

DIRECTORS' REPORT

For three months ended 31 March 2020

Dear Shareholders,

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

The Nation and the Company are facing unprecedented circumstances with the emergence of COVID 19 and the dramatic fall in oil prices in Q1 2020. During these challenging times, the Company has taken all the necessary initiatives including implementing Business Continuity Plan to effectively handle the twin crisis. We are abiding by the guidelines given by the authorities in this regard and ensuring the safety of our employees, customers and business partners. At the same time, we are striving to mitigate the negative impact of the crises on the Company's business. The management is focusing to grow gross written premiums, deliver quality customer service, maintain adequate liquidity to meet claims and actively manage the investment portfolio. We witnessed minor impact on our business during the Q1 2020. The challenges may rise in Q2 2020 as we encounter the full impact of COVID-19 and low prices. However, the Board and the Management team are actively monitoring the unfolding situation and have put in place prudent measures to limit the downside and find opportunities to serve our customers in the best possible manner.

One of the positive offshoots of this crisis can be seen in the fundamental shifts coming in the adoption of digital technologies. The Company is focusing primarily on developing its digital capabilities with an aim to connect to the customer and redefine how we interact and transact with our customers.

Performance Highlights for the three months period ended 31 March 2020:

As compared to corresponding period of the previous year, the results of the Company for Q1 2020 in terms of gross premiums and net profit are slightly lower – as explained below:

Gross Premiums and Net Underwriting Results:

Gross Written Premium (GWP) declined by 4% to RO 52.4 million as compared to RO 54.8 million during Q1 2019. The Net Underwriting Result (NUR) of RO 4.9 million in Q1 2020 is 14% lower than NUR of RO 5.7 million in Q1 2019. This is mainly due to lower premiums and weaker NUR from the Company's UAE operations during Q1 2020.

Investment Income

The company's investment income has increased by 71% to RO 1 million as compared to RO 0.6 million in the corresponding period of the previous year. This is primarily from an increase of RO 0.3 million in the Company's fixed investment income portfolio.

Net Profit After Tax (NPAT)

The Company has achieved NPAT of RO 2.4 million in Q1 2020 vs RO 2.7 million in the Q1 2019. The reduction in the NUR during the quarter has been offset partially by the increase in Investment Income. The Company has taken many steps and made changes in its processes during March 2020 to be able to operate under lockdown conditions with the help of digital technologies and maintain the business levels as well as keep up the customer service levels. In view of all the measures taken and the business model of the Company (wherein the key lines of business of the Company - Medical and Motor are mandatory in nature), we remain positive in the Company's ability to be resilient during the challenging lockdown situation in the coming quarter. We hope for the situation to be normalized and for an early economic recovery in the interest of the safety and prosperity of the citizens, residents, and the entire nation.

Acknowledgements

We take this opportunity to express our sincere gratitude to His Majesty Sultan Haitham bin Tarik for his great leadership, wisdom, and guidance. 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.

May the Almighty keep all of us safe and in good health.



Khalid Muhammad AlZubair
Chairman

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

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31st MARCH 2020**

Principal place of business:

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

Registered address:

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

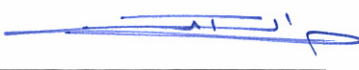
**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31ST MARCH 2020**

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NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31st March 2020

		31 March 2020	31 December 2019	31 March 2019
	Notes	RO (Unaudited)	RO (Audited)	RO (Unaudited)
ASSETS				
Cash and cash equivalents	4	6,633,964	19,004,230	8,478,073
Bank deposits	5	32,858,434	37,348,696	34,900,920
Premiums and insurance balance receivables	7	76,346,487	63,519,337	81,672,500
Reinsurers' share of outstanding claims	12	7,822,155	6,020,113	12,582,618
Reinsurers' share of actuarial / mathematical and unexpired risk reserve	13	14,708,452	13,544,875	18,492,434
Other receivables and prepayments	8	6,190,675	5,490,233	6,163,546
Investments at fair value through profit or loss	6(a)	-	-	645,288
Investments carried at amortised cost	6(b)	14,214,805	2,569,435	9,248,241
Investments carried at fair value through other comprehensive income	6(c)	29,856,625	31,709,063	23,425,961
Loans to policyholders		138,533	129,435	213,504
Property and equipment		6,703,141	6,811,564	5,694,744
Deferred tax asset	19	792,072	221,007	309,304
Intangible Assets (including Goodwill)		490,344	496,243	513,941
Total assets		196,755,687	186,864,231	202,341,074
EQUITY AND LIABILITIES				
EQUITY				
Capital and reserves				
Share capital	10	26,500,000	26,500,000	26,500,000
Legal reserve		6,996,677	6,761,121	6,011,264
Contingency reserve		11,790,769	11,185,599	9,974,363
Revaluation reserve		447,420	447,420	447,420
Fair value reserve		(3,549,589)	165,048	(1,156,913)
Foreign exchange fluctuation reserve		(27,738)	(21,957)	(2,627)
Retained earnings		8,427,593	13,865,365	9,195,254
Total equity		50,585,132	58,902,596	50,968,761
LIABILITIES				
Gross outstanding claims	12	29,965,029	21,704,590	33,949,504
Gross actuarial / mathematical and unexpired risk reserve	13	73,507,254	58,403,181	71,017,305
Due to reinsurers	14	11,802,927	8,837,559	9,149,632
Other liabilities	15	27,549,693	35,380,030	32,274,000
Short term loan		3,000,000	2,000,000	4,500,000
Income tax payable	19	345,652	1,636,275	481,872
Total liabilities		146,170,555	127,961,635	151,372,313
Total equity and liabilities		196,755,687	186,864,231	202,341,074
Net assets per share	17	0.191	0.222	0.192

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 12 May 2020 and were signed on their behalf by



Chairman



Chief Executive Officer

The attached notes 1 to 26 form part of these unaudited interim condensed consolidated financial statements.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three months ended 31 March 2020

	Notes	31 March 2020 RO (Unaudited)	31 March 2019 RO (Unaudited)
Gross written premium		<u>52,383,970</u>	<u>54,793,799</u>
Gross premium, earned		37,279,897	36,739,108
Premium ceded to reinsurers, earned		<u>(7,543,423)</u>	<u>(11,406,677)</u>
Net insurance premium revenue		29,736,474	25,332,431
Commission income on premium ceded to reinsurers		1,157,714	1,683,364
Income from policy fees		301,733	460,082
Gross claims expense	12	(29,962,863)	(27,761,112)
Reinsurers' share of claims	12	7,323,975	9,787,156
Commission expense		<u>(3,620,578)</u>	<u>(3,787,633)</u>
Net underwriting result		4,936,455	5,714,288
Investment income – net	18	1,071,565	625,940
Expected credit losses on financial assets		(1,818)	(321)
Other operating expense / income		(3,364)	3,489
Third party administration fees		(378,690)	(549,786)
General and administrative expenses		(2,933,682)	(2,719,176)
Finance cost		(13,450)	(527)
Amortisation of Intangible Assets		<u>(5,899)</u>	<u>(5,899)</u>
Profit before income tax		2,671,117	3,068,008
Income tax	19	<u>(315,554)</u>	<u>(364,267)</u>
Profit for the period		<u>2,355,563</u>	<u>2,703,741</u>
Other comprehensive expense			
Items that will be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(5,781)	(1,345)
Change in value of debt investments carried at fair value through other comprehensive income		(2,550,481)	28,039
Items that will not be reclassified to profit or loss:			
Change in value of investments carried at fair value through other comprehensive income		<u>(1,491,765)</u>	<u>(120,146)</u>
Other comprehensive expense for the period		<u>(4,048,027)</u>	<u>(93,452)</u>
Total comprehensive income for the period		<u>(1,692,464)</u>	<u>2,610,289</u>
Earnings per share - basic and diluted	20	<u>0.009</u>	<u>0.010</u>

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

The attached notes 1 to 26 form part of these unaudited interim condensed consolidated financial statements.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2020

	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 2019	26,500,000	5,740,890	9,354,092	447,420	(1,064,317)	(1,282)	12,681,669	53,658,472
Profit for the period	-	-	-	-	-	-	2,703,741	2,703,741
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	(92,107)	-	-	(92,107)
Change in foreign exchange fluctuation reserve	-	-	-	-	-	(1,345)	-	(1,345)
Total comprehensive income for the period	-	-	-	-	(92,107)	(1,345)	2,703,741	2,610,289
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	(489)	-	489	-
Dividends declared and paid (Note 11)	-	-	-	-	-	-	(5,300,000)	(5,300,000)
Transfer to legal reserve	-	270,374	-	-	-	-	(270,374)	-
Transfer to contingency reserve	-	-	620,271	-	-	-	(620,271)	-
At 31 March 2019 (Unaudited)	<u>26,500,000</u>	<u>6,011,264</u>	<u>9,974,363</u>	<u>447,420</u>	<u>(1,156,913)</u>	<u>(2,627)</u>	<u>9,195,254</u>	<u>50,968,761</u>
At 1 January 2020	26,500,000	6,761,121	11,185,599	447,420	165,048	(21,957)	13,865,365	58,902,596
Profit for the period	-	-	-	-	-	-	2,355,563	2,355,563
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	(4,042,246)	-	-	(4,042,246)
Change in foreign exchange fluctuation reserve	-	-	-	-	-	(5,781)	-	(5,781)
Total comprehensive income for the period	-	-	-	-	(4,042,246)	(5,781)	2,355,563	(1,692,464)
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	327,609	-	(327,609)	-
Dividends declared and paid (Note 11)	-	-	-	-	-	-	(6,625,000)	(6,625,000)
Transfer to legal reserve	-	235,556	-	-	-	-	(235,556)	-
Transfer to contingency reserve	-	-	605,170	-	-	-	(605,170)	-
At 31 March 2020 (Unaudited)	<u>26,500,000</u>	<u>6,996,677</u>	<u>11,790,769</u>	<u>447,420</u>	<u>(3,549,589)</u>	<u>(27,738)</u>	<u>8,427,593</u>	<u>50,585,132</u>

The attached notes 1 to 26 form part of these unaudited interim condensed consolidated financial statements.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended 31 March 2020

		31 March 2020	31 March 2019
	Notes	RO (Unaudited)	RO (Unaudited)
Operating activities			
Profit before taxation		2,671,117	3,068,008
Adjustments for:			
Net (loss) / gain on investments at fair value through profit or loss		-	138,709
Expected credit loss/(release) of financial assets		1,818	321
Allowance for impaired debts		98,772	128,370
Accrual for end on service benefits		71,662	63,467
Interest income	18	(790,807)	(453,695)
Finance cost		13,450	527
Dividend income	18	(312,561)	(317,257)
Depreciation		212,932	195,782
Amortisation of Intangible Assets		5,899	5,899
Profit on disposal of property and equipment		-	(3,314)
		1,972,282	2,826,817
Changes in working capital:			
Premium and insurance balances receivable		(12,925,922)	(31,161,533)
Other receivables and prepayments		(438,213)	(1,166,597)
Reinsurers' share of outstanding claims		(1,802,042)	(2,862,067)
Reinsurers' share of actuarial / mathematical and unexpired risk reserve		(1,163,577)	(84,467)
Gross outstanding claims		8,260,439	8,901,496
Actuarial / mathematical and unexpired risk reserve		15,104,073	18,054,691
Due to reinsurers		2,965,368	6,595,328
Other liabilities		(14,464,981)	(5,432,857)
		(2,492,573)	(4,329,189)
End of service benefits paid		-	(10,399)
Income tax paid		(1,621,098)	(1,519,730)
Net cash (used in) / from operating activities		(4,113,671)	(5,859,318)
Investing activities			
Placement in bank deposits (net)		4,500,000	-
Purchase of property and equipment		(133,927)	(243,878)
Purchase of investment securities		(15,753,085)	(8,927,353)
Proceeds from disposal of investment securities		1,261,649	696,161
Proceeds from disposal of property and equipment		29,418	3,315
Interest received		818,570	411,294
Dividends received		37,626	77,598
Net movement in loans to policyholders		(9,098)	4,870
Net cash used in investing activities		(9,248,847)	(7,977,993)
Financing activities			
Finance cost paid		(13,450)	(527)
Short term loans		1,000,000	4,500,000
Net cash (used in) / from financing activities		986,550	4,499,473
Net changes in cash and cash equivalents			
Currency translation adjustment		(5,781)	(1,345)
Cash and cash equivalents at the beginning of the period	4	19,025,565	17,836,251
Cash and cash equivalents at the end of the period	4	6,643,816	8,497,068

The attached notes 1 to 26 form part of these unaudited interim condensed consolidated financial statements.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the three months ended 31 March 2020

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 2019. 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 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the results for the three month period ended 31 March 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

The comparative information, included in these unaudited interim condensed consolidated financial statements as at 31 March 2019, are for the three month period then ended and is unaudited.

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

2.2 Changes in accounting policy and disclosures

(a) New and amended standards and interpretations effective after 1 January 2020 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 2019.

The Group has adopted standard, interpretation or amendment that has been issued and is effective as at 01 January 2020. Although these amendments apply for the first time in 2020, they do not have a material impact on the interim condensed consolidated financial statements of the Group.

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

Certain new standards, amendments to standards and interpretations are not yet effective for the three months ended 31 March 2020, 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 2019.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended 31 March 2020
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 2019.

On 11 March 2020, the World Health Organization made an assessment that the outbreak of a coronavirus (COVID-19) can be characterized as a pandemic. In addition, oil prices significantly dropped in January to March 2020 due to a number of political and economic factors. As a result, businesses have subsequently seen reduced volumes and, where governments mandated, temporary suspension of travel and closure of commercial establishments. The pandemic has impacted the Group as well and the Group has taken steps during March 2020 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. The Company's investments have been impacted due to the fall in market prices of shares and bonds and the impact as at 31 March 2020 is accounted for in the financials. 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.

A continued lock down situation in the geographies in which the Group operates can impact the Group in terms of reduction in business levels, deterioration of the value of its assets such as further reduction of market value of investments, increased provision requirements on its Premiums and insurance balance receivables and Other receivables, significant change in currency rates, etc. The extent and duration of the future impact of these conditions remain uncertain and depend on timeline of lifting up of lockdown and resumption of business that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of authorisation of these financial statements.

4 Cash and cash equivalents

	31 March 2020	31 December 2019	31 March 2019
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Balances with banks	6,611,392	19,012,920	8,477,065
Cash in hand	32,424	12,645	20,003
Cash and cash equivalents	6,643,816	19,025,565	8,497,068
Less: ECL on cash and bank balances	(9,852)	(21,335)	(18,995)
Cash and cash equivalents – net of ECL	6,633,964	19,004,230	8,478,073

5 Bank deposits

	31 March 2020	31 December 2019	31 March 2019
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Deposits	32,904,495	37,404,495	34,942,069
Less: ECL on bank deposits	(46,061)	(55,799)	(41,149)
	32,858,434	37,348,696	34,900,920

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended 30 March 2019
6 Investment securities

	31 March 2020 RO (Unaudited)	31 December 2019 RO (Audited)	31 March 2019 RO (Unaudited)
Investments at fair value through profit or loss	6(a) -	-	645,288
Investments carried at amortised cost	6(b) 14,214,805	2,569,435	9,248,241
Investment carried at fair value through other comprehensive income	6(c) 29,856,625	31,709,063	23,425,961
	44,071,430	34,278,498	33,319,490

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

	31 March 2020		31 December 2019		31 March 2019	
	Market value RO (Unaudited)	Cost RO (Unaudited)	Market value RO (Audited)	Cost RO (Audited)	Market value RO (Unaudited)	Cost RO (Unaudited)
Quoted local						
Banking and investment	-	-	-	-	645,288	1,055,244
	-	-	-	-	645,288	1,055,244

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

	31 March 2020 RO (Unaudited)	31 December 2019 RO (Audited)	31 March 2019 RO (Unaudited)
At 1 January	-	1,292,498	1,292,498
Additions during the period / year	-	7,625	-
Disposals during the period / year at cost	-	(1,135,914)	(508,501)
Realised gain on disposal (note 18)	-	(164,209)	22,051
Fair value changes (note 18)	-	-	(160,760)
At 31 March / 31 December	-	-	645,288

6 (b) Investments carried at amortised cost

	31 March 2020 RO (Unaudited)	31 December 2019 RO (Audited)	31 March 2019 RO (Unaudited)
Bonds - over one year from the date of inception	14,241,128	2,570,577	9,255,299
Less: ECL on Investments carried at amortised cost	(26,323)	(1,142)	(7,058)
	14,214,805	2,569,435	9,248,241
Annual interest rates	4% to 6.75%	4% to 5.25%	4% to 6.75%

(i) Movement in investments carried at amortised cost:

	31 March 2020 RO (Unaudited)	31 December 2019 RO (Audited)	31 March 2019 RO (Unaudited)
At 1 January	2,569,435	2,871,739	2,871,739
Additions during the period / year	11,673,001	8,559,355	6,371,616
Matured during the period / year	-	(9,622,473)	-
Amortisation during the year	(2,450)	45,450	-
Realised gain on disposal	-	704,562	-
Movement in Expected credit losses	(25,181)	10,802	4,886
At 31 March / 31 December	14,214,805	2,569,435	9,248,241

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended 31 March 2020
6 Investment securities (continued)
6 (c) Investments carried at fair value through other comprehensive income (FVOCI)

	31 March 2020		31 December 2019		31 March 2019	
	Market value RO (Unaudited)	Cost RO (Unaudited)	Market value RO (Audited)	Cost RO (Audited)	Market value RO (Unaudited)	Cost RO (Unaudited)
Local						
Quoted	21,528,378	24,184,229	24,398,250	23,674,780	14,607,586	14,794,849
	21,528,378	24,184,229	24,398,250	23,674,780	14,607,586	14,794,849
Foreign						
Unquoted	119,579	853,449	119,579	853,449	119,579	853,449
Quoted	8,208,668	9,018,180	7,191,234	7,110,416	8,698,796	9,218,360
	8,328,247	9,871,629	7,310,813	7,963,865	8,818,375	10,071,809
	29,856,625	34,055,858	31,709,063	31,638,645	23,425,961	24,866,658

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

	31 March 2020 RO (Unaudited)	31 December 2019 RO (Audited)	31 March 2019 RO (Unaudited)
At 1 January	31,709,063	21,153,006	21,153,006
Additions during the period / year	4,080,084	14,736,391	2,555,737
Disposals during the period / year	(1,327,066)	(4,817,789)	(187,660)
Fair value change	(4,605,456)	637,455	(95,122)
At 31 March / 31 December	29,856,625	31,709,063	23,425,961

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 2,550,481 (31 March 2019 – gain of 28,039) and Change in value of investments carried at FVOCI – loss of RO 1,491,765 (31 March 2019 – loss of 120,146). 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 (d) Investment in subsidiaries

		31 March 2020	31 December 2019	31 March 2019
	Country Holding %	Carrying value RO	Holding % Carrying value RO	Holding % Carrying value RO
NLGIC support services Pvt. Ltd. (NSSPL)	India	100.00	100.00	100.00
		220,907	216,390	209,272
Inayah TPA LLC	UAE	100.00	100.00	100.00
		576,395	565,865	891,690
		797,302	782,255	1,100,962

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7 Premiums and insurance balance receivables

	31 March 2020			31 December 2019			31 March 2019		
	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)	Life RO (Audited)	General RO (Audited)	Total RO (Audited)	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)
Premium receivable	58,040,461	4,462,926	62,503,387	42,816,304	4,150,449	46,966,753	62,608,746	4,487,940	67,096,686
Reinsurance balances receivable	15,344,076	206,366	15,550,442	18,037,630	123,524	18,161,154	15,678,497	81,218	15,759,715
	<u>73,384,537</u>	<u>4,669,292</u>	<u>78,053,829</u>	60,853,934	4,273,973	65,127,907	78,287,243	4,569,158	82,856,401
Allowance for impaired debts	(998,440)	(708,902)	(1,707,342)	(902,761)	(705,809)	(1,608,570)	(857,182)	(326,719)	(1,183,901)
	<u>72,386,097</u>	<u>3,960,390</u>	<u>76,346,487</u>	59,951,173	3,568,164	63,519,337	77,430,061	4,242,439	81,672,500
Movement in allowance for impaired debts									
At 1 January	902,761	705,809	1,608,570	735,001	320,530	1,055,531	735,001	320,530	1,055,531
Provided during the period / year	95,679	3,093	98,772	230,674	379,354	610,028	122,181	6,189	128,370
Written off during the period / year	-	-	-	(62,914)	5,925	(56,989)	-	-	-
At 31 March / 31 December	<u>998,440</u>	<u>708,902</u>	<u>1,707,342</u>	902,761	705,809	1,608,570	857,182	326,719	1,183,901

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8 Other receivables and prepayments

	31 March 2020	31 December 2019	31 March 2019
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Receivable from other insurance companies and individuals	1,301,592	1,190,444	1,066,040
Other receivables	4,318,227	3,712,829	4,478,085
Accrued interest	885,340	902,457	888,171
Deferred acquisition costs	7,739	7,739	12,508
	6,512,898	5,813,469	6,444,804
Provision for doubtful debts	(317,591)	(317,591)	(279,207)
Expected credit losses of other receivables	(4,632)	(5,645)	(2,051)
	6,190,675	5,490,233	6,163,546

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 42,762,198 (31 December 2019 - RO 42,256,223 and 31 March 2019 - RO 33,523,291). Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the Capital Market Authority.

In accordance with the law governing the operation of insurance companies within the United Arab Emirates, and Kuwait the Group has identified to the Insurance Authority, Abu Dhabi - UAE and The Ministry of Commerce and Industry, Kuwait certain specific fixed deposits included in the statement of financial position at a total value of RO 991,142 (31 December 2019 - RO 991,142 and 31 March 2019 - RO 459,034) and RO 1,879,150 (31 December 2019 - RO 1,879,150 and 31 March 2019 - 1,274,000) respectively. Under the terms of the legislation, the Group can transfer these assets only with the prior approval of the respective authorities.

The Group has provided bank guarantee of RO 50,000 (31 December 2019 - RO 50,000 and 31 March 2019 - RO 50,000) to the Oman Unified Bureau for the Orange Card which is secured by a fixed deposit.

The Group has an credit facility of RO 5,000,000 (31 December 2019 - RO 1,900,000 and 31 March 2019 - RO 1,900,000) with local bank for which the Group has provided negative pledge confirmation over its current assets and an undertaking not to create any encumbrance on its assets to any other lenders.

10 Share capital

	31 March 2020	31 December 2019	31 March 2019
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
At 31 March / 31 December	26,500,000	26,500,000	26,500,000
Nominal Value per share	RO 0.100	RO 0.100	RO 0.100
Number of shares	265,000,000	265,000,000	265,000,000

11 Dividends paid

Annual General Meeting's (AGM) during March and April were postponed by Capital Market Authority (CMA) and the AGM is scheduled to be held via video conferencing on electronic platform on 13th May 2020 (2019 - annual general meeting dated 27 March 2019). According to CMA circular no. 4/2020 dated 18 March 2020, the company has paid the proposed dividend of RO 6,625,000 (31 December 2019 – cash dividend of RO 5,300,000) with dividend cut off date of 29th March 2020, in April 2020 (2019- paid in April 2019). The dividend distribution will be placed for ratification before the shareholders in the forthcoming AGM.

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12 Claims

Life and general	31 March 2020			31 December 2019			31 March 2019		
	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	15,095,173	(4,427,985)	10,667,188	17,004,173	(6,343,482)	10,660,691	17,004,173	(6,343,482)	10,660,691
- Incurred but not reported	6,609,417	(1,592,128)	5,017,289	8,043,835	(3,377,069)	4,666,766	8,043,835	(3,377,069)	4,666,766
	<u>21,704,590</u>	<u>(6,020,113)</u>	<u>15,684,477</u>	25,048,008	(9,720,551)	15,327,457	25,048,008	(9,720,551)	15,327,457
Add: Claims provided during the period / year	29,962,863	(7,323,975)	22,638,888	113,342,713	(33,420,979)	79,921,734	27,761,112	(9,787,156)	17,973,956
Less: Claims paid during the period / year	(21,702,424)	5,521,933	(16,180,491)	(116,686,131)	37,121,417	(79,564,714)	(18,859,616)	6,925,089	(11,934,527)
At 31 March / 31 December	<u>29,965,029</u>	<u>(7,822,155)</u>	<u>22,142,874</u>	<u>21,704,590</u>	<u>(6,020,113)</u>	<u>15,684,477</u>	<u>33,949,504</u>	<u>(12,582,618)</u>	<u>21,366,886</u>
Analysis of outstanding claims at 31 March / 31 December									
- Claims incurred	23,070,967	(6,063,888)	17,007,079	15,095,173	(4,427,985)	10,667,188	26,283,733	(9,780,826)	16,502,907
- Incurred but not reported	6,894,062	(1,758,267)	5,135,795	6,609,417	(1,592,128)	5,017,289	7,665,771	(2,801,792)	4,863,979
	<u>29,965,029</u>	<u>(7,822,155)</u>	<u>22,142,874</u>	<u>21,704,590</u>	<u>(6,020,113)</u>	<u>15,684,477</u>	<u>33,949,504</u>	<u>(12,582,618)</u>	<u>21,366,886</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

	31 March 2020 RO (Unaudited)	31 December 2019 RO (Audited)	31 March 2019 RO (Unaudited)
Actuarial / mathematical and unexpired risk reserve - life assurance			
Gross	64,995,336	50,293,461	63,465,263
Reinsurers' share	(14,470,564)	(13,292,219)	(17,989,899)
	50,524,772	37,001,242	45,475,364
Unexpired risk reserve – general insurance			
Gross	8,511,918	8,109,720	7,552,042
Reinsurers' share	(237,888)	(252,656)	(502,535)
	8,274,030	7,857,064	7,049,507
Actuarial / mathematical and unexpired risk reserve – total			
Gross	73,507,254	58,403,181	71,017,305
Reinsurers' share	(14,708,452)	(13,544,875)	(18,492,434)
	58,798,802	44,858,306	52,524,871

Movement during the period / year:

	31 March 2020 RO (Unaudited)	31 December 2019 RO (Audited)	31 March 2019 RO (Unaudited)
Actuarial / mathematical and unexpired risk reserve – life assurance			
At 1 January	37,001,242	27,506,438	27,506,438
Net movement in the statement of comprehensive income	13,523,530	9,494,804	17,968,926
At 31 March / 31 December	50,524,772	37,001,242	45,475,364
Unexpired risk reserve – general insurance			
At 1 January	7,857,064	7,048,209	7,048,209
Net movement in the statement of comprehensive income	416,966	808,855	1,298
At 31 March / 31 December	8,274,030	7,857,064	7,049,507

14 Due to reinsurers

	31 March 2020 RO (Unaudited)	31 December 2019 RO (Audited)	31 March 2019 RO (Unaudited)
Reinsurance balances payable – life insurance	11,278,858	8,278,692	8,511,820
Reinsurance balances payable – general insurance	524,069	558,867	637,812
	11,802,927	8,837,559	9,149,632

15 Other liabilities

	31 March 2020 RO (Unaudited)	31 December 2019 RO (Audited)	31 March 2019 RO (Unaudited)
Accounts payable	4,543,111	18,228,396	9,378,817
Commission Payable	6,873,839	7,269,151	7,854,526
Accrued expenses	2,966,750	4,061,379	3,638,507
Other payables	12,324,143	5,050,916	10,532,496
End of service benefits	841,850	770,188	693,515
	27,549,693	35,380,030	32,274,000

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16 Contingent liabilities
(a) Contingencies

At 31 March 2020, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Group amounting to RO 392,613 (31 December 2019 - RO 324,193 and 31 March 2019 – RO 452,813) given in the normal course of business from which it is anticipated that no material liabilities will arise.

(b) Legal claims

The Group, consistent with the majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not believe that the outcome of the court cases will have a material impact on its income or financial position.

17 Net assets per share

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

	31 March 2020 RO (Unaudited)	31 December 2019 RO (Audited)	31 March 2019 RO (Unaudited)
Net assets (RO)	<u>50,585,132</u>	<u>58,902,596</u>	<u>50,968,761</u>
Number of shares outstanding at 31 March / 31 December	<u>265,000,000</u>	<u>265,000,000</u>	<u>265,000,000</u>
Net assets per share (RO)	<u>0.191</u>	<u>0.222</u>	<u>0.192</u>

18 Investment income – net

	31 March 2020 RO (Unaudited)	31 March 2019 RO (Unaudited)
Interest income on bank deposits and other investments	379,556	346,196
Interest income on bonds, net of amortisation charge	408,657	102,880
Interest income on loans to policy holders	2,594	4,619
Dividend income	312,561	317,257
Net unrealised (loss) / gain on investments carried at fair value through profit or loss	-	(160,760)
Net realised gain on investment carried at fair value through profit or loss and investment carried at amortised cost	-	22,051
	<u>1,103,368</u>	<u>632,243</u>
Investment acquisition cost and portfolio management fees	<u>(31,803)</u>	<u>(6,303)</u>
	<u>1,071,565</u>	<u>625,940</u>

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19 Income tax

	31 March 2020	31 March 2019
	RO	RO
	(Unaudited)	(Unaudited)
Statement of comprehensive income:		
Current tax		
- For the year	333,469	470,440
- For prior years	-	(85,151)
Deferred tax	(17,915)	(21,022)
	<u>315,554</u>	<u>364,267</u>
	31 March 2020	31 December 2019
	RO	RO
	(Unaudited)	(Audited)
Current liability		31 March 2019
Income tax payable	<u>345,652</u>	<u>481,872</u>
Non-current asset		
Deferred tax asset	<u>792,072</u>	<u>309,304</u>

The tax rate applicable to the Parent Company is 15% (31 March 2019 – 15%).

20 Earnings per share – basic and diluted

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

	31 March 2020	31 March 2019
	(Unaudited)	(Unaudited)
Profit for the three months ended (RO)	<u>2,355,563</u>	<u>2,703,741</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>0.009</u>	<u>0.010</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
31 March 2020 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income							
Gross premium income	628,960	82,871	-	514,433	-	-	31,656
Claims expense	391,332	13,485	-	294,619	-	-	83,228
Reinsurer's share of claims paid	2,461	-	-	2,461	-	-	-
Interest income on deposits	133,748	-	-	133,748	-	-	-
Income from bonds and equity	156,028	-	-	156,028	-	-	-
Commission expense	61,233	-	-	48,986	-	-	12,247
Other expenses	56,125	-	-	46,066	-	-	10,059
Director sitting fees	5,100	-	5,100	-	-	-	-
Directors' remuneration	44,900	-	44,900	-	-	-	-
Other Transactions							
Short Term Loan taken	1,000,000	-	-	1,000,000	-	-	-
Bond purchase	495,000	495,000	-	-	-	-	-
Liquidation of Deposit	4,000,000	-	-	4,000,000	-	-	-
Increase in bank balances	37,608	-	-	37,608	-	-	-
Decrease in bank balances	5,423,896	-	-	5,423,896	-	-	-
Statement of financial position							
Directors' remuneration & sitting fees	226,900	-	226,900	-	-	-	-
Claims payable to related parties	331,838	7,687	-	247,221	-	-	76,930
Commission payable	316,124	-	-	18,801	-	-	297,323
Payable to related parties	3,005,878	-	-	3,005,878	-	-	-
Receivable from related parties	295,597	-	-	281,965	13,632	-	-
Bank balances	1,877,854	-	-	1,877,854	-	-	-
Fixed deposits balances	8,675,000	-	-	8,675,000	-	-	-
Premium receivable from related parties	604,598	86,172	-	424,051	-	-	94,376
Investment in Bonds	4,045,000	2,795,000	-	1,250,000	-	-	-
Reinsurance balance receivable	14,205	-	-	14,205	-	-	-
Accrued interest receivable	140,227	-	-	140,227	-	-	-

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

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

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21 Related party transactions (continued)

	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Top Senior Executives	Key management personnel of major shareholder	Other related parties
31 March 2019 (Unaudited)	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income							
Gross premium income	988,326	71,679	-	887,922	-	-	28,725
Claims expense	472,496	13,591	-	319,418	-	-	139,487
Interest income on deposits	257,449	-	-	257,449	-	-	-
Commission expense	132,716	-	-	40,098	-	-	92,618
Other expenses	25,799	-	-	25,799	-	-	-
Director sitting fees	4,600	-	4,600	-	-	-	-
Directors' remuneration	45,400	-	45,400	-	-	-	-
Other Transactions							
Short Term Loan taken	4,000,000	-	-	4,000,000	-	-	-
Placement of Deposit	500,000	-	-	500,000	-	-	-
Movement in bank balances	684,960	-	-	684,960	-	-	-
Statement of financial position							
Directors' remuneration & sitting fees	225,400	-	225,400	-	-	-	-
Claims payable to related parties	423,288	11,780	-	279,605	-	-	131,903
Commission payable	383,328	-	-	13,925	-	-	369,403
Payable to related parties	4,004,911	-	-	4,000,000	-	-	4,911
Receivable from related parties	112,471	-	-	83,245	29,226	-	-
Bank balances	3,929,565	-	-	3,929,565	-	-	-
Fixed deposit balances	10,675,000	-	-	10,675,000	-	-	-
Premium receivable from related parties	882,416	77,082	613	648,475	-	-	156,245
Investment in Bonds	3,550,000	2,300,000	-	1,250,000	-	-	-
Accrued interest receivable	332,641	-	-	332,641	-	-	-

During January to March 2019, subsidiary in India (NSSPL) has charged the parent company service fees of RO 105,825. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 15,927. Carrying value of investment as on 31.03.2019 is RO 209,272 and due to NSSPL as at 31.03.2019 is RO 46,091.

During January to March 2019, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 57,462. The Parent Company has accounted Inayah Share of Profit from subsidiary of RO 21,092. Carrying value of investment as on 31.03.2019 is RO 524,239, it's related intangibles are RO 367,451 and due to Inayah TPA LLC as at 31.03.2019 is RO 251,999.

No major provision has been required during three months ended 31 March 2020 (31 March 2019 – nil) in respect of amounts due from related parties.

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21 Related party transactions (continued)

(b) Compensation of key management personnel

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

	31 March 2020	31 March 2019
	RO	RO
	(Unaudited)	(Unaudited)
Short-term benefits	163,544	151,451
Employees' end of service benefits & leave salary accrual	41,963	36,812
	205,507	188,263
Number of key management personnel	9	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 three months ended 31 March 2020 and 31 March 2019.

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

31 March 2020 (Unaudited)	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	47,218,932	5,165,038	-	52,383,970
Movement in unearned premiums	(14,701,875)	(402,198)	-	(15,104,073)
Gross premiums earned	32,517,057	4,762,840	-	37,279,897
Insurance premium ceded to reinsurers	(8,424,871)	(282,129)	-	(8,707,000)
Movement in unearned premiums	1,178,345	(14,768)	-	1,163,577
Premium ceded to reinsurers, earned	(7,246,526)	(296,897)	-	(7,543,423)
Net premiums	25,270,531	4,465,943	-	29,736,474
Claims	(27,365,993)	(2,596,870)	-	(29,962,863)
Reinsurers' share of claims	7,107,600	216,375	-	7,323,975
Net claims	(20,258,393)	(2,380,495)	-	(22,638,888)
Income from policy fees	22,505	279,228	-	301,733
Commission income on premium ceded to reinsurers	1,114,152	43,562	-	1,157,714
Commission expense	(2,973,482)	(647,096)	-	(3,620,578)
Net underwriting results	3,175,313	1,761,142	-	4,936,455
Investment income – net	798,458	293,935	(20,828)	1,071,565
ECL on financial assets	1,708	(3,526)	-	(1,818)
Other operating (loss) / income	(8,646)	5,282	-	(3,364)
Third party administration fees	(378,690)	-	-	(378,690)
General and administrative expenses	(2,223,397)	(710,285)	-	(2,933,682)
Finance cost	(13,450)	-	-	(13,450)
Amortisation of intangible assets	(5,899)	-	-	(5,899)
Income tax	(160,389)	(155,165)	-	(315,554)
Profit for the period	1,185,008	1,191,383	(20,828)	2,355,563

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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22 Segmental information (continued)
22.1 Primary reporting format - business segments (continued)

31 March 2019 (Unaudited)	Life and medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	50,489,965	4,303,834	-	54,793,799
Movement in unearned premiums	<u>(18,065,958)</u>	<u>11,267</u>	-	<u>(18,054,691)</u>
Gross premiums earned	<u>32,424,007</u>	<u>4,315,101</u>	-	<u>36,739,108</u>
Insurance premium ceded to reinsurers	(11,172,673)	(318,471)	-	(11,491,144)
Movement in unearned premiums	<u>97,032</u>	<u>(12,565)</u>	-	<u>84,467</u>
Premium ceded to reinsurers, earned	<u>(11,075,641)</u>	<u>(331,036)</u>	-	<u>(11,406,677)</u>
Net premiums	<u>21,348,366</u>	<u>3,984,065</u>	-	<u>25,332,431</u>
Claims	(25,328,726)	(2,432,386)	-	(27,761,112)
Reinsurers' share of claims	<u>9,576,952</u>	<u>210,204</u>	-	<u>9,787,156</u>
Net claims	<u>(15,751,774)</u>	<u>(2,222,182)</u>	-	<u>(17,973,956)</u>
Income from policy fees	306,616	153,466	-	460,082
Commission income on premium ceded to reinsurers	1,628,012	55,352	-	1,683,364
Commission expense	<u>(3,271,187)</u>	<u>(516,446)</u>	-	<u>(3,787,633)</u>
Net underwriting results	4,260,033	1,454,255	-	5,714,288
Investment income – net	430,079	190,696	5,165	625,940
ECL on financial assets	(12,070)	11,749	-	(321)
Other operating income	3,439	50	-	3,489
Third party administration fees	(549,786)	-	-	(549,786)
General and administrative expenses	(2,045,910)	(673,266)	-	(2,719,176)
Finance cost	(527)	-	-	(527)
Amortisation of intangible assets	(5,899)	-	-	(5,899)
Income tax	<u>(247,428)</u>	<u>(116,839)</u>	-	<u>(364,267)</u>
Profit for the period	<u>1,831,931</u>	<u>866,645</u>	<u>5,165</u>	<u>2,703,741</u>
	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
31 March 2020 (Unaudited)				
Segment assets	<u>162,603,774</u>	<u>35,286,941</u>	<u>(1,135,028)</u>	<u>196,755,687</u>
Segment liabilities	<u>117,511,827</u>	<u>28,996,454</u>	<u>(337,726)</u>	<u>146,170,555</u>
31 December 2019 (Audited)				
Segment assets	<u>152,632,823</u>	<u>35,289,371</u>	<u>(1,057,963)</u>	<u>186,864,231</u>
Segment liabilities	<u>99,162,018</u>	<u>29,075,325</u>	<u>(275,708)</u>	<u>127,961,635</u>
31 March 2019 (Unaudited)				
Segment assets	<u>175,147,797</u>	<u>28,224,878</u>	<u>(1,031,601)</u>	<u>202,341,074</u>
Segment liabilities	<u>126,792,601</u>	<u>24,877,802</u>	<u>(298,090)</u>	<u>151,372,313</u>

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

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

The following table presents premium and profit information and asset and liability information regarding business segments for the three months ended 31 March 2020 and 31 March 2019.

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

	Oman RO	UAE RO	Kuwait RO	Subsidiaries RO	Adjustments and eliminations RO	Total RO
31 March 2020 (Unaudited)						
Gross premium written	25,828,930	25,895,182	659,858	-	-	52,383,970
Movement in unearned premiums	(9,351,201)	(5,693,743)	(59,129)	-	-	(15,104,073)
Gross premiums earned	16,477,729	20,201,439	600,729	-	-	37,279,897
Insurance premium ceded to reinsurers	(951,232)	(7,742,634)	(13,134)	-	-	(8,707,000)
Movement in unearned premiums	8,083	1,260,877	(105,383)	-	-	1,163,577
Premium ceded to reinsurers, earned	(943,149)	(6,481,757)	(118,517)	-	-	(7,543,423)
Net premiums	15,534,580	13,719,682	482,212	-	-	29,736,474
Claims	(11,407,339)	(18,136,783)	(418,741)	-	-	(29,962,863)
Reinsurers' share of claims	1,163,992	6,030,511	129,472	-	-	7,323,975
Net claims	(10,243,347)	(12,106,272)	(289,269)	-	-	(22,638,888)
Income from policy fees	292,678	(5,821)	14,876	-	-	301,733
Commission income on premium ceded to reinsurers	64,290	1,093,294	130	-	-	1,157,714
Commission expense	(1,421,560)	(2,093,499)	(105,519)	-	-	(3,620,578)
Net underwriting results	4,226,641	607,384	102,430	-	-	4,936,455
Investment income – net	798,443	273,430	20,520	-	(20,828)	1,071,565
ECL on financial assets	(2,023)	5,316	(5,111)	-	-	(1,818)
Other operating (loss) / income	(7,988)	(648)	5,272	-	-	(3,364)
Third party administration fees	(45,531)	(567,830)	(14,143)	248,814	-	(378,690)
General and administrative expenses	(1,835,827)	(730,916)	(147,719)	(219,220)	-	(2,933,682)
Finance cost	(9,286)	(4,164)	-	-	-	(13,450)
Amortisation of intangible assets	(5,899)	-	-	-	-	(5,899)
Income tax	(306,788)	-	-	(8,766)	-	(315,554)
Profit / (loss) for the period	2,811,742	(417,428)	(38,751)	20,828	(20,828)	2,355,563

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22 Segmental information (continued)

22.2 Primary reporting format - geographic segments (continued)

Geographic Information (continued)

	Oman RO	UAE RO	Kuwait RO	Subsidiaries RO	Adjustments and eliminations RO	Total RO
31 March 2019 (Unaudited)						
Gross premium written	24,811,539	29,239,732	742,528	-	-	54,793,799
Movement in unearned premiums	(9,228,947)	(8,628,664)	(197,080)	-	-	(18,054,691)
Gross premiums earned	15,582,592	20,611,068	545,448	-	-	36,739,108
Insurance premium ceded to reinsurers	(1,587,138)	(9,623,234)	(280,772)	-	-	(11,491,144)
Movement in unearned premiums	(1,749,690)	1,804,294	29,863	-	-	84,467
Premium ceded to reinsurers, earned	(3,336,828)	(7,818,940)	(250,909)	-	-	(11,406,677)
Net premiums	12,245,764	12,792,128	294,539	-	-	25,332,431
Claims	(10,525,646)	(16,727,638)	(507,828)	-	-	(27,761,112)
Reinsurers' share of claims	2,934,079	6,597,200	255,877	-	-	9,787,156
Net claims	(7,591,567)	(10,130,438)	(251,951)	-	-	(17,973,956)
Income from policy fees	238,185	220,122	1,775	-	-	460,082
Commission income on premium ceded to reinsurers	190,766	1,433,556	59,042	-	-	1,683,364
Commission expense	(1,152,340)	(2,520,271)	(115,022)	-	-	(3,787,633)
Net underwriting results	3,930,808	1,795,097	(11,617)	-	-	5,714,288
Investment income - net	416,701	193,668	10,406	-	5,165	625,940
ECL on financial assets	1,836	(2,162)	5	-	-	(321)
Other operating income / (loss)	5,220	(1,839)	108	-	-	3,489
Third party administration fees	(52,724)	(629,406)	(30,943)	163,287	-	(549,786)
General and administrative expenses	(1,624,247)	(817,578)	(108,655)	(168,696)	-	(2,719,176)
Finance cost	(527)	-	-	-	-	(527)
Amortisation of intangible assets	(5,899)	-	-	-	-	(5,899)
Income tax	(364,511)	-	-	244	-	(364,267)
Profit / (loss) for the period	2,306,657	537,780	(140,696)	(5,165)	5,165	2,703,741

	Oman RO	UAE RO	Kuwait RO	Subsidiaries RO	Adjustments and eliminations RO	Total RO
31 March 2020 (Unaudited)						
Segment assets	101,008,079	88,604,610	7,377,137	900,889	(1,135,028)	196,755,687
Segment liabilities	74,272,334	69,374,034	2,758,326	103,587	(337,726)	146,170,555
31 December 2019 (Audited)						
Segment assets	92,408,288	89,651,555	4,504,632	1,357,719	(1,057,963)	186,864,231
Segment liabilities	58,682,318	66,378,094	2,601,467	575,464	(275,708)	127,961,635
31 March 2019 (Unaudited)						
Segment assets	106,559,444	91,319,503	3,955,021	1,538,707	(1,031,601)	202,341,074
Segment liabilities	73,313,064	74,525,583	3,026,560	805,196	(298,090)	151,372,313

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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 2019. There have been no material changes in the risk management policies since year ended 31 December 2019.

24 Fair values

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

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

31 March 2020 (Unaudited)	Level 1	Level 2	Total
Investments	<u>29,737,046</u>	<u>119,579</u>	<u>29,856,625</u>
31 December 2019 (Audited)	Level 1	Level 2	Total
Investments	<u>31,589,484</u>	<u>119,579</u>	<u>31,709,063</u>
31 March 2019 (Unaudited)	Level 1	Level 2	Total
Investments	<u>23,951,670</u>	<u>119,579</u>	<u>24,071,249</u>

There were no transfers between any levels mentioned above.

25 Prior period adjustments

The Group has reclassified commission payable to intermediaries from premiums and insurance balances receivable to other liabilities. The above reclassification has resulted in changes as presented below for the comparative figures of three months ended 31 March 2019 to maintain consistency. Such reclassifications have not resulted in change in last year's reported profit and equity.

A subsidiary of the Group has reclassified the other receivable and other liabilities as at 31st December 2019. As a result, the consolidated group figures for 31st December 2019 are also reclassified. Such reclassifications have not resulted in change in last year's reported profit and equity.

	31 March 2019 as previously reported)	Reclassification	31 March 2019 (as reported)
	RO	RO	RO
Premiums and insurance balances receivable	73,641,835	8,030,665	81,672,500
Other liabilities	(24,243,335)	(8,030,665)	(32,274,000)
	31 December 2019 as previously reported)	Reclassification	31 December 2019 (as reported)
	RO	RO	RO
Other receivables and prepayments receivable	6,843,580	(1,353,347)	5,490,233
Other liabilities	(36,733,377)	1,353,347	(35,380,030)

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**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the three months ended 31 March 2020****26 Subsequent events**

In order to support the Government in its fight against COVID-19, the group has declared donation of RO 175,000 to Ministry of Health. The donation will be ratified by the Shareholders in the forthcoming AGM expected to be held on 13th May 2020.