's reported profit and RO 816,124 in the equity.

	<i>30 June 2018</i> <i>(as previously reported)</i> <i>RO</i>	<i>Reclassification</i> <i>RO</i>	<i>Restatement</i>	<i>30 June 2018</i> <i>(as reported)</i> <i>RO</i>
Statement of Comprehensive Income				
Income from policy fees	976,504	167,012	(248,449)	895,067
Commission expense	(6,240,893)	(167,012)	-	(6,407,905)
Net Impact on Profit		<u>-</u>	<u>(248,449)</u>	
Statement of Financial Position				
Retained earnings	10,154,270		(816,124)	9,338,146
Accounts payables and other liabilities	11,625,051		816,124	12,441,175