

# *DIRECTORS' REPORT*

*For the six-months ended 30 June 2021*

**Dear Shareholders,**

It is my pleasure to present to you the unaudited results of National Life & General Insurance Co SAOG ("the Company" or "NLGIC") for the six-month period ended 30 June 2021. I am also pleased to highlight some of the major developments and recognitions of NLGIC during the period as follows:

- NLGIC has been ranked among Top 10 insurance brands in the Middle East- "Most Valuable Brands- Middle East 2021".
- NLGIC has been awarded "Best Social Media Award" by Comex arranged by Arabian Research Bureau and the "Best Customer Centric Life and General Insurance Company" by The Global Economics.
- In May 2021, A M Best affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of "bbb+" of NLGIC with a stable outlook.
- NLGIC is continuing its strategy of innovation and customer centricity by introducing new products, making available Motor Insurance through Omantel kiosks and enhancing its mobile app and customer portal during H1 2021.

## **Performance Highlights for the Six-Months ended 30 June 2021:**

### **Gross Premiums and Net Underwriting Results:**

Gross Written Premium (GWP) of RO 85.4 million during H1 2021 was marginally lower than RO 87.2 million recorded in H1 2020. The Net Underwriting Result (NUR) of RO 9.1 million in H1 2021 was 47% lower than NUR of RO 17.1 million in H1 2020. The previous period, NUR for H1 2020 was higher due to one-off impact of Covid-19-related lockdown in Q2 2020, which translated into a high profit margin of 20% on the GWP as compared to profit margin of 12% in H1 2019. The current period NUR of RO 9.1 million in H1 2021 was back to normal levels with profit margin of 11% of the GWP in H1 2021. The Company achieved healthy levels of NUR for H1 2021 although it was impacted by various factors such as reduced profitability in overseas operations, increased mortality in the country on account of Covid-19 which has resulted in a higher level of Covid-19 claims in the company's Life portfolio, and increased loss ratios in the Motor portfolio.

## Investment Income

The company's investment income increased by 49% to RO 3.4 million as compared to RO 2.3 million in the corresponding period of the previous year. The increase in Investment Income of RO 1.1 million is attributable to realized gain of RO 0.8 million from sale of bonds during H1 2021 and increase in fixed investment income of RO 0.3 million.

## Net Profit After Tax (NPAT)

Even though the Company's NUR was impacted by various factors stated above, the Company has achieved a healthy NPAT of RO 4.9 million in H1 2021 by increasing its investment income and maintaining control on its management expenses.


## Changing Regulatory Landscape

2021 is a year of major changes for the insurance industry and NLGIC. In Oman, in addition to the implementation of Value Added Tax and Regulation for Public Joint Stock Companies during H1 2021, the insurance industry has to implement Investment Regulations for Insurance Companies and the Royal decree No. 44/2021 amending provisions of the Insurance Companies Law, wherein it states that the Health Insurance segment will be separated from Life and General Insurance segments. In UAE, NLGIC is implementing Internal Control in Financial Reporting (ICFR) as required by UAE Insurance Authority. On the information technology front, NLGIC has to implement requirements mandated by The National Electronic Security Authority (NESA) and Abu Dhabi Health Information and Cyber Security (ADHICS) standard launched by the Department of Health, Abu Dhabi. NLGIC is currently in the process of upgrading its systems and processes to comply with all the regulatory directives.

## Acknowledgements

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

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

  
Khalid Muhammad AlZubair  
Chairman

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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30<sup>TH</sup> JUNE 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 SIX MONTHS ENDED 30<sup>TH</sup> JUNE 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 30<sup>th</sup> June 2021

		30 June 2021	31 December 2020	30 June 2020
	Notes	RO (Unaudited)	RO (Audited)	RO (Unaudited)
<b>ASSETS</b>				
Cash and cash equivalents	4	8,470,750	10,233,957	11,315,944
Bank deposits	5	46,894,969	41,596,096	33,177,842
Investments at fair value through profit or loss	6(a)	295,619	-	-
Investments carried at amortised cost	6(b)	11,210,534	14,204,940	14,213,702
Investments carried at fair value through other comprehensive income	6(c)	32,275,549	37,034,234	33,233,816
Insurance and reinsurance receivables	7	59,794,894	43,155,850	76,288,342
Reinsurance share of outstanding claims and IBNR reserve	12	7,200,682	5,867,158	8,419,023
Reinsurance share of actuarial/ mathematical and unexpired risk reserve	13	12,211,075	10,307,915	13,601,163
Other receivables and prepayments	8	14,103,491	5,698,261	10,429,704
Loans to policyholders		90,247	113,873	138,416
Property and equipment		6,735,287	6,943,707	6,796,268
Deferred tax asset	19	242,217	197,262	448,221
Intangible Assets (including Goodwill)		460,849	472,647	484,445
<b>Total assets</b>		<b>199,986,163</b>	<b>175,825,900</b>	<b>208,546,886</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<b>Capital and reserves</b>				
Share capital	10	26,500,000	26,500,000	26,500,000
Legal reserve		8,746,761	8,261,717	7,845,154
Contingency reserve		14,116,673	12,970,009	12,239,252
Revaluation reserve		447,420	447,420	447,420
Fair value reserve		503,274	438,638	(1,403,218)
Foreign exchange fluctuation reserve		(26,227)	(23,710)	(27,871)
Retained earnings		12,947,810	18,826,386	15,612,537
<b>Total equity</b>		<b>63,235,711</b>	<b>67,420,460</b>	<b>61,213,274</b>
<b>LIABILITIES</b>				
Gross outstanding claims and IBNR reserve	12	39,030,218	23,171,076	28,852,489
Gross actuarial / mathematical and unexpired risk reserve	13	67,138,692	51,541,513	73,042,613
Due to reinsurers	14	10,319,744	8,088,029	12,893,391
Other liabilities	15	16,928,769	23,039,850	22,070,680
Short term loan		2,499,734	-	8,650,000
Income tax payable	19	833,295	2,564,972	1,824,439
<b>Total liabilities</b>		<b>136,750,452</b>	<b>108,405,440</b>	<b>147,333,612</b>
<b>Total equity and liabilities</b>		<b>199,986,163</b>	<b>175,825,900</b>	<b>208,546,886</b>
<b>Net assets per share</b>	17	<b>0.239</b>	0.254	0.231

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 29 July 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 six months ended 30 June 2021**

	Notes	30 June 2021 RO (Unaudited)	30 June 2020 RO (Unaudited)
Gross written premium		<u>85,394,600</u>	<u>87,173,827</u>
Gross premium, earned		69,797,421	72,534,395
Reinsurance share of ceded premium earned		<u>(12,056,101)</u>	<u>(14,330,035)</u>
<b>Net premium earned</b>		<b>57,741,320</b>	<b>58,204,360</b>
Commission income		1,553,254	1,757,787
Income from policy fees		695,115	567,349
Gross claims expense	12	<u>(56,223,208)</u>	<u>(49,433,090)</u>
Reinsurance share of gross claims expense	12	11,765,887	12,485,627
Commission expense		<u>(6,434,933)</u>	<u>(6,437,577)</u>
<b>Net underwriting result</b>		<b>9,097,435</b>	<b>17,144,456</b>
Investment income – net	18	3,372,465	2,268,808
Expected credit losses on financial assets		15,306	(9,959)
Other operating (expense) / income		(22,863)	(11,191)
Third party administration fees		(539,221)	(604,137)
General and administrative expenses		<u>(6,216,841)</u>	<u>(6,048,774)</u>
Finance cost		(55,426)	(93,244)
Amortisation of Intangible Assets		<u>(11,798)</u>	<u>(11,798)</u>
<b>Profit before income tax</b>		<b>5,639,057</b>	<b>12,634,161</b>
Income tax expense	19	<u>(788,618)</u>	<u>(1,793,835)</u>
<b>Profit for the period</b>		<b><u>4,850,439</u></b>	<b><u>10,840,326</u></b>
<b>Other comprehensive income / (expense)</b>			
<i>(Items that are or may be reclassified subsequently to profit or loss):</i>			
Exchange differences on translation of foreign operations		(2,517)	(5,914)
Change in value of debt investments carried at fair value through other comprehensive income– net		<u>(557,260)</u>	<u>(730,916)</u>
<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>799,589</u>	<u>(1,167,818)</u>
<b>Other comprehensive income / (expense) for the period</b>		<b>239,812</b>	<b>(1,904,648)</b>
<b>Total comprehensive income for the period</b>		<b><u>5,090,251</u></b>	<b><u>8,935,678</u></b>
<b>Earnings per share - basic and diluted</b>	20	<b><u>0.018</u></b>	<b><u>0.041</u></b>

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

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

**NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES**
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**For the six months ended 30 June 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	-	-	-	-	-	-	10,840,326	10,840,326
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	(1,898,734)	-	-	(1,898,734)
Change in foreign exchange fluctuation reserve	-	-	-	-	-	(5,914)	-	(5,914)
Total comprehensive income for the period	-	-	-	-	(1,898,734)	(5,914)	10,840,326	8,935,678
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	330,468	-	(330,468)	-
Dividends declared and paid (Note 11)	-	-	-	-	-	-	(6,625,000)	(6,625,000)
Transfer to legal reserve	-	1,084,033	-	-	-	-	(1,084,033)	-
Transfer to contingency reserve	-	-	1,053,653	-	-	-	(1,053,653)	-
At 30 June 2020 (Unaudited)	<u>26,500,000</u>	<u>7,845,154</u>	<u>12,239,252</u>	<u>447,420</u>	<u>(1,403,218)</u>	<u>(27,871)</u>	<u>15,612,537</u>	<u>61,213,274</u>
<b>At 1 January 2021</b>	<b>26,500,000</b>	<b>8,261,717</b>	<b>12,970,009</b>	<b>447,420</b>	<b>438,638</b>	<b>(23,710)</b>	<b>18,826,386</b>	<b>67,420,460</b>
Profit for the period	-	-	-	-	-	-	4,850,439	4,850,439
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	242,329	-	-	242,329
Change in foreign exchange fluctuation reserve	-	-	-	-	-	(2,517)	-	(2,517)
Total comprehensive income for the period	-	-	-	-	242,329	(2,517)	4,850,439	5,090,251
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	(177,693)	-	177,693	-
Dividends declared and paid (Note 11)	-	-	-	-	-	-	(9,275,000)	(9,275,000)
Transfer to legal reserve	-	485,044	-	-	-	-	(485,044)	-
Transfer to contingency reserve	-	-	1,146,664	-	-	-	(1,146,664)	-
At 30 June 2021 (Unaudited)	<u>26,500,000</u>	<u>8,746,761</u>	<u>14,116,673</u>	<u>447,420</u>	<u>503,274</u>	<u>(26,227)</u>	<u>12,947,810</u>	<u>63,235,711</u>

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 six months ended 30 June 2021**

		30 June 2021	30 June 2020
	Notes	RO (Unaudited)	RO (Unaudited)
<b>Cash flows from operating activities</b>			
Profit before taxation		5,639,057	12,634,161
<b>Adjustments for:</b>			
Realised gain on investments at FVTPL, FVOCI, Amortised cost – net	18	(826,263)	-
Provision for / (reversal of) expected credit loss of financial assets		(15,306)	9,959
Allowance for impaired debts		261,570	275,070
Provision for employees' end of service benefits		133,710	105,885
Interest income net of amortization	18	(2,300,927)	(1,986,734)
Finance cost		55,426	93,244
Dividend income	18	(271,217)	(330,636)
Depreciation		465,743	437,435
Amortisation of Intangible Assets		11,798	11,798
Loss / (profit) on disposal of property and equipment		(4,808)	-
<b>Operating cash flows before movement in working capital</b>		<b>3,148,783</b>	<b>11,250,182</b>
<b>Changes in:</b>			
Insurance and reinsurance receivables		(16,900,614)	(13,044,075)
Other receivables and prepayments		(8,379,105)	61,683
Reinsurance share of outstanding claims and IBNR reserve		(1,333,523)	(2,398,910)
Reinsurance share of actuarial / mathematical and unexpired risk reserve		(1,903,160)	(56,288)
Gross outstanding claims and IBNR reserve		15,859,142	7,147,899
Gross actuarial / mathematical and unexpired risk reserve		15,597,179	14,639,432
Due to reinsurers		2,231,715	4,055,832
Other liabilities		(6,232,823)	(18,068,447)
		<b>2,087,594</b>	<b>3,587,308</b>
Employees' end of service benefits paid		(8,240)	(16,322)
Income tax paid		(2,557,100)	(1,648,255)
<b>Net cash (used in) / from operating activities</b>		<b>(477,746)</b>	<b>1,922,731</b>
<b>Cash flows from investing activities</b>			
Movement in bank deposits		(5,309,178)	4,181,500
Purchase of property and equipment		(257,405)	(451,529)
Purchase of investment securities		(2,721,959)	(17,223,321)
Proceeds from disposal of investment securities		11,470,911	2,134,970
Proceeds from disposal of property and equipment		4,888	29,390
Interest income received from bank deposits, bonds and securities		2,064,179	1,460,768
Dividends received		271,217	331,919
Net movement in loans to policyholders		23,627	(8,981)
<b>Net cash from/ (used in) investing activities</b>		<b>5,546,280</b>	<b>(9,545,284)</b>
<b>Cash flows from financing activities</b>			
Finance cost paid		(55,426)	(93,244)
Dividend paid		(9,275,000)	(6,625,000)
(Repayment of) / proceeds from short term loan		2,499,734	6,650,000
<b>Net cash used in financing activities</b>		<b>(6,830,692)</b>	<b>(68,244)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,762,158)</b>	<b>(7,690,797)</b>
Currency translation adjustment		(2,517)	(5,914)
Cash and cash equivalents at the beginning of the period	4	10,267,621	19,025,565
<b>Cash and cash equivalents at the end of the period</b>	4	<b>8,502,946</b>	<b>11,328,854</b>

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

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### NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the six months ended 30 June 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 six month period ended 30 June 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 June 2020, 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 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 six months ended 30 June 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 six months ended 30 June 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

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	<b>RO</b>	RO	RO
	<b>(Unaudited)</b>	(Audited)	(Unaudited)
Balances with banks	<b>8,475,297</b>	10,246,154	11,300,864
Cash in hand	<b>27,649</b>	21,467	27,990
Cash and cash equivalents	<b>8,502,946</b>	10,267,621	11,328,854
Less: ECL on cash and bank balances	<b>(32,196)</b>	(33,664)	(12,910)
Cash and cash equivalents – net of ECL	<b>8,470,750</b>	10,233,957	11,315,944

#### 5 Bank deposits

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	<b>RO</b>	RO	RO
	<b>(Unaudited)</b>	(Audited)	(Unaudited)
Deposits	<b>46,987,309</b>	41,678,130	33,222,995
Less: ECL on bank deposits	<b>(92,340)</b>	(82,034)	(45,153)
	<b>46,894,969</b>	41,596,096	33,177,842

**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 2021**
**6 Investment securities**

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	<b>RO</b>	RO	RO
	<b>(Unaudited)</b>	(Audited)	(Unaudited)
Investments at fair value through profit or loss	6(a) <b>295,619</b>	-	-
Investments carried at amortised cost	6(b) <b>11,210,534</b>	14,204,940	14,213,702
Investment carried at fair value through other comprehensive income	6(c) <b>32,275,549</b>	37,034,234	33,233,816
	<b>43,781,702</b>	51,239,174	47,447,518

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

	<b>30 June 2021</b>		31 December 2020		30 June 2020	
	<b>Market value</b>	<b>Cost</b>	Market value	Cost	Market value	Cost
	<b>RO</b>	<b>RO</b>	RO	RO	RO	RO
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	(Audited)	(Audited)	(Unaudited)	(Unaudited)
<b>Quoted foreign</b>						
Foreign Shares						
and Funds	<b>295,619</b>	<b>149,319</b>	-	-	-	-
	<b>295,619</b>	<b>149,319</b>	-	-	-	-

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

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	<b>RO</b>	RO	RO
	<b>(Unaudited)</b>	(Audited)	(Unaudited)
At 1 January	-	-	-
Additions during the period / year	<b>297,814</b>	-	-
Fair value changes (note 18)	<b>(2,195)</b>	-	-
At 30 June / 31 December	<b>295,619</b>	-	-

**6 (b) Investments carried at amortised cost**

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	<b>RO</b>	RO	RO
	<b>(Unaudited)</b>	(Audited)	(Unaudited)
Bonds - over one year from the date of inception	<b>11,236,189</b>	14,238,969	14,240,430
Less: ECL on Investments carried at amortised cost	<b>(25,655)</b>	(34,029)	(26,728)
	<b>11,210,534</b>	14,204,940	14,213,702
Annual interest rates	<b>4% to 6.75%</b>	4% to 6.75%	4% to 6.75%

**(i) Movement in investments carried at amortised cost:**

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	<b>RO</b>	RO	RO
	<b>(Unaudited)</b>	(Audited)	(Unaudited)
At 1 January	<b>14,204,940</b>	2,569,435	2,569,435
Additions during the period / year	-	11,673,001	11,673,001
Matured / sold during the period / year	<b>(3,330,248)</b>	-	-
Amortisation during the year	<b>(1,648)</b>	(4,609)	(3,148)
Realised gain on disposal (note 18)	<b>329,116</b>	-	-
Movement in Expected credit losses	<b>8,374</b>	(32,887)	(25,586)
At 30 June/ 31 December	<b>11,210,534</b>	14,204,940	14,213,702

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

	30 June 2021		31 December 2020		30 June 2020	
	Market value	Cost	Market value	Cost	Market value	Cost
	RO (Unaudited)	RO (Unaudited)	RO (Audited)	RO (Audited)	RO (Unaudited)	RO (Unaudited)
<b>Local</b>						
Quoted	<u>24,539,672</u>	<u>24,098,661</u>	29,964,227	29,254,886	23,208,046	24,186,050
	<u>24,539,672</u>	<u>24,098,661</u>	29,964,227	29,254,886	23,208,046	24,186,050
<b>Foreign</b>						
Unquoted	119,579	853,449	119,579	853,449	119,579	853,449
Quoted	<u>7,616,298</u>	<u>6,822,874</u>	6,950,428	6,497,116	9,906,191	9,881,399
	<u>7,735,877</u>	<u>7,676,323</u>	7,070,007	7,350,565	10,025,770	10,734,848
<b>Local and Foreign</b>	<u><u>32,275,549</u></u>	<u><u>31,774,984</u></u>	<u>37,034,234</u>	<u>36,605,451</u>	<u>33,233,816</u>	<u>34,920,898</u>

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

	30 June 2021 RO (Unaudited)	31 December 2020 RO (Audited)	30 June 2020 RO (Unaudited)
At 1 January	37,034,234	31,709,063	31,709,063
Additions during the period / year	2,424,145	8,508,286	5,550,320
Disposals during the period / year	(7,954,433)	(3,514,122)	(1,967,712)
Realised gain on disposal (note 18)	499,342	-	-
Fair value change	<u>272,261</u>	<u>331,007</u>	<u>(2,057,855)</u>
At 30 June/ 31 December	<u><u>32,275,549</u></u>	<u><u>37,034,234</u></u>	<u><u>33,233,816</u></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 557,260 (30 June 2020 – loss of RO 730,916) and Change in value of investments carried at FVOCI – gain of RO 799,589 (30 June 2020 – loss of RO 1,167,818). In accordance with IFRS 9, upon disposal of debt investments carried at FVOCI, the resulting realized gain or loss since inception will be reclassified to profit or loss whereas upon disposal of investments carried at FVOCI the resulting realized gain or loss since inception will not be reclassified to profit or loss and will be transferred to retained earnings.

**6 (c) Investment in subsidiaries**

	Country	Holding %	30 June 2021	31 December 2020	30 June 2020
			Carrying value RO	Carrying value RO	Carrying value RO
NLGIC support services Pvt. Ltd. (NSSPL)	India	100.00	302,722	270,387	232,753
Inayah TPA LLC	UAE	100.00	605,181	591,134	581,161
			<u>907,903</u>	<u>861,521</u>	<u>813,914</u>

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**For the six months ended 30 June 2021**
**7 Insurance and reinsurance receivables**

	30 June 2021			31 December 2020			30 June 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	53,654,868	4,229,460	57,884,328	34,337,865	4,045,882	38,383,747	60,279,408	4,438,843	64,718,251
Reinsurance balances receivables	3,828,399	418,452	4,246,851	6,493,981	496,926	6,990,907	13,202,421	251,310	13,453,731
	<u>57,483,267</u>	<u>4,647,912</u>	<u>62,131,179</u>	<u>40,831,846</u>	<u>4,542,808</u>	<u>45,374,654</u>	<u>73,481,829</u>	<u>4,690,153</u>	<u>78,171,982</u>
Allowance for expected credit losses	(1,485,443)	(850,842)	(2,336,285)	(1,368,477)	(850,327)	(2,218,804)	(1,112,641)	(770,999)	(1,883,640)
	<u>55,997,824</u>	<u>3,797,070</u>	<u>59,794,894</u>	<u>39,463,369</u>	<u>3,692,481</u>	<u>43,155,850</u>	<u>72,369,188</u>	<u>3,919,154</u>	<u>76,288,342</u>
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	215,533	46,037	261,570	465,716	144,518	610,234	209,880	65,190	275,070
Written off during the period / year	(98,567)	(45,522)	(144,089)	-	-	-	-	-	-
At 30 June/ 31 December	<u>1,485,443</u>	<u>850,842</u>	<u>2,336,285</u>	<u>1,368,477</u>	<u>850,327</u>	<u>2,218,804</u>	<u>1,112,641</u>	<u>770,999</u>	<u>1,883,640</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 2021

#### 8 Other receivables and prepayments

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	<b>RO</b>	RO	RO
	<b>(Unaudited)</b>	(Audited)	(Unaudited)
Receivable from other insurance companies and individuals	<b>2,031,349</b>	1,468,181	1,303,592
Receivable from medical providers	<b>5,975,341</b>	-	-
Other receivables	<b>4,692,556</b>	3,041,915	8,038,992
Accrued interest	<b>1,760,686</b>	1,545,083	1,401,462
Deferred acquisition costs	-	-	7,739
	<b>14,459,932</b>	6,055,179	10,751,785
Provision for doubtful debts	<b>(349,513)</b>	(349,513)	(317,591)
Expected credit losses of other receivables	<b>(6,928)</b>	(7,405)	(4,490)
	<b>14,103,491</b>	5,698,261	10,429,704

#### 9 Restrictions on transfer of assets

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Group has identified to the Capital Market Authority certain specific bank deposits, investments and loans to policyholders included in the statement of financial position at a total value of RO 47,427,675 (31 December 2020 - RO 46,781,499 and 30 June 2020 - RO 43,910,156). 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 June 2020 - RO 991,142) and RO 2,456,829 (31 December 2020 - RO 2,197,650 and 30 June 2020 - 1,879,150) respectively. Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the respective authorities.

The Group has credit facility of RO 5,000,000 (31 December 2020 - RO 5,000,000 and 30 June 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 June 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

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

### NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

#### 12 Claims

Life and general	30 June 2021			31 December 2020			30 June 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	56,223,208	(11,765,887)	44,457,321	104,777,917	(24,700,432)	80,077,485	49,433,090	(12,485,627)	36,947,463
Less: Claims paid during the period / year	(40,364,066)	10,432,363	(29,931,703)	(103,311,431)	24,853,387	(78,458,044)	(42,285,191)	10,086,717	(32,198,474)
At 30 June/ 31 December	<u>39,030,218</u>	<u>(7,200,682)</u>	<u>31,829,536</u>	<u>23,171,076</u>	<u>(5,867,158)</u>	<u>17,303,918</u>	<u>28,852,489</u>	<u>(8,419,023)</u>	<u>20,433,466</u>
Analysis of outstanding claims at 30 June/ 31 December									
- Claims incurred	30,604,673	(5,398,771)	25,205,902	15,798,077	(4,119,131)	11,678,946	22,503,260	(6,756,253)	15,747,007
- Incurred but not reported	8,425,545	(1,801,911)	6,623,634	7,372,999	(1,748,027)	5,624,972	6,349,229	(1,662,770)	4,686,459
	<u>39,030,218</u>	<u>(7,200,682)</u>	<u>31,829,536</u>	<u>23,171,076</u>	<u>(5,867,158)</u>	<u>17,303,918</u>	<u>28,852,489</u>	<u>(8,419,023)</u>	<u>20,433,466</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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**For the six months ended 30 June 2021**
**13 Gross actuarial / mathematical and unexpired risk reserve**

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
<b>Actuarial / mathematical and unexpired risk reserve - life assurance</b>			
Gross	59,422,788	43,372,671	64,883,724
Reinsurers' share	<u>(11,954,987)</u>	<u>(10,138,094)</u>	<u>(13,394,882)</u>
	<b>47,467,801</b>	<b>33,234,577</b>	<b>51,488,842</b>
<b>Unexpired risk reserve – general insurance</b>			
Gross	7,715,904	8,168,842	8,158,889
Reinsurers' share	<u>(256,088)</u>	<u>(169,821)</u>	<u>(206,281)</u>
	<b>7,459,816</b>	<b>7,999,021</b>	<b>7,952,608</b>
<b>Actuarial / mathematical and unexpired risk reserve – total</b>			
Gross	67,138,692	51,541,513	73,042,613
Reinsurers' share	<u>(12,211,075)</u>	<u>(10,307,915)</u>	<u>(13,601,163)</u>
	<b>54,927,617</b>	<b>41,233,598</b>	<b>59,441,450</b>

*Movement during the period / year:*

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
<b>Actuarial / mathematical and unexpired risk reserve – life assurance</b>			
At 1 January	33,234,577	37,001,242	37,001,242
Net movement in the statement of comprehensive income	<u>14,233,224</u>	<u>(3,766,665)</u>	<u>14,487,600</u>
At 30 June/ 31 December	<b>47,467,801</b>	<b>33,234,577</b>	<b>51,488,842</b>
<b>Unexpired risk reserve – general insurance</b>			
At 1 January	7,999,021	7,857,064	7,857,064
Net movement in the statement of comprehensive income	<u>(539,205)</u>	<u>141,957</u>	<u>95,544</u>
At 30 June/ 31 December	<b>7,459,816</b>	<b>7,999,021</b>	<b>7,952,608</b>

**14 Due to reinsurers**

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Reinsurance balances payable – life insurance	9,035,832	7,074,604	12,261,012
Reinsurance balances payable – general insurance	<u>1,283,912</u>	<u>1,013,425</u>	<u>632,379</u>
	<b>10,319,744</b>	<b>8,088,029</b>	<b>12,893,391</b>

**15 Other liabilities**

	<b>30 June 2021</b>	31 December 2020	30 June 2020
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Accounts payable	631,117	7,723,515	5,476,526
Commission Payable	5,692,573	5,307,564	7,543,022
Accrued expenses	3,669,791	4,431,544	3,759,587
Other payables	5,951,402	4,680,260	4,431,794
Employees' end of service benefits	<u>983,886</u>	<u>896,967</u>	<u>859,751</u>
	<b>16,928,769</b>	<b>23,039,850</b>	<b>22,070,680</b>



**NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES**
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**16 Contingent liabilities**
*(a) Contingencies*

At 30 June 2021, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Group amounting to RO 224,718 (31 December 2020 - RO 683,663 and 30 June 2020 – RO 255,102) 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:

	<b>30 June 2021</b> <b>RO</b> <b>(Unaudited)</b>	31 December 2020 RO (Audited)	30 June 2020 RO (Unaudited)
Net assets (RO)	<u>63,235,711</u>	<u>67,420,460</u>	<u>61,213,274</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>0.239</u>	<u>0.254</u>	<u>0.231</u>

**18 Investment income – net**

	<b>30 June 2021</b> <b>RO</b> <b>(Unaudited)</b>	30 June 2020 RO (Unaudited)
Interest income on bank deposits and other investments	967,366	715,418
Interest income on bonds, net of amortisation charge	1,328,038	1,277,543
Interest income on loans to policy holders	5,523	(6,227)
Dividend income	271,217	330,636
Net unrealised (loss) / gain on investments carried at fair value through profit or loss	(2,195)	-
Net realised gain on investment carried at FVOCI – debt instruments	499,342	-
Net realised gain on investment carried at amortised cost	329,116	-
	<u>3,398,407</u>	<u>2,317,370</u>
Investment acquisition cost and portfolio management fees	(25,942)	(48,562)
	<u>3,372,465</u>	<u>2,268,808</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 2021**
**19 Income tax**

	<b>30 June 2021</b>	30 June 2020
	<b>RO</b>	RO
	<b>(Unaudited)</b>	(Unaudited)
<b>Statement of comprehensive income:</b>		
Current tax		
- For the year	<b>831,307</b>	1,831,255
- For prior years	<b>(5,883)</b>	8,158
Deferred tax	<b>(36,806)</b>	(45,578)
	<b>788,618</b>	1,793,835
	<b>30 June 2021</b>	31 December 2020
	<b>RO</b>	RO
	<b>(Unaudited)</b>	(Audited)
<b>Current liability</b>		
Income tax payable	<b>833,295</b>	1,636,275
<b>Non-current asset</b>		
Deferred tax asset	<b>242,217</b>	221,007
		448,221

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

	<b>30 June 2021</b>	30 June 2020
	<b>(Unaudited)</b>	(Unaudited)
Profit for the six months ended (RO)	<b>4,850,439</b>	10,840,326
Weighted average number of shares outstanding @ RO 0.100 per share	<b>265,000,000</b>	265,000,000
Basic and diluted earnings per share (RO)	<b>0.018</b>	0.041

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

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

### NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the six months ended 30 June 2021

#### 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 June 2021 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
<b>Statement of comprehensive income</b>							
Gross premium income	2,703,851	107,304	-	2,200,542	-	-	396,005
Claims expense	1,371,180	34,247	-	957,992	-	-	378,941
Reinsurer's share of claims paid	932	-	-	932	-	-	-
Interest income on deposits	360,553	-	-	360,553	-	-	-
Bonds Interest & Dividend Income	154,885	108,010	-	46,875	-	-	-
Commission expense	262,384	-	-	97,207	-	-	165,177
Other expenses	114,775	-	-	100,831	-	-	13,944
Director sitting fees	15,248	-	11,864	-	3,384	-	-
Directors' remuneration	64,300	-	64,300	-	-	-	-
<b>Other Transactions</b>							
Investment in Deposits	3,550,000	-	-	3,550,000	-	-	-
Maturity/ Liquidation of Deposit	1,000,000	-	-	1,000,000	-	-	-
Increase in bank balances	27,723	-	-	27,723	-	-	-
Decrease in bank balances	1,272,955	-	-	1,272,955	-	-	-
<b>Statement of financial position</b>							
Directors' remuneration & sitting fees	65,078	-	64,300	-	519	259	-
Claims payable to related parties	1,013,949	17,467	-	796,859	-	-	199,623
Commission payable	299,959	-	-	16,192	-	-	283,767
Payable to related parties	3,004	-	-	3,004	-	-	-
Receivable from related parties	627,493	-	-	607,238	20,255	-	-
Bank balances	489,792	-	-	489,792	-	-	-
Fixed deposits balances	15,725,000	-	-	15,725,000	-	-	-
Premium receivable from related parties	1,330,757	1,797	-	986,317	-	-	342,643
Investment in Bonds	4,045,000	2,795,000	-	1,250,000	-	-	-
Reinsurance balance receivable	14,224	-	-	14,224	-	-	-
Accrued interest receivable	395,769	-	-	395,769	-	-	-

During January to June 2021, subsidiary in India (NSSPL) has charged the parent company service fees of RO 312,362. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 34,852. Carrying value of investment as on 30.06.2021 is RO 302,722 and due to NSSPL as at 30.06.2021 is RO 42,857.

During January to June 2021, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 294,998 and paid rental to the parent company of RO 12,642. The Parent Company has accounted Inayah Share of profit from subsidiary of RO 14,047. Carrying value of investment as on 30.06.2021 is RO 605,181, it's related intangibles are RO 314,359 and due to Inayah TPA LLC as at 30.06.2021 is RO 177,889.

## 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 2021

#### 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 2020 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
<b>Statement of comprehensive income</b>							
Gross premium income	1,214,012	120,860	-	810,469	-	-	282,683
Claims expense	890,236	23,075	-	697,348	-	-	169,813
Reinsurer's share of claims paid	2,981	-	-	2,981	-	-	-
Interest income on deposits	232,448	-	-	232,448	-	-	-
Income from bonds and equity	311,506	108,603	-	202,903	-	-	-
Commission expense	313,124	-	-	120,031	-	-	193,093
Other expenses	143,666	-	-	121,444	-	-	22,223
Director sitting fees	9,000	-	9,000	-	-	-	-
Directors' remuneration	91,000	-	91,000	-	-	-	-
<b>Other Transactions</b>							
Short Term Loan taken	2,250,000	-	-	2,250,000	-	-	-
Bond purchase	495,000	495,000	-	-	-	-	-
Maturity/ Liquidation of Deposit	4,000,000	-	-	4,000,000	-	-	-
Increase in bank balances	64,218	-	-	64,218	-	-	-
Decrease in bank balances	6,670,367	-	-	6,670,367	-	-	-
<b>Statement of financial position</b>							
Directors' remuneration & sitting fees	91,000	-	91,000	-	-	-	-
Claims payable to related parties	482,095	5,893	-	389,707	-	-	86,495
Commission payable	357,233	-	-	24,539	-	-	332,694
Payable to related parties	4,256,511	-	-	4,256,511	-	-	-
Receivable from related parties	23,978	-	-	16,958	7,020	-	-
Bank balances	657,993	-	-	657,993	-	-	-
Fixed deposits/Bonds balances	8,675,000	-	-	8,675,000	-	-	-
Premium receivable from related parties	516,276	3,669	-	229,234	-	-	283,372
Investment in Bonds	4,045,000	2,795,000	-	1,250,000	-	-	-
Reinsurance balance receivable	14,725	-	-	14,725	-	-	-
Accrued interest receivable	213,444	-	-	213,444	-	-	-

During January to June 2020, subsidiary in India (NSSPL) has charged the parent company service fees of RO 229,495. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 22,276. Carrying value of investment as on 30.06.2020 is RO 232,753 and due to NSSPL as at 30.06.2020 is RO 39,090.

During January to June 2020, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 231,089. The Parent Company has accounted Inayah Share of profit from subsidiary of RO 15,297. Carrying value of investment as on 30.06.2020 is RO 581,161, it's related intangibles are RO 337,955 and due to Inayah TPA LLC as at 30.06.2020 is RO 92,563.

No major provision has been required during six months ended 30 June 2021 (30 June 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:

	<b>30 June 2021</b>	30 June 2020
	<b>RO</b>	RO
	<b>(Unaudited)</b>	(Unaudited)
Short-term benefits	<b>329,786</b>	313,412
Employees' end of service benefits & leave salary accrual	<b>48,650</b>	51,235
	<b>378,436</b>	364,647
Number of key management personnel	<b>8</b>	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 six months ended 30 June 2021 and 30 June 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.

<b>30 June 2021 (Unaudited)</b>	<b>Life and Medical RO</b>	<b>General RO</b>	<b>Adjustments and eliminations RO</b>	<b>Total RO</b>
Gross premium written	76,091,584	9,303,016	-	85,394,600
Movement in unearned premiums	(16,050,117)	452,938	-	(15,597,179)
<b>Gross premiums earned</b>	<b>60,041,467</b>	<b>9,755,954</b>	<b>-</b>	<b>69,797,421</b>
Insurance premium ceded to reinsurers	(13,333,479)	(625,782)	-	(13,959,261)
Movement in unearned premiums	1,816,893	86,267	-	1,903,160
<b>Premium ceded to reinsurers, earned</b>	<b>(11,516,586)</b>	<b>(539,515)</b>	<b>-</b>	<b>(12,056,101)</b>
<b>Net premiums</b>	<b>48,524,881</b>	<b>9,216,439</b>	<b>-</b>	<b>57,741,320</b>
Claims	(49,840,015)	(6,383,193)	-	(56,223,208)
Reinsurers' share of claims	11,584,393	181,494	-	11,765,887
<b>Net claims</b>	<b>(38,255,622)</b>	<b>(6,201,699)</b>	<b>-</b>	<b>(44,457,321)</b>
Income from policy fees	54,020	641,095	-	695,115
Commission income on premium ceded to reinsurers	1,440,395	112,859	-	1,553,254
Commission expense	(5,142,040)	(1,292,893)	-	(6,434,933)
<b>Net underwriting results</b>	<b>6,621,634</b>	<b>2,475,801</b>	<b>-</b>	<b>9,097,435</b>
Investment income – net	2,643,806	777,558	(48,899)	3,372,465
ECL on financial assets	8,823	6,483	-	15,306
Other operating (loss) / income	(12,526)	2,305	(12,642)	(22,863)
Third party administration fees	(539,221)	-	-	(539,221)
General and administrative expenses	(4,666,322)	(1,563,161)	12,642	(6,216,841)
Finance cost	(55,426)	-	-	(55,426)
Amortisation of intangible assets	(11,798)	-	-	(11,798)
Income tax	(625,503)	(163,115)	-	(788,618)
<b>Profit for the period</b>	<b>3,363,467</b>	<b>1,535,871</b>	<b>(48,899)</b>	<b>4,850,439</b>

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

30 June 2020 (Unaudited)	Life and medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	77,650,209	9,523,618	-	87,173,827
Movement in unearned premiums	<u>(14,590,263)</u>	<u>(49,169)</u>	-	<u>(14,639,432)</u>
Gross premiums earned	<u>63,059,946</u>	<u>9,474,449</u>	-	<u>72,534,395</u>
Insurance premium ceded to reinsurers	(13,865,093)	(521,230)	-	(14,386,323)
Movement in unearned premiums	102,663	(46,375)	-	56,288
Premium ceded to reinsurers, earned	<u>(13,762,430)</u>	<u>(567,605)</u>	-	<u>(14,330,035)</u>
Net premiums	<u>49,297,516</u>	<u>8,906,844</u>	-	<u>58,204,360</u>
Claims	(45,793,798)	(3,639,292)	-	(49,433,090)
Reinsurers' share of claims	12,105,333	380,294	-	12,485,627
Net claims	<u>(33,688,465)</u>	<u>(3,258,998)</u>	-	<u>(36,947,463)</u>
Income from policy fees	67,208	500,141	-	567,349
Commission income on premium ceded to reinsurers	1,797,071	(39,284)	-	1,757,787
Commission expense	<u>(5,284,056)</u>	<u>(1,153,521)</u>	-	<u>(6,437,577)</u>
Net underwriting results	12,189,274	4,955,182	-	17,144,456
Investment income – net	1,587,938	718,443	(37,573)	2,268,808
ECL on financial assets	(5,255)	(4,704)	-	(9,959)
Other operating income	(15,232)	4,041	-	(11,191)
Third party administration fees	(604,137)	-	-	(604,137)
General and administrative expenses	(4,620,943)	(1,427,831)	-	(6,048,774)
Finance cost	(93,244)	-	-	(93,244)
Amortisation of intangible assets	(11,798)	-	-	(11,798)
Income tax	<u>(1,194,511)</u>	<u>(599,324)</u>	-	<u>(1,793,835)</u>
Profit for the period	<u>7,232,092</u>	<u>3,645,807</u>	<u>(37,573)</u>	<u>10,840,326</u>
	<b>Life and Medical RO</b>	<b>General RO</b>	<b>Adjustments and eliminations RO</b>	<b>Total RO</b>
<b>30 June 2021 (Unaudited)</b>				
<b>Segment assets</b>	<u>160,568,369</u>	<u>40,546,443</u>	<u>(1,128,649)</u>	<u>199,986,163</u>
<b>Segment liabilities</b>	<u>115,175,203</u>	<u>21,795,995</u>	<u>(220,746)</u>	<u>136,750,452</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 June 2020 (Unaudited)				
Segment assets	<u>174,120,734</u>	<u>35,371,719</u>	<u>(945,567)</u>	<u>208,546,886</u>
Segment liabilities	<u>127,481,428</u>	<u>19,983,837</u>	<u>(131,653)</u>	<u>147,333,612</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 2021 and 30 June 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
<b>30 June 2021 (Unaudited)</b>						
Gross premium written	44,763,839	38,860,479	1,770,282	-	-	85,394,600
Movement in unearned premiums	(11,720,308)	(3,938,158)	61,287	-	-	(15,597,179)
<b>Gross premiums earned</b>	<b>33,043,531</b>	<b>34,922,321</b>	<b>1,831,569</b>	<b>-</b>	<b>-</b>	<b>69,797,421</b>
Insurance premium ceded to reinsurers	(2,639,014)	(11,258,406)	(61,841)	-	-	(13,959,261)
Movement in unearned premiums	1,003,526	880,315	19,319	-	-	1,903,160
<b>Premium ceded to reinsurers, earned</b>	<b>(1,635,488)</b>	<b>(10,378,091)</b>	<b>(42,522)</b>	<b>-</b>	<b>-</b>	<b>(12,056,101)</b>
<b>Net premiums</b>	<b>31,408,043</b>	<b>24,544,230</b>	<b>1,789,047</b>	<b>-</b>	<b>-</b>	<b>57,741,320</b>
Claims	(23,041,711)	(31,671,837)	(1,509,660)	-	-	(56,223,208)
Reinsurers' share of claims	2,005,247	9,723,206	37,434	-	-	11,765,887
<b>Net claims</b>	<b>(21,036,464)</b>	<b>(21,948,631)</b>	<b>(1,472,226)</b>	<b>-</b>	<b>-</b>	<b>(44,457,321)</b>
Income from policy fees	647,499	39,775	7,841	-	-	695,115
Commission income on premium ceded to reinsurers	123,000	1,429,989	265	-	-	1,553,254
Commission expense	(2,662,615)	(3,454,439)	(317,879)	-	-	(6,434,933)
<b>Net underwriting results</b>	<b>8,479,463</b>	<b>610,924</b>	<b>7,048</b>	<b>-</b>	<b>-</b>	<b>9,097,435</b>
Investment income – net	2,943,648	448,962	28,754	-	(48,899)	3,372,465
ECL on financial assets	9,656	5,772	(122)	-	-	15,306
Other operating (loss) / income	(23,714)	13,199	294	-	(12,642)	(22,863)
Third party administration fees	(104,945)	(977,465)	(64,171)	607,360	-	(539,221)
General and administrative expenses	(3,910,082)	(1,491,282)	(279,144)	(548,975)	12,642	(6,216,841)
Finance cost	(55,376)	(50)	-	-	-	(55,426)
Amortisation of intangible assets	(11,798)	-	-	-	-	(11,798)
Income tax	(779,132)	-	-	(9,486)	-	(788,618)
<b>Profit / (loss) for the period</b>	<b>6,547,720</b>	<b>(1,389,940)</b>	<b>(307,341)</b>	<b>48,899</b>	<b>(48,899)</b>	<b>4,850,439</b>



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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
<b>30 June 2020 (Unaudited)</b>						
Gross premium written	43,188,949	42,950,562	1,034,316	-	-	87,173,827
Movement in unearned premiums	(11,003,973)	(3,704,931)	69,472	-	-	(14,639,432)
Gross premiums earned	32,184,976	39,245,631	1,103,788	-	-	72,534,395
Insurance premium ceded to reinsurers	(1,576,649)	(12,771,838)	(37,836)	-	-	(14,386,323)
Movement in unearned premiums	(190,197)	406,078	(159,593)	-	-	56,288
Premium ceded to reinsurers, earned	(1,766,846)	(12,365,760)	(197,429)	-	-	(14,330,035)
Net premiums	30,418,130	26,879,871	906,359	-	-	58,204,360
Claims	(18,553,781)	(30,421,519)	(457,790)	-	-	(49,433,090)
Reinsurers' share of claims	2,667,202	9,671,487	146,938	-	-	12,485,627
Net claims	(15,886,579)	(20,750,032)	(310,852)	-	-	(36,947,463)
Income from policy fees	533,373	10,377	23,599	-	-	567,349
Commission income on premium ceded to reinsurers	(17,009)	1,772,698	2,098	-	-	1,757,787
Commission expense	(2,555,963)	(3,715,013)	(166,601)	-	-	(6,437,577)
Net underwriting results	12,491,952	4,197,901	454,603	-	-	17,144,456
Investment income – net	1,771,277	427,519	107,585	-	(37,573)	2,268,808
ECL on financial assets	(5,144)	2,128	(6,943)	-	-	(9,959)
Other operating income / (loss)	(12,226)	(2,997)	4,032	-	-	(11,191)
Third party administration fees	(75,648)	(963,709)	(25,364)	460,584	-	(604,137)
General and administrative expenses	(3,813,217)	(1,554,772)	(269,598)	(411,187)	-	(6,048,774)
Finance cost	(89,080)	(4,164)	-	-	-	(93,244)
Amortisation of intangible assets	(11,798)	-	-	-	-	(11,798)
Income tax	(1,782,011)	-	-	(11,824)	-	(1,793,835)
Profit / (loss) for the period	8,474,105	2,101,906	264,315	37,573	(37,573)	10,840,326
	<b>Oman RO</b>	<b>UAE RO</b>	<b>Kuwait RO</b>	<b>Subsidiaries RO</b>	<b>Adjustments and eliminations RO</b>	<b>Total RO</b>
<b>30 June 2021 (Unaudited)</b>						
Segment assets	126,630,492	67,478,767	5,718,369	1,287,184	(1,128,649)	199,986,163
Segment liabilities	81,470,362	51,414,487	3,707,068	379,281	(220,746)	136,750,452
<b>31 December 2020 (Audited)</b>						
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
<b>30 June 2020 (Unaudited)</b>						
Segment assets	111,351,465	88,180,454	8,212,911	1,747,623	(945,567)	208,546,886
Segment liabilities	77,622,168	66,361,085	2,548,303	933,709	(131,653)	147,333,612

## 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 2021

#### 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.

<b>30 June 2021 (Unaudited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Investments	<u>32,451,589</u>	<u>119,579</u>	<u>32,571,168</u>
<b>31 December 2020 (Audited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Investments	<u>36,914,655</u>	<u>119,579</u>	<u>37,034,234</u>
<b>30 June 2020 (Unaudited)</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
Investments	<u>33,114,237</u>	<u>119,579</u>	<u>33,233,816</u>

There were no transfers between any levels mentioned above.