

Directors' Report

For nine months ended 30 September 2021

Dear Shareholders,

On behalf of the Board of Directors of National Life & General Insurance Co SAOG ("the Company" or "NLGIC"), it's my pleasure to present to you the unaudited results of the group for the nine-months ended 30 September 2021.

Performance Highlights for the nine months ended 30 September 2021:

Gross Premiums and Net Underwriting Results:

During the nine-months ended 30 September 2021, Gross Written Premium (GWP) rose by 8% to RO 121.5 million as compared to RO 113 million recorded over the corresponding period of the previous year. The growth in GWP of RO 8.6 million is mainly from overseas operations with increase of RO 5.1 million from UAE and Kuwait and the balance RO 3.5 million from Oman operations.

During the nine-months ended 30 September 2021, the Company has achieved good level of NUR of RO 14.1 million with a 12% margin on GWP (which is within the usual range of margin). The overseas medical operations have shown improved results in the third quarter of 2021, contributing to the Company's third quarter profitability as compared to having losses in the first half of 2021. Conversely, we continued to see high level of Covid claims in the company's Life portfolio and increased loss ratios in Motor portfolio. Upto the third quarter 2021, the Company has incurred Covid claims of RO 3.2 million with net impact of RO 1.2 million after reinsurance recoveries in its Life portfolio.

The Net Underwriting Result (NUR) of RO 14.1 million for the nine-months ended 30 September 2021 is 39% lower than the NUR of RO 23.2 million over the corresponding period of the previous year. The previous period NUR had a high profit margin of 21% on the GWP mainly driven by the digital readiness of the company and lower claims reported during the Covid lockdown in the second and third quarter of 2020.

For the next quarter, we expect improvement in Company's Life portfolio profitability, with reduction in Covid claims considering the high levels of vaccinations achieved by the countries in which the company operates. NLGIC is continuing to work on various strategies focusing on growth avenues, enhancing profitability and customer centricity. Few of the notable developments during the third quarter of 2021 are commencement of Individual Medical business in Abu Dhabi, extending operational hours for six branches in Oman upto 8 pm in order to deliver better customer services and implementation of Oracle Fusion system for its Finance, Procurement Payroll & Innovation modules across all geographic locations.

Investment Income

Investment income is a significant contributor of the Company's profitability and the long term investment strategies employed by the company are providing enhanced investment income year on year. The company's investment income during the nine-months ended 30 September 2021 rose by 36% to RO 4.4 million as compared to RO 3.2 million in the corresponding period of the previous year. The increase in Investment Income of RO 1.2 million is attributable to realized gain of RO 0.8 million from sale of bonds during the first half of 2021 and rise in fixed investment income of RO 0.4 million.

Net Profit After Tax (NPAT)

Despite various challenges, the Company achieved margin of 12% in its NUR, which coupled with an increase in investment income and controlled management expenses has resulted in a healthy Net Profit After Tax of RO 7.1 million during the nine-months ended 30 September 2021.

Material events

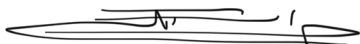
Cyclone Shaheen hit the nation in October 2021, with most of the damage in the Batinah region. Although NLGIC branches and assets have not been damaged in the cyclone, some employees and customers of NLGIC have been impacted by the cyclone. Claims of RO 1 million have been reported to the Company in its motor and non-motor portfolios which are being settled promptly with a view to provide relief to the affected parties.

In addition to the above, the Company is allocating RO 150,000 to Cyclone Shaheen relief efforts which is being organized by Government agencies and other channels.

Acknowledgements

We take this opportunity to express our 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. We also extend our sincere congratulations to His Majesty Sultan Haitham bin Tarik and the people of Oman on the occasion of 51st National Day.

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



Khalid Muhammad AlZubair
Chairman

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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2021**

Principal place of business:

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

Registered address:

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


NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2021**

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NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30th September 2021

	Notes	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
ASSETS				
Cash and cash equivalents	4	7,270,853	10,233,957	7,918,808
Bank deposits	5	46,897,206	41,596,096	41,166,206
Investments at fair value through profit or loss	6(a)	915,595	-	-
Investments carried at amortised cost	6(b)	11,205,858	14,204,940	14,213,376
Investments carried at fair value through other comprehensive income	6(c)	35,102,824	37,034,234	33,355,715
Insurance and reinsurance receivables	7	61,666,876	43,155,850	57,289,144
Reinsurance share of outstanding claims and IBNR reserve	12	6,539,497	5,867,158	7,891,104
Reinsurance share of actuarial/ mathematical and unexpired risk reserve	13	11,664,193	10,307,915	11,943,192
Other receivables and prepayments	8	18,614,660	5,698,261	9,889,598
Loans to policyholders		81,083	113,873	130,705
Property and equipment		6,633,683	6,943,707	6,706,073
Deferred tax asset	19	265,706	197,262	487,824
Intangible Assets (including Goodwill)		454,950	472,647	478,546
Total assets		207,312,984	175,825,900	191,470,291
EQUITY AND LIABILITIES				
EQUITY				
Capital and reserves				
Share capital	10	26,500,000	26,500,000	26,500,000
Legal reserve		8,966,763	8,261,717	8,162,821
Contingency reserve		14,646,264	12,970,009	12,611,164
Revaluation reserve		447,420	447,420	447,420
Fair value reserve		(143,606)	438,638	(1,311,014)
Foreign exchange fluctuation reserve		(20,219)	(23,710)	(24,832)
Retained earnings		14,977,399	18,826,386	18,090,865
Total equity		65,374,021	67,420,460	64,476,424
LIABILITIES				
Gross outstanding claims and IBNR reserve	12	42,926,748	23,171,076	28,499,835
Gross actuarial / mathematical and unexpired risk reserve	13	67,423,999	51,541,513	63,841,987
Due to reinsurers	14	8,789,335	8,088,029	10,894,382
Other liabilities	15	18,578,845	23,039,850	21,360,687
Short term loan		3,000,000	-	-
Income tax payable	19	1,220,036	2,564,972	2,396,976
Total liabilities		141,938,963	108,405,440	126,993,867
Total equity and liabilities		207,312,984	175,825,900	191,470,291
Net assets per share	17	0.247	0.254	0.243

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 28 October 2021 and were signed on their behalf by


Chairman


Chief Executive Officer

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended 30 September 2021

	Notes	30 September 2021 RO (Unaudited)	30 September 2020 RO (Unaudited)
Gross written premium		<u>121,547,873</u>	<u>112,975,372</u>
Gross premium, earned		105,665,387	107,536,566
Reinsurance share of ceded premium earned		<u>(17,995,610)</u>	<u>(20,754,886)</u>
Net premium earned		87,669,777	86,781,680
Commission income		2,166,284	2,292,491
Income from policy fees		883,476	732,310
Gross claims expense	12	(84,747,250)	(76,433,093)
Reinsurance share of gross claims expense	12	17,640,273	18,715,637
Commission expense		<u>(9,540,143)</u>	<u>(8,861,404)</u>
Net underwriting result		14,072,417	23,227,621
Investment income – net	18	4,367,984	3,201,314
Expected credit losses on financial assets		23,252	(15,572)
Other operating (expense) / income		(11,298)	(30,064)
Third party administration fees		(859,600)	(869,426)
General and administrative expenses		(9,295,370)	(9,034,775)
Finance cost		(70,739)	(108,218)
Amortisation of Intangible Assets		<u>(17,697)</u>	<u>(17,697)</u>
Profit before income tax		8,208,949	16,353,183
Income tax expense	19	<u>(1,158,485)</u>	<u>(2,336,180)</u>
Profit for the period		<u>7,050,464</u>	<u>14,017,003</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		3,491	(2,875)
Change in value of debt investments carried at fair value through other comprehensive income– net		(577,464)	(987,449)
<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>752,070</u>	<u>(827,851)</u>
Other comprehensive income / (expense) for the period		178,097	(1,818,175)
Total comprehensive income for the period		<u>7,228,561</u>	<u>12,198,828</u>
Earnings per share - basic and diluted	20	<u>0.027</u>	<u>0.053</u>

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

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine months ended 30 September 2021

		30 September 2021	30 September 2020
	Notes	RO (Unaudited)	RO (Unaudited)
Cash flows from operating activities			
Profit before taxation		8,208,949	16,353,183
Adjustments for:			
Unrealised loss on investments at FVTPL (net)	18	(8,188)	-
Realised gain on investments at FVTPL, FVOCI, Amortised cost – net	18	(828,458)	-
Provision for / (reversal of) expected credit loss of financial assets		(23,252)	15,572
Allowance for impaired debts		387,450	440,990
Provision for employees' end of service benefits		172,519	133,736
Interest income net of amortization	18	(3,291,695)	(2,917,619)
Finance cost		70,739	108,218
Dividend income	18	(275,450)	(346,545)
Depreciation		736,653	689,782
Amortisation of Intangible Assets		17,697	17,697
Loss / (profit) on disposal of property and equipment		(4,808)	6,849
Operating cash flows before movement in working capital		5,162,156	14,501,863
Changes in:			
Insurance and reinsurance receivables		(18,898,476)	5,789,203
Other receivables and prepayments		(13,033,037)	241,003
Reinsurance share of outstanding claims and IBNR reserve		(672,338)	(1,870,991)
Reinsurance share of actuarial / mathematical and unexpired risk reserve		(1,356,278)	1,601,683
Gross outstanding claims and IBNR reserve		19,755,672	6,795,245
Gross actuarial / mathematical and unexpired risk reserve		15,882,486	5,438,806
Due to reinsurers		701,306	2,056,823
Other liabilities		(4,558,095)	(18,724,459)
		2,983,396	15,829,176
Employees' end of service benefits paid		(31,562)	(28,317)
Income tax paid		(2,566,865)	(1,651,708)
Net cash from operating activities		384,969	14,149,151
Cash flows from investing activities			
Movement in bank deposits		(5,304,799)	(3,818,500)
Purchase of property and equipment		(426,534)	(622,600)
Purchase of investment securities		(9,077,647)	(17,447,603)
Proceeds from disposal of investment securities		14,280,905	2,348,411
Proceeds from disposal of property and equipment		4,710	31,459
Interest income received from bank deposits, bonds and securities		3,202,125	2,655,606
Dividends received		275,450	343,548
Net movement in loans to policyholders		32,790	(1,270)
Net cash from/ (used in) investing activities		2,987,000	(16,510,949)
Cash flows from financing activities			
Finance cost paid		(70,739)	(108,218)
Dividend paid		(9,275,000)	(6,625,000)
(Repayment of) / proceeds from short term loan		3,000,000	(2,000,000)
Net cash used in financing activities		(6,345,739)	(8,733,218)
Net (decrease) / increase in cash and cash equivalents			
Currency translation adjustment		3,491	(2,875)
Cash and cash equivalents at the beginning of the period	4	10,267,621	19,025,565
Cash and cash equivalents at the end of the period	4	7,297,342	7,927,674

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2021

	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 2020	26,500,000	6,761,121	11,185,599	447,420	165,048	(21,957)	13,865,365	58,902,596
Profit for the period	-	-	-	-	-	-	14,017,003	14,017,003
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	(1,815,300)	-	-	(1,815,300)
Change in foreign exchange fluctuation reserve	-	-	-	-	-	(2,875)	-	(2,875)
Total comprehensive income for the period	-	-	-	-	(1,815,300)	(2,875)	14,017,003	12,198,828
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	339,238	-	(339,238)	-
Dividends declared and paid (Note 11)	-	-	-	-	-	-	(6,625,000)	(6,625,000)
Transfer to legal reserve	-	1,401,700	-	-	-	-	(1,401,700)	-
Transfer to contingency reserve	-	-	1,425,566	-	-	-	(1,425,566)	-
At 30 September 2020 (Unaudited)	26,500,000	8,162,821	12,611,164	447,420	(1,311,014)	(24,832)	18,090,865	64,476,424
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	-	-	-	-	-	-	7,050,464	7,050,464
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	174,606	-	-	174,606
Change in foreign exchange fluctuation reserve	-	-	-	-	-	3,491	-	3,491
Total comprehensive income for the period	-	-	-	-	174,606	3,491	7,050,464	7,228,561
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	(756,850)	-	756,850	-
Dividends declared and paid (Note 11)	-	-	-	-	-	-	(9,275,000)	(9,275,000)
Transfer to legal reserve	-	705,046	-	-	-	-	(705,046)	-
Transfer to contingency reserve	-	-	1,676,255	-	-	-	(1,676,255)	-
At 30 September 2021 (Unaudited)	26,500,000	8,966,763	14,646,264	447,420	(143,606)	(20,219)	14,977,399	65,374,021

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the nine months ended 30 September 2021

1 Legal status and principal activities

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

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

2 Basis of preparation and accounting policies

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' using the same accounting policies, basis of consolidation and methods of computations as those used in the consolidated financial statements for the year ended 31 December 2020. The interim condensed consolidated financial statements do not contain all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the annual financial statements as at 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the results for the nine month period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

The comparative information, included in these unaudited interim condensed consolidated financial statements as at 30 September 2020, are for the nine month period then ended and is unaudited.

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

2.2 Changes in accounting policy and disclosures

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

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

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

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

Certain new standards, amendments to standards and interpretations are not yet effective for the nine months ended 30 September 2021, with the Group not opting for early adoption. These have, therefore, not been applied in preparing these unaudited interim condensed consolidated financial statements. Details of these standards should be read in conjunction with the annual financial statements as at 31 December 2020.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the nine months ended 30 September 2021

3 Critical accounting judgment and key sources of estimation uncertainty

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

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

4 Cash and cash equivalents

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
Balances with banks	7,237,444	10,246,154	7,918,556
Cash in hand	<u>59,898</u>	<u>21,467</u>	<u>9,118</u>
Cash and cash equivalents	7,297,342	10,267,621	7,927,674
Less: ECL on cash and bank balances	<u>(26,489)</u>	<u>(33,664)</u>	<u>(8,866)</u>
Cash and cash equivalents – net of ECL	<u>7,270,853</u>	<u>10,233,957</u>	<u>7,918,808</u>

5 Bank deposits

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
Deposits	46,982,930	41,678,130	41,222,995
Less: ECL on bank deposits	<u>(85,724)</u>	<u>(82,034)</u>	<u>(56,789)</u>
	<u>46,897,206</u>	<u>41,596,096</u>	<u>41,166,206</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended 30 September 2021
6 Investment securities

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
Investments at fair value through profit or loss	6(a) 915,595	-	-
Investments carried at amortised cost	6(b) 11,205,858	14,204,940	14,213,376
Investment carried at fair value through other comprehensive income	6(c) 35,102,824	37,034,234	33,355,715
	47,224,277	51,239,174	47,569,091

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

	30 September 2021		31 December 2020		30 September 2020	
	Market value RO (Unaudited)	Cost RO (Unaudited)	Market value RO (Audited)	Cost RO (Audited)	Market value RO (Unaudited)	Cost RO (Unaudited)
Quoted foreign						
Foreign Shares	915,595	907,407	-	-	-	-
and Funds	915,595	907,407	-	-	-	-

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

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
At 1 January	-	-	-
Additions during the period / year	907,407	-	-
Fair value changes (note 18)	8,188	-	-
At 30 September / 31 December	915,595	-	-

6 (b) Investments carried at amortised cost

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
Bonds - over one year from the date of inception	11,231,425	14,238,969	14,239,700
Less: ECL on Investments carried at amortised cost	(25,567)	(34,029)	(26,324)
	11,205,858	14,204,940	14,213,376
Annual interest rates	4% to 6.75%	4% to 6.75%	4% to 6.75%

(i) Movement in investments carried at amortised cost:

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
At 1 January	14,204,940	2,569,435	2,569,435
Additions during the period / year	-	11,673,001	11,673,001
Matured / sold during the period / year	(3,330,248)	-	-
Amortisation during the year	(6,412)	(4,609)	(3,878)
Realised gain on disposal (note 18)	329,116	-	-
Movement in Expected credit losses	8,462	(32,887)	(25,182)
At 30 September/ 31 December	11,205,858	14,204,940	14,213,376

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended 30 September 2021**
6 Investment securities (continued)
6 (c) Investments carried at fair value through other comprehensive income (FVOCI)

	30 September 2021		31 December 2020		30 September 2020	
	Market value RO (Unaudited)	Cost RO (Unaudited)	Market value RO (Audited)	Cost RO (Audited)	Market value RO (Unaudited)	Cost RO (Unaudited)
Local						
Quoted	<u>27,347,168</u>	<u>27,671,982</u>	29,964,227	29,254,886	23,010,638	24,181,274
	<u>27,347,168</u>	<u>27,671,982</u>	29,964,227	29,254,886	23,010,638	24,181,274
Foreign						
Unquoted	81,382	722,179	119,579	853,449	119,579	853,449
Quoted	<u>7,674,274</u>	<u>6,856,224</u>	6,950,428	6,497,116	10,225,498	9,920,659
	<u>7,755,656</u>	<u>7,578,403</u>	7,070,007	7,350,565	10,345,077	10,774,108
Local and Foreign	<u><u>35,102,824</u></u>	<u><u>35,250,385</u></u>	<u>37,034,234</u>	<u>36,605,451</u>	<u>33,355,715</u>	<u>34,955,382</u>

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

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
At 1 January	37,034,234	31,709,063	31,709,063
Additions during the period / year	8,179,970	8,508,286	5,774,602
Disposals during the period / year	(10,800,243)	(3,514,122)	(2,179,434)
Realised gain on disposal (note 18)	499,342	-	-
Fair value change	189,521	331,007	(1,948,516)
At 30 September/ 31 December	<u><u>35,102,824</u></u>	<u>37,034,234</u>	<u>33,355,715</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 577,464 (30 September 2020 – loss of RO 987,449) and Change in value of investments carried at FVOCI – gain of RO 752,070 (30 September 2020 – loss of RO 827,851). 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

		30 September 2021 Carrying value RO	31 December 2020 Carrying value RO	30 September 2020 Carrying value RO
NLGIC support services Pvt. Ltd. (NSSPL)	India	100.00 313,317	100.00 270,387	100.00 249,061
Inayah TPA LLC	UAE	100.00 612,656	100.00 591,134	100.00 588,029
		<u>925,973</u>	<u>861,521</u>	<u>837,090</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
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7 Insurance and reinsurance receivables

	30 September 2021			31 December 2020			30 September 2020		
	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	56,530,342	4,769,350	61,299,692	34,337,865	4,045,882	38,383,747	46,642,288	4,452,801	51,095,089
Reinsurance balances receivables	2,410,042	419,307	2,829,349	6,493,981	496,926	6,990,907	8,036,533	207,082	8,243,615
	58,940,384	5,188,657	64,129,041	40,831,846	4,542,808	45,374,654	54,678,821	4,659,883	59,338,704
Allowance for expected credit losses	(1,557,180)	(904,985)	(2,462,165)	(1,368,477)	(850,327)	(2,218,804)	(1,241,111)	(808,449)	(2,049,560)
	57,383,204	4,283,672	61,666,876	39,463,369	3,692,481	43,155,850	53,437,710	3,851,434	57,289,144
Movement in allowance for expected credit losses:									
At 1 January	1,368,477	850,327	2,218,804	902,761	705,809	1,608,570	902,761	705,809	1,608,570
Provided during the period / year	287,270	100,180	387,450	465,716	144,518	610,234	338,350	102,640	440,990
Written off during the period / year	(98,567)	(45,522)	(144,089)	-	-	-	-	-	-
At 30 September/ 31 December	1,557,180	904,985	2,462,165	1,368,477	850,327	2,218,804	1,241,111	808,449	2,049,560

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

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8 Other receivables and prepayments

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
Receivable from other insurance companies and individuals	2,097,317	1,468,181	1,329,247
Receivable from medical providers	10,471,112	-	4,492,032
Other receivables	4,770,708	3,041,915	3,274,710
Accrued interest	1,632,041	1,545,083	1,107,543
Deferred acquisition costs	-	-	7,739
	18,971,178	6,055,179	10,211,271
Provision for doubtful debts	(349,513)	(349,513)	(317,591)
Expected credit losses of other receivables	(7,005)	(7,405)	(4,082)
	18,614,660	5,698,261	9,889,598

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 48,630,082 (31 December 2020 - RO 46,781,499 and 30 September 2020 - RO 44,360,044). Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the Capital Market Authority. The Group has provided bank guarantee of RO 50,000 (2020: RO 50,000) to the Oman Unified Bureau for the Orange Card which is secured by a fixed deposit.

In accordance with the law governing the operation of insurance companies within the United Arab Emirates, and Kuwait the Group has identified to the Insurance Authority, Abu Dhabi - UAE and The Ministry of Commerce and Industry, Kuwait certain specific fixed deposits included in the statement of financial position at a total value of RO 1,007,975 (31 December 2020 - RO 1,007,975 and 30 September 2020 - RO 991,142) and RO 2,452,450 (31 December 2020 - RO 2,197,650 and 30 September 2020 - 2,197,650) respectively. Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the respective authorities.

The Group has credit facility of RO 5,000,000 (31 December 2020 - RO 5,000,000 and 30 September 2020 - RO 5,000,000) with Ahli Bank SAOG for which the Group has provided negative pledge confirmation over its current assets and an undertaking not to create any encumbrance on its assets to any other lenders. In UAE, the Group has credit facility of RO 3,689,000 (31 December 2020 - RO 3,689,000 and 30 September 2020 - 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

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
At 30 September/ 31 December	26,500,000	26,500,000	26,500,000
Number of shares	265,000,000	265,000,000	265,000,000

11 Dividends paid

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

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12 Claims

Life and general	30 September 2021			31 December 2020			30 September 2020		
	Gross outstanding claims RO (Unaudited)	Reinsurers' share of outstanding claims RO (Unaudited)	Net outstanding claims RO (Unaudited)	Gross outstanding claims RO (Audited)	Reinsurers' share of outstanding claims RO (Audited)	Net outstanding claims RO (Audited)	Gross outstanding claims RO (Unaudited)	Reinsurers' share of outstanding claims RO (Unaudited)	Net outstanding claims RO (Unaudited)
At 1 January									
- Claims incurred	15,798,077	(4,119,131)	11,678,946	15,095,173	(4,427,985)	10,667,188	15,095,173	(4,427,985)	10,667,188
- Incurred but not reported	7,372,999	(1,748,027)	5,624,972	6,609,417	(1,592,128)	5,017,289	6,609,417	(1,592,128)	5,017,289
	<u>23,171,076</u>	<u>(5,867,158)</u>	<u>17,303,918</u>	<u>21,704,590</u>	<u>(6,020,113)</u>	<u>15,684,477</u>	<u>21,704,590</u>	<u>(6,020,113)</u>	<u>15,684,477</u>
Add: Claims provided during the period / year	84,747,250	(17,640,273)	67,106,977	104,777,917	(24,700,432)	80,077,485	76,433,093	(18,715,637)	57,717,456
Less: Claims paid during the period / year	(64,991,578)	16,967,934	(48,023,644)	(103,311,431)	24,853,387	(78,458,044)	(69,637,848)	16,844,646	(52,793,202)
At 30 September/ 31 December	<u>42,926,748</u>	<u>(6,539,497)</u>	<u>36,387,251</u>	<u>23,171,076</u>	<u>(5,867,158)</u>	<u>17,303,918</u>	<u>28,499,835</u>	<u>(7,891,104)</u>	<u>20,608,731</u>
Analysis of outstanding claims at 30 September/ 31 December									
- Claims incurred	35,288,498	(4,926,189)	30,362,309	15,798,077	(4,119,131)	11,678,946	21,888,961	(6,300,661)	15,588,300
- Incurred but not reported	7,638,250	(1,613,308)	6,024,942	7,372,999	(1,748,027)	5,624,972	6,610,874	(1,590,443)	5,020,431
	<u>42,926,748</u>	<u>(6,539,497)</u>	<u>36,387,251</u>	<u>23,171,076</u>	<u>(5,867,158)</u>	<u>17,303,918</u>	<u>28,499,835</u>	<u>(7,891,104)</u>	<u>20,608,731</u>

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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13 Gross actuarial / mathematical and unexpired risk reserve

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
Actuarial / mathematical and unexpired risk reserve - life assurance			
Gross	59,670,253	43,372,671	55,445,896
Reinsurers' share	(11,425,590)	(10,138,094)	(11,768,963)
	48,244,663	33,234,577	43,676,933
Unexpired risk reserve – general insurance			
Gross	7,753,746	8,168,842	8,396,091
Reinsurers' share	(238,603)	(169,821)	(174,229)
	7,515,143	7,999,021	8,221,862
Actuarial / mathematical and unexpired risk reserve – total			
Gross	67,423,999	51,541,513	63,841,987
Reinsurers' share	(11,664,193)	(10,307,915)	(11,943,192)
	55,759,806	41,233,598	51,898,795

Movement during the period / year:

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
Actuarial / mathematical and unexpired risk reserve – life assurance			
At 1 January	33,234,577	37,001,242	37,001,242
Net movement in the statement of comprehensive income	15,010,086	(3,766,665)	6,675,691
At 30 September/ 31 December	48,244,663	33,234,577	43,676,933
Unexpired risk reserve – general insurance			
At 1 January	7,999,021	7,857,064	7,857,064
Net movement in the statement of comprehensive income	(483,878)	141,957	364,798
At 30 September/ 31 December	7,515,143	7,999,021	8,221,862

14 Due to reinsurers

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
Reinsurance balances payable – life insurance	7,685,302	7,074,604	10,240,763
Reinsurance balances payable – general insurance	1,104,033	1,013,425	653,619
	8,789,335	8,088,029	10,894,382

15 Other liabilities

	30 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
Accounts payable	793,283	7,723,515	4,841,909
Commission Payable	6,714,057	5,307,564	6,829,606
Accrued expenses	4,536,307	4,431,544	3,670,130
Other payables	5,535,825	4,680,260	5,143,435
Employees' end of service benefits	999,373	896,967	875,607
	18,578,845	23,039,850	21,360,687

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16 Contingent liabilities
(a) Contingencies

At 30 September 2021, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Group amounting to RO 293,643 (31 December 2020 - RO 683,663 and 30 September 2020 – RO 287,742) 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 September 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 September 2020 RO (Unaudited)
Net assets (RO)	<u>65,374,021</u>	<u>67,420,460</u>	<u>64,476,424</u>
Number of shares outstanding at 30 September/ 31 December	<u>265,000,000</u>	<u>265,000,000</u>	<u>265,000,000</u>
Net assets per share (RO)	<u>0.247</u>	<u>0.254</u>	<u>0.243</u>

18 Investment income – net

	30 September 2021 RO (Unaudited)	30 September 2020 RO (Unaudited)
Interest income on bank deposits and other investments	1,482,291	1,094,407
Interest income on bonds, net of amortisation charge	1,803,632	1,829,263
Interest income on loans to policy holders	5,772	(6,051)
Dividend income	275,450	346,545
Net unrealised (loss) / gain on investments carried at fair value through profit or loss	8,188	-
Net realised gain on investment carried at FVOCI – debt instruments	499,342	-
Net realised gain on investment carried at amortised cost	329,116	-
	<u>4,403,791</u>	<u>3,264,164</u>
Investment acquisition cost and portfolio management fees	(35,807)	(62,850)
	<u>4,367,984</u>	<u>3,201,314</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
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19 Income tax

	30 September 2021 RO (Unaudited)	30 September 2020 RO (Unaudited)
Statement of comprehensive income:		
Current tax		
- For the year	1,227,813	2,407,245
- For prior years	(5,883)	8,158
Deferred tax	(63,445)	(79,223)
	<u>1,158,485</u>	<u>2,336,180</u>
	30 September 2021 RO (Unaudited)	30 September 2020 RO (Unaudited)
Current liability		
Income tax payable	<u>1,220,036</u>	<u>1,636,275</u>
		31 December 2020 RO (Audited)
Non-current asset		
Deferred tax asset	<u>265,706</u>	<u>221,007</u>
		30 September 2020 RO (Unaudited)
		<u>487,824</u>

The tax rate applicable to the Parent Company is 15% (30 September 2020 – 15%).

20 Earnings per share – basic and diluted

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

	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)
Profit for the nine months ended (RO)	<u>7,050,464</u>	<u>14,017,003</u>
Weighted average number of shares outstanding @ RO 0.100 per share	<u>265,000,000</u>	<u>265,000,000</u>
Basic and diluted earnings per share (RO)	<u>0.027</u>	<u>0.053</u>

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

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21 Related party transactions

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

	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Top Senior Executives	Key management personnel of major shareholder	Other related parties
30 September 2021 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income							
Gross premium income	3,172,937	107,304	-	2,533,309	-	-	532,324
Claims expense	2,150,008	56,937	-	1,621,337	-	-	471,733
Reinsurer's share of claims paid	932	-	-	932	-	-	-
Interest income on deposits	559,806	-	-	559,806	-	-	-
Bonds Interest & Dividend Income	154,885	108,010	-	46,875	-	-	-
Commission expense	323,847	-	-	131,412	-	-	192,435
Other expenses	173,856	-	-	111,059	-	-	62,797
Director sitting fees	19,926	-	16,024	-	3,902	-	-
Directors' remuneration	107,149	-	107,149	-	-	-	-
Other Transactions							
Investment in Deposits	9,355,875	700,000	-	8,655,875	-	-	-
Maturity/ Liquidation of Deposit	3,110,000	-	-	3,110,000	-	-	-
Increase in bank balances	153,391	-	-	153,391	-	-	-
Decrease in bank balances	545,059	-	-	545,059	-	-	-
Statement of financial position							
Directors' remuneration & sitting fees	107,927	-	107,149	-	519	259	-
Claims payable to related parties	1,073,921	22,631	-	784,533	-	-	266,757
Commission payable	301,994	-	-	16,407	-	-	285,587
Payable to related parties	21,527	-	-	2,627	-	-	18,900
Receivable from related parties	373,140	-	-	359,855	13,285	-	-
Bank balances	1,343,356	-	-	1,343,356	-	-	-
Fixed deposits balances	16,725,000	-	-	16,725,000	-	-	-
Premium receivable from related parties	611,456	1,797	-	116,375	-	-	493,284
Investment in Bonds	6,740,875	3,495,000	-	3,245,875	-	-	-
Reinsurance balance receivable	14,224	-	-	14,224	-	-	-
Accrued interest receivable	355,392	-	-	355,392	-	-	-

During January to September 2021, subsidiary in India (NSSPL) has charged the parent company service fees of RO 485,514. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 39,440. Carrying value of investment as on 30.09.2021 is RO 313,317 and due to NSSPL as at 30.09.2021 is RO 27,279.

During January to September 2021, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 451,965 and paid rental to the parent company of RO 14,749. The Parent Company has accounted Inayah Share of profit from subsidiary of RO 21,522. Carrying value of investment as on 30.09.2021 is RO 612,656, it's related intangibles are RO 308,460 and due to Inayah TPA LLC as at 30.09.2021 is RO 243,324.

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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 September 2020 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income							
Gross premium income	1,612,920	121,597	-	1,182,632	-	-	308,691
Claims expense	1,414,074	26,941	-	1,133,222	-	-	253,911
Reinsurer's share of claims paid	2,981	-	-	2,981	-	-	-
Interest income on deposits	362,595	-	-	362,595	-	-	-
Income from bonds and equity	311,506	108,603	-	202,903	-	-	-
Commission expense	433,777	-	-	184,040	-	-	249,737
Other expenses	198,751	-	-	167,711	-	-	31,040
Director sitting fees	12,900	-	12,900	-	-	-	-
Directors' remuneration	137,100	-	137,100	-	-	-	-
Other Transactions							
Short Term Loan taken	2,000,000	-	-	2,000,000	-	-	-
Bond & Deposit purchase	4,995,000	495,000	-	4,500,000	-	-	-
Maturity/ Liquidation of Deposit	4,000,000	-	-	4,000,000	-	-	-
Increase in bank balances	136,229	-	-	136,229	-	-	-
Decrease in bank balances	6,798,241	-	-	6,798,241	-	-	-
Statement of financial position							
Directors' remuneration & sitting fees	137,100	-	137,100	-	-	-	-
Claims payable to related parties	676,442	5,959	-	556,214	-	-	114,268
Commission payable	334,926	-	-	19,807	-	-	315,119
Payable to related parties	7,981	-	-	7,981	-	-	-
Receivable from related parties	21,873	-	-	16,473	5,400	-	-
Bank balances	602,131	-	-	602,131	-	-	-
Fixed deposits/Bonds balances	13,175,000	-	-	13,175,000	-	-	-
Premium receivable from related parties	859,931	4,406	-	620,230	-	-	235,296
Investment in Bonds	4,045,000	2,795,000	-	1,250,000	-	-	-
Reinsurance balance receivable	14,725	-	-	14,725	-	-	-
Accrued interest receivable	253,080	-	-	253,080	-	-	-

During January to September 2020, subsidiary in India (NSSPL) has charged the parent company service fees of RO 364,631. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 35,546. Carrying value of investment as on 30.09.2020 is RO 249,061 and due to NSSPL as at 30.09.2020 is RO 45,486.

During January to September 2020, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 375,308. The Parent Company has accounted Inayah Share of profit from subsidiary of RO 22,164. Carrying value of investment as on 30.09.2020 is RO 588,029, it's related intangibles are RO 332,056 and due to Inayah TPA LLC as at 30.09.2020 is RO 156,002.

No major provision has been required during nine months ended 30 September 2021 (30 September 2020 – nil) in respect of amounts due from related parties.

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21 Related party transactions (continued)

(b) Compensation of key management personnel

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

	30 September 2021 RO (Unaudited)	30 September 2020 RO (Unaudited)
Short-term benefits	496,989	465,617
Employees' end of service benefits & leave salary accrual	62,680	80,071
	559,669	545,688
Number of key management personnel	8	9

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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 nine months ended 30 September 2021 and 30 September 2020.

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

30 September 2021 (Unaudited)	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	107,236,595	14,311,278	-	121,547,873
Movement in unearned premiums	(16,297,582)	415,096	-	(15,882,486)
Gross premiums earned	90,939,013	14,726,374	-	105,665,387
Insurance premium ceded to reinsurers	(18,428,675)	(923,213)	-	(19,351,888)
Movement in unearned premiums	1,287,496	68,782	-	1,356,278
Premium ceded to reinsurers, earned	(17,141,179)	(854,431)	-	(17,995,610)
Net premiums	73,797,834	13,871,943	-	87,669,777
Claims	(74,971,754)	(9,775,496)	-	(84,747,250)
Reinsurers' share of claims	17,390,093	250,180	-	17,640,273
Net claims	(57,581,661)	(9,525,316)	-	(67,106,977)
Income from policy fees	86,279	797,197	-	883,476
Commission income on premium ceded to reinsurers	1,998,932	167,352	-	2,166,284
Commission expense	(7,511,713)	(2,028,430)	-	(9,540,143)
Net underwriting results	10,789,671	3,282,746	-	14,072,417
Investment income – net	3,293,017	1,135,929	(60,962)	4,367,984
ECL on financial assets	18,341	4,911	-	23,252
Other operating (loss) / income	1,087	2,364	(14,749)	(11,298)
Third party administration fees	(859,600)	-	-	(859,600)
General and administrative expenses	(6,939,171)	(2,370,948)	14,749	(9,295,370)
Finance cost	(70,739)	-	-	(70,739)
Amortisation of intangible assets	(17,697)	-	-	(17,697)
Income tax	(871,275)	(287,210)	-	(1,158,485)
Profit for the period	5,343,634	1,767,792	(60,962)	7,050,464

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

30 September 2020 (Unaudited)	Life and medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	98,234,554	14,740,818	-	112,975,372
Movement in unearned premiums	(5,152,435)	(286,371)	-	(5,438,806)
Gross premiums earned	<u>93,082,119</u>	<u>14,454,447</u>	<u>-</u>	<u>107,536,566</u>
Insurance premium ceded to reinsurers	(18,394,521)	(758,682)	-	(19,153,203)
Movement in unearned premiums	(1,523,256)	(78,427)	-	(1,601,683)
Premium ceded to reinsurers, earned	<u>(19,917,777)</u>	<u>(837,109)</u>	<u>-</u>	<u>(20,754,886)</u>
Net premiums	<u>73,164,342</u>	<u>13,617,338</u>	<u>-</u>	<u>86,781,680</u>
Claims	(70,086,789)	(6,346,304)	-	(76,433,093)
Reinsurers' share of claims	17,877,786	837,851	-	18,715,637
Net claims	<u>(52,209,003)</u>	<u>(5,508,453)</u>	<u>-</u>	<u>(57,717,456)</u>
Income from policy fees	108,938	623,372	-	732,310
Commission income on premium ceded to reinsurers	2,300,763	(8,272)	-	2,292,491
Commission expense	<u>(7,014,505)</u>	<u>(1,846,899)</u>	<u>-</u>	<u>(8,861,404)</u>
Net underwriting results	16,350,535	6,877,086	-	23,227,621
Investment income – net	2,230,727	1,028,297	(57,710)	3,201,314
ECL on financial assets	(8,512)	(7,060)	-	(15,572)
Other operating income	(36,583)	6,519	-	(30,064)
Third party administration fees	(869,426)	-	-	(869,426)
General and administrative expenses	(6,881,744)	(2,153,031)	-	(9,034,775)
Finance cost	(108,218)	-	-	(108,218)
Amortisation of intangible assets	(17,697)	-	-	(17,697)
Income tax	<u>(1,516,709)</u>	<u>(819,471)</u>	<u>-</u>	<u>(2,336,180)</u>
Profit for the period	<u>9,142,373</u>	<u>4,932,340</u>	<u>(57,710)</u>	<u>14,017,003</u>
	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
30 September 2021 (Unaudited)				
Segment assets	<u>167,392,132</u>	<u>41,117,428</u>	<u>(1,196,576)</u>	<u>207,312,984</u>
Segment liabilities	<u>120,083,748</u>	<u>22,125,818</u>	<u>(270,603)</u>	<u>141,938,963</u>
31 December 2020 (Audited)				
Segment assets	<u>136,950,626</u>	<u>39,953,815</u>	<u>(1,078,541)</u>	<u>175,825,900</u>
Segment liabilities	<u>86,012,529</u>	<u>22,609,931</u>	<u>(217,020)</u>	<u>108,405,440</u>
30 September 2020 (Unaudited)				
Segment assets	<u>155,032,726</u>	<u>37,476,143</u>	<u>(1,038,578)</u>	<u>191,470,291</u>
Segment liabilities	<u>106,329,636</u>	<u>20,865,719</u>	<u>(201,488)</u>	<u>126,993,867</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 nine months ended 30 September 2021 and 30 September 2020.

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

	Oman RO	UAE RO	Kuwait RO	Subsidiaries RO	Adjustments and eliminations RO	Total RO
30 September 2021 (Unaudited)						
Gross premium written	57,514,833	60,727,171	3,305,869	-	-	121,547,873
Movement in unearned premiums	(7,978,060)	(7,577,926)	(326,500)	-	-	(15,882,486)
Gross premiums earned	49,536,773	53,149,245	2,979,369	-	-	105,665,387
Insurance premium ceded to reinsurers	(3,479,947)	(15,791,090)	(80,851)	-	-	(19,351,888)
Movement in unearned premiums	909,987	433,474	12,817	-	-	1,356,278
Premium ceded to reinsurers, earned	(2,569,960)	(15,357,616)	(68,034)	-	-	(17,995,610)
Net premiums	46,966,813	37,791,629	2,911,335	-	-	87,669,777
Claims	(36,092,863)	(46,479,575)	(2,174,812)	-	-	(84,747,250)
Reinsurers' share of claims	3,647,312	13,952,339	40,622	-	-	17,640,273
Net claims	(32,445,551)	(32,527,236)	(2,134,190)	-	-	(67,106,977)
Income from policy fees	798,867	64,308	20,301	-	-	883,476
Commission income on premium ceded to reinsurers	177,748	1,988,274	262	-	-	2,166,284
Commission expense	(3,667,851)	(5,286,613)	(585,679)	-	-	(9,540,143)
Net underwriting results	11,830,026	2,030,362	212,029	-	-	14,072,417
Investment income – net	3,743,156	642,336	43,454	-	(60,962)	4,367,984
ECL on financial assets	4,638	19,392	(778)	-	-	23,252
Other operating (loss) / income	(19,523)	22,621	353	-	(14,749)	(11,298)
Third party administration fees	(149,839)	(1,543,695)	(103,545)	937,479	-	(859,600)
General and administrative expenses	(5,753,712)	(2,274,922)	(417,976)	(863,509)	14,749	(9,295,370)
Finance cost	(70,689)	(50)	-	-	-	(70,739)
Amortisation of intangible assets	(17,697)	-	-	-	-	(17,697)
Income tax	(1,145,477)	-	-	(13,008)	-	(1,158,485)
Profit / (loss) for the period	8,420,883	(1,103,956)	(266,463)	60,962	(60,962)	7,050,464

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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 September 2020 (Unaudited)						
Gross premium written	54,040,221	56,698,299	2,236,852	-	-	112,975,372
Movement in unearned premiums	(6,236,770)	1,208,296	(410,332)	-	-	(5,438,806)
Gross premiums earned	47,803,451	57,906,595	1,826,520	-	-	107,536,566
Insurance premium ceded to reinsurers	(2,122,366)	(16,978,384)	(52,453)	-	-	(19,153,203)
Movement in unearned premiums	(379,503)	(1,027,426)	(194,754)	-	-	(1,601,683)
Premium ceded to reinsurers, earned	(2,501,869)	(18,005,810)	(247,207)	-	-	(20,754,886)
Net premiums	45,301,582	39,900,785	1,579,313	-	-	86,781,680
Claims	(29,265,117)	(46,188,835)	(979,141)	-	-	(76,433,093)
Reinsurers' share of claims	3,891,018	14,595,485	229,134	-	-	18,715,637
Net claims	(25,374,099)	(31,593,350)	(750,007)	-	-	(57,717,456)
Income from policy fees	689,999	29,212	13,099	-	-	732,310
Commission income on premium ceded to reinsurers	20,763	2,269,581	2,147	-	-	2,292,491
Commission expense	(3,503,819)	(5,002,237)	(355,348)	-	-	(8,861,404)
Net underwriting results	17,134,426	5,603,991	489,204	-	-	23,227,621
Investment income – net	2,436,846	623,902	198,276	-	(57,710)	3,201,314
ECL on financial assets	(12,991)	4,401	(6,982)	-	-	(15,572)
Other operating income / (loss)	(32,282)	(4,219)	6,437	-	-	(30,064)
Third party administration fees	(98,709)	(1,455,536)	(55,120)	739,939	-	(869,426)
General and administrative expenses	(5,574,394)	(2,395,965)	(389,549)	(674,867)	-	(9,034,775)
Finance cost	(104,054)	(4,164)	-	-	-	(108,218)
Amortisation of intangible assets	(17,697)	-	-	-	-	(17,697)
Income tax	(2,328,818)	-	-	(11,824)	-	(2,336,180)
Profit/(loss) for the period	11,402,327	2,372,410	242,266	57,710	(57,710)	14,017,003

	Oman RO	UAE RO	Kuwait RO	Subsidiaries RO	Adjustments and eliminations RO	Total RO
30 September 2021 (Unaudited)						
Segment assets	130,249,368	70,861,906	6,081,693	1,316,593	(1,196,576)	207,312,984
Segment liabilities	82,489,693	55,042,268	4,286,985	390,620	(270,603)	141,938,963
31 December 2020 (Audited)						
Segment assets	107,461,187	62,688,585	5,491,513	1,263,156	(1,078,541)	175,825,900
Segment liabilities	59,619,749	45,421,612	3,179,464	401,635	(217,020)	108,405,440
30 September 2020 (Unaudited)						
Segment assets	107,303,271	75,399,713	8,640,993	1,164,892	(1,038,578)	191,470,291
Segment liabilities	66,469,628	57,396,107	3,001,818	327,802	(201,488)	126,993,867

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23 Risk management

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

24 Fair values

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

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

30 September 2021 (Unaudited)	Level 1	Level 2	Total
Investments	<u>35,937,037</u>	<u>81,382</u>	<u>36,018,419</u>
31 December 2020 (Audited)	Level 1	Level 2	Total
Investments	<u>36,914,655</u>	<u>119,579</u>	<u>37,034,234</u>
30 September 2020 (Unaudited)	Level 1	Level 2	Total
Investments	<u>33,236,136</u>	<u>119,579</u>	<u>33,355,715</u>

There were no transfers between any levels mentioned above.