



Directors' Report For The Six-Month Period Ended 30 June 2023

Dear Shareholders,

On behalf of the Board of Directors of National Life & General Insurance Co SAOG & its subsidiaries (the "Group" or "NLGIC"), it's my pleasure to present to you the unaudited consolidated results of the Group for the six-month period ended 30 June 2023.

Performance Highlights for the Six-Month Period Ended 30 June 2023

Our financial results for the six-month period ended 30 June 2023 reflect the consolidated financial position and performance of NLGIC following the acquisition of Royal & Sun Alliance Insurance (ME) BSC (c) ("RSA ME") on 7 July 2022.

Gross Written Premiums and Net Underwriting Results

Gross Written Premiums ("GWP") grew by 92% to RO 181.6 million in the six-month period ended 30 June 2023 as compared to RO 94.6 million in the corresponding period of the previous year. This is primarily driven by the acquisition of RSA ME as well as the successful renewals of key partnerships and new wins during the half year, with significant growth of our medical portfolio in the United Arab Emirates ("UAE").

Net Underwriting Results ("NUR") grew by 108% to RO 19.2 million for the six-month period ended 30 June 2023 as compared to RO 9.2 million in the corresponding period of the previous year.

Investment Income

The Group's investment income increased by 161% to RO 5.7 million as compared to RO 2.2 million in the corresponding period of the previous year, this is mainly due to synergies of consolidation with RSA ME. Our investment strategy is designed to deliver a well-balanced and diversified portfolio encompassing debt and equity instruments to achieve an effective balance of risk and superior returns while maintaining adequate liquidity to meet statutory and necessary obligations.

Net Performance After Tax

The Group posted a consolidated Loss After Tax (attributable to shareholders of NLGIC) of RO 1.5 million during the six-month period ended 30 June 2023 as compared to Profit After Tax of RO 3.1 million in the corresponding period of 2022.

Despite the challenges faced by reduced profitability in motor insurance and medical insurance in the first quarter of 2023, the Group has recovered in the second quarter of 2023 by achieving profit after tax of RO 1.1 million compared to loss after tax of RO 2.6 million in first quarter of 2023. The primary factors driving the turn around are disciplined underwriting, alongside minimising risks, with strong processes and tools to maintain business quality and strength. We are encouraged by the strong and profitable growth seen in the second quarter of 2023.

Outlook

At NLGIC Group, our primary focus continues to be achieving profitable growth, as evidenced by the positive trend observed in second quarter of 2023. We are actively implementing remediation measures across all lines of business to rebalance portfolios affected by post-Covid market conditions in key markets.

In the motor segment, the second quarter of 2023 showed early-stage improvements following portfolio pruning, enhanced segmentation, and increased pricing sophistication. Our main attention remains on effectively managing the Oman motor market and addressing changing dynamics related to bodily injury claims. As for the non-motor sector, we are continually re-balancing our actions to foster accelerated growth in existing profitable segments, aligning with key market trends across our core regions.

There is positive momentum across our business due to the ongoing integration and we remain optimistic about the future. The synergies and efforts we've invested in over the past 12 months are expected to emerge in the second half of this year. This significant milestone will further support our position as a leading insurer across the GCC region. By expanding our products and services in key markets and across all business lines, we aim to streamline operations and implement best practices that come with achieving scale in a cost-controlled manner, which will form part of our competitive advantage.

Innovation remains at the core of our strategy, and we are committed to delivering added value to our partners and customers. This year marks the introduction of enhanced claims adjudication technology across the medical book, which promotes ongoing cost control, efficient case management, and streamlined supply chain operations.

We are actively optimizing investment income to achieve high yields, which will bolster our technical results. We expect further improvement during the second half of the year, supporting our delivery at year-end.

Training and Skill Development

We continue to invest in our people and held several training and development initiatives in the period.

Soft skills on project management training was held which was provided by the Pmwares Company. The training was provided to all the employees and included modules on importance of project management.

A virtual training session was organized on IFRS 17 for all finance department employees which was aimed to update the employees on the new standard on insurance reporting which will be implemented during the year.

Further, Customer Communication & Business Etiquette training session was held in our Dubai Office for our staff in UAE to enhance their soft skills and communication skills with goal of delivering great customer service and driving business growth.

Recent Awards

I am proud to share with you the following recognition received during the quarter, which are a testimony to the Group's quest for customer trust and service excellence.

- "Fastest growing Commercial Insurance Company" in the UAE by Global Business Outlook
- "Excellence in Insurance Services Award" at New Age Banking Summit, Oman
- "Industry Leader in Sustainability in Insurance award" at AIWA Sustainability Leadership Awards 2023, Oman

Acknowledgements

On behalf of the Group, I 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 continued 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 express my sincere appreciation to the management and staff of NLGIC for their professionalism, dedication and commitment.



Khalid Muhammad AlZubair
Chairman

National Life and General Insurance Company SAOG and its subsidiaries

Unaudited Interim Condensed Separate and Consolidated Financial Statements

for the six months ended 30th June 2023

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 Separate and Consolidated Financial Statements
for the six months ended 30th June 2023

Contents	Page
Unaudited interim condensed separate and consolidated statement of financial position	1
Unaudited interim condensed separate and consolidated statement of comprehensive income	2
Unaudited interim condensed separate and consolidated statement of changes in equity	3 - 6
Unaudited interim condensed separate and consolidated statement of cash flows	7 - 8
Notes to the unaudited interim condensed separate and consolidated financial statements	9 - 40


National Life and General Insurance Company SAOG and its subsidiaries

Unaudited interim condensed separate and consolidated statement of financial position

as at 30th June 2023

ASSETS	Notes	Group		Parent Company	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		RO	RO	RO	RO
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
Cash and bank balances	4 (a)	40,950,932	47,914,047	12,552,541	19,631,657
Bank deposits	5	143,953,873	147,277,552	44,421,366	42,143,517
Investment in securities	6 (a)	105,674,498	100,839,325	61,038,338	56,376,006
Investment in subsidiaries	6 (b)	-	-	121,502,638	121,559,265
Insurance and reinsurance receivables	7	117,042,849	81,114,393	81,888,008	53,589,712
Reinsurance share of outstanding claims and IBNR reserve	14	24,085,438	23,262,905	7,609,982	6,498,774
Reinsurance share of actuarial / mathematical and unexpired risk reserve	15	18,665,874	18,082,401	16,013,783	12,165,379
Other receivables and prepayments	8	31,944,632	23,581,728	22,197,999	11,707,753
Loans to policyholders	9	41,339	47,587	41,339	47,587
Property and equipment		9,073,955	9,131,126	6,413,912	6,280,651
Deferred tax asset		956,569	638,574	716,328	398,570
Intangible assets (including goodwill)	11	26,344,314	26,572,822	413,657	425,455
Total assets		518,734,273	478,462,460	374,809,891	330,824,326
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	39,837,434	39,837,434	39,837,434	39,837,434
Legal reserve		9,199,031	9,199,031	9,199,031	9,199,031
Contingency reserve		17,574,687	17,531,397	17,574,687	17,531,397
Revaluation reserve		352,345	352,345	352,345	352,345
Share premium		29,176,468	29,176,468	29,176,468	29,176,468
Fair value reserve		(229,192)	(627,007)	(229,192)	(627,007)
Foreign exchange translation reserve		(39,345)	(45,460)	(39,345)	(45,460)
Retained earnings		16,364,242	13,789,249	19,139,517	16,564,524
Total equity attributable to shareholders of the Parent		112,235,670	109,213,457	115,010,945	111,988,732
Non-controlling interests		18,948,156	17,268,751.00	-	-
Total equity		131,183,826	126,482,208	115,010,945	111,988,732
Liabilities					
Gross outstanding claims and IBNR reserve	14	98,656,594	79,562,251	50,015,344	31,319,829
Gross actuarial / mathematical and unexpired risk reserve	15	131,085,283	101,738,096	83,381,841	62,086,543
Due to reinsurers	16	26,560,437	25,449,995	19,080,783	11,985,821
Other liabilities	17	47,295,041	61,219,213	29,804,555	36,030,138
Term Loan & Overdraft from Bank	4 (b)	77,417,961	77,093,974	77,417,961	77,093,974
Income tax payable		6,535,131	6,916,723	98,462	319,289
Total liabilities		387,550,447	351,980,252	259,798,946	218,835,594
Total equity and liabilities		518,734,273	478,462,460	374,809,891	330,824,326
Net assets per share	19	0.282	0.274	0.289	0.281

The unaudited interim condensed separate and consolidated financial statements were authorised for issue in accordance with a resolution of the board of directors on 07 August 2023.


Chairman


Group Chief Financial Officer


Group Chief Executive Officer

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

Unaudited interim condensed separate and consolidated statement of profit or loss
for the six months ended 30th June 2023

	Notes	Group		Parent Company	
		30 June 2023 RO (Unaudited)	30 June 2022 RO (Unaudited)	30 June 2023 RO (Unaudited)	30 June 2022 RO (Unaudited)
Statement of profit or loss					
Income					
Gross premium written	24	181,643,369	94,572,440	108,855,860	94,572,440
Gross premium earned	24	155,892,942	78,766,968	87,560,562	78,766,968
Reinsurance share of ceded premium Earned	24	(27,401,497)	(12,526,810)	(15,938,474)	(12,526,810)
Net premium earned		128,491,445	66,240,158	71,622,088	66,240,158
Commission income	24	2,595,874	1,671,305	2,575,648	1,671,305
Income from policy fees		660,084	676,812	660,084	676,812
Gross claims expense	14	(111,803,544)	(62,772,596)	(74,067,590)	(62,772,596)
Reinsurance share of gross claims expense	14	16,069,071	10,095,284	12,460,648	10,095,284
Commission expense		(16,811,520)	(6,666,627)	(8,451,467)	(6,666,627)
Net underwriting income		19,201,410	9,244,336	4,799,411	9,244,336
Investment income - net	20	5,740,808	2,196,330	2,809,208	2,196,330
Share of Profit from Subsidiaries		-	-	1,169,922	72,408
Expected credit losses on financial assets		(3,079)	(10,189)	(6,648)	(10,189)
Other operating income - net		34,621	33,768	34,571	46,410
Third party administration fees		(977,595)	(635,283)	(1,739,108)	(1,354,865)
General and administrative expenses		(23,424,944)	(7,044,200)	(6,804,889)	(6,414,956)
Finance cost		(2,072,272)	(102,422)	(2,104,618)	(102,422)
Amortisation of intangible assets	11.1	(358,609)	(11,798)	(11,798)	(11,798)
(Loss) / profit before tax		(1,859,660)	3,670,542	(1,853,949)	3,665,254
Income tax	21	(148,204)	(533,452)	309,450	(528,164)
(Loss) / profit for the period		(2,007,864)	3,137,090	(1,544,499)	3,137,090
(Loss) / profit for the period attributable to:					
Equity holders of the Parent Company		(1,544,499)	3,137,090	(1,544,499)	3,137,090
Non-controlling interests		(463,365)	-	-	-
		(2,007,864)	3,137,090	(1,544,499)	3,137,090
Other comprehensive income <i>(Items that are or may be reclassified subsequently to profit or loss):</i>					
Exchange differences on translation of foreign operations		6,115	(8,559)	6,115	(8,559)
Changes in fair value of debt instruments at fair value through other comprehensive income - net		261,768	(1,363,761)	263,517	(1,363,761)
Share of FVOCI from Subsidiaries <i>(Items that will not be reclassified to profit or loss):</i>		1,752	160,839	1,752	160,839
Changes in fair value of equity instruments at fair value through other comprehensive income - net		305,740	6,329	302,243	6,329
Other comprehensive income		575,375	(1,205,152)	573,627	(1,205,152)
Total comprehensive (loss) / income for the period		(1,432,489)	1,931,938	(970,872)	1,931,938
TOTAL COMPREHENSIVE (LOSS) / INCOME for the period attributable to:					
Equity holders of the Parent Company		(970,872)	1,931,938	(970,872)	1,931,938
Non-controlling interests		(461,617)	-	-	-
		(1,432,489)	1,931,938	(970,872)	1,931,938
Earnings per share - basic and diluted	22	(0.004)	0.012	(0.004)	0.012

Items in other comprehensive income above are disclosed net of tax. The tax relating to components of other comprehensive income is disclosed in note 21.

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

National Life and General Insurance Company SAOG and its subsidiaries

Unaudited interim condensed separate and consolidated statement of changes in shareholders' equity
for the six months ended 30th June 2023

Group (Unaudited)	Share capital	Share Premium	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange translation reserve	Retained Earnings	Non controlling Interest	Total
	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2022	26,500,000	-	8,833,333	15,147,024	352,345	259,524	(21,976)	15,357,050	-	66,427,300
Profit for the period	-	-	-	-	-	-	-	3,137,090	-	3,137,090
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	(1,196,593)	-	-	-	(1,196,593)
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(8,559)	-	-	(8,559)
Total comprehensive income for the period	-	-	-	-	-	(1,196,593)	(8,559)	3,137,090	-	1,931,938
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(176,049)	-	176,049	-	-
Transfer to contingency reserve	-	-	-	1,639,492	-	-	-	(1,639,492)	-	-
At 30 June 2022	26,500,000	-	8,833,333	16,786,516	352,345	(1,113,118)	(30,535)	17,030,697	-	68,359,238

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

National Life and General Insurance Company SAOG and its subsidiaries

Unaudited interim condensed separate and consolidated statement of changes in shareholders' equity (Continued)

for the six months ended 30th June 2023

	Share capital	Share Premium	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange translation reserve	Retained Earnings	Non controlling Interest	Total
Group (Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2023	39,837,434	29,176,468	9,199,031	17,531,397	352,345	(627,007)	(45,460)	13,789,249	17,268,751	126,482,208
Transition adjustment on adoption of IFRS-9	-	-	-	-	-	-	-	3,993,085	2,141,022	6,134,107
At 1st January 2023 (Restated)	39,837,434	29,176,468	9,199,031	17,531,397	352,345	(627,007)	(45,460)	17,782,334	19,409,773	132,616,315
Profit for the period	-	-	-	-	-	-	-	(1,544,499)	(463,365)	(2,007,864)
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	567,512	-	-	1,748	569,260
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	6,115	-	-	6,115
Total comprehensive income for the period:	-	-	-	-	-	567,512	6,115	(1,544,499)	(461,617)	(1,432,489)
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(169,697)	-	169,697	-	-
Transfer to contingency reserve	-	-	-	43,290	-	-	-	(43,290)	-	-
At 30 June 2023	39,837,434	29,176,468	9,199,031	17,574,687	352,345	(229,192)	(39,345)	16,364,242	18,948,156	131,183,826

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

National Life and General Insurance Company SAOG and its subsidiaries

Unaudited interim condensed separate and consolidated statement of changes in shareholders' equity (Continued)

for the six months ended 30th June 2023

	Share capital	Share Premium	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange translation reserve	Retained Earnings	Total
Parent (Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2022	26,500,000	-	8,833,333	15,147,024	352,345	259,524	(21,976)	15,357,050	66,427,300
Profit for the period	-	-	-	-	-	-	-	3,137,090	3,137,090
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	(1,196,593)	-	-	(1,196,593)
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(8,559)	-	(8,559)
Total comprehensive income for the period	-	-	-	-	-	(1,196,593)	(8,559)	3,137,090	1,931,938
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(176,049)	-	176,049	-
Transfer to contingency reserve	-	-	-	1,639,492	-	-	-	(1,639,492)	-
At 30 June 2022	26,500,000	-	8,833,333	16,786,516	352,345	(1,113,118)	(30,535)	17,030,697	68,359,238

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

National Life and General Insurance Company SAOG and its subsidiaries

Unaudited interim condensed separate and consolidated statement of changes in shareholders' equity (Continued)

for the six months ended 30th June 2023

	Share capital	Share Premium	Legal reserve	Contingency reserve	Revaluation reserve	Fair value reserve	Foreign exchange translation reserve	Retained Earnings	Total
Parent (Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO	RO
At 1 January 2023	39,837,434	29,176,468	9,199,031	17,531,397	352,345	(627,007)	(45,460)	16,564,524	111,988,732
Transition adjustment on adoption of IFRS-9	-	-	-	-	-	-	-	3,993,085	3,993,085
At 1st January 2023 (Restated)	39,837,434	29,176,468	9,199,031	17,531,397	352,345	(627,007)	(45,460)	20,557,609	115,981,817
Profit for the period	-	-	-	-	-	-	-	(1,544,499)	(1,544,499)
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	567,512	-	-	567,512
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	6,115	-	6,115
Total comprehensive income for the period:	-	-	-	-	-	567,512	6,115	(1,544,499)	(970,872)
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(169,697)	-	169,697	-
Transfer to contingency reserve	-	-	-	43,290	-	-	-	(43,290)	-
At 30 June 2023	39,837,434	29,176,468	9,199,031	17,574,687	352,345	(229,192)	(39,345)	19,139,517	115,010,945

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

	Notes	Group		Parent Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
		RO	RO	RO	RO
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Operating activities					
Net profit / (loss) before tax for the period		(1,859,660)	3,670,542	(1,853,949)	3,665,254
Adjustments for:					
Realised / unrealised (loss)/ gain on investments at FVTPL, FVOCI, Amortised cost - net	20	36,466	316,465	(13,431)	316,465
Share of profits of investment in subsidiaries		-	-	(1,169,922)	(72,408)
Provision for expected credit loss of financial assets		3,079	10,189	6,648	10,189
Allowance for impaired debts		565,889	251,466	344,367	251,466
Provision for employees' end of service Benefits		511,676	169,114	160,675	147,210
Interest income net of amortization	20	(5,463,779)	(2,344,824)	(2,636,691)	(2,344,824)
Finance cost		2,072,272	102,422	2,104,618	102,422
Dividend income	20	(257,146)	(193,831)	(230,649)	(193,831)
Depreciation		1,052,408	480,418	473,879	449,907
Amortisation of intangible assets	11.1	358,609	11,798	11,798	11,798
Profit on disposal of property and equipment		(3,549)	-	(3,549)	-
Operating cash flows before movement in working capital		(2,983,735)	2,473,759	(2,806,206)	2,343,648
Changes in working capital					
Insurance and reinsurance receivables		(36,434,695)	(18,227,596)	(28,583,013)	(18,227,596)
Other receivables and prepayments		(679,145)	(6,941,826)	(6,507,535)	(6,931,972)
Reinsurance share of outstanding claims and IBNR reserve		(822,533)	(10,588,810)	(1,111,208)	(1,058,810)
Reinsurance share of actuarial / mathematical and unexpired risk reserve		24,521	(288,640)	(3,848,404)	(288,640)
Gross outstanding claims and IBNR reserve		19,094,343	12,107,705	18,695,514	12,107,705
Gross actuarial / mathematical and unexpired risk reserve		16,911,802	15,805,471	21,295,298	15,805,471
Due to reinsurers		1,110,442	2,096,267	7,094,962	2,096,267
Other liabilities		(5,388,491)	(8,736,268)	(6,134,574)	(8,001,217)
		(9,167,491)	(12,299,938)	(1,905,166)	(2,155,144)
Employees' end of service benefits paid		(670,166)	(89,662)	(74,467)	(89,662)
Income tax paid		(805,479)	(1,244,757)	(273,479)	(1,240,501)
Net cash generated from operating activities		(10,643,136)	(13,634,357)	(2,253,112)	(3,485,307)

for the six months ended 30th June 2023

	Notes	Group		Parent Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
		RO (Unaudited)	RO (Unaudited)	RO (Unaudited)	RO (Unaudited)
Investing activities					
Movement in bank deposits		3,333,488	106,862	(2,284,931)	106,862
Purchase of property and equipment (including intangible)		(1,125,336)	(387,727)	(607,141)	(369,317)
Purchase of investment securities		(13,262,808)	(913,090)	(11,992,907)	(913,090)
Proceeds from disposal of investment securities		14,828,863	1,777,046	7,667,463	1,777,046
Proceeds from disposal of property and equipment		3,550	-	3,550	-
Interest income received from bank deposits, bonds and securities		5,243,213	2,513,574	2,528,643	2,513,574
Dividends received		1,623,954	184,168	1,623,954	184,168
Net movement in loans to policyholders		6,248	4,997	6,248	4,997
Net cash (used in)/ generated from investing activities		10,651,172	3,285,830	(3,055,121)	3,304,240
Financing activities					
Finance costs paid		(2,072,272)	(102,422)	(2,104,618)	(102,422)
Dividends paid		(5,227,500)	-	-	-
Proceeds / (repayment of) from term loan		323,987	1,300,000	323,987	1,300,000
Net cash generated from/ (used in) financing activities		(6,975,785)	1,197,578	(1,780,631)	1,197,578
Net increase in cash and cash equivalents		(6,967,749)	379,051	(7,088,864)	1,016,511
Currency translation adjustment		6,115	(8,559)	-	-
Cash and cash equivalents at the beginning of the period	4 (a)	47,955,707	14,469,199	19,661,522	13,260,377
Cash and cash equivalents at the end of the period	4	40,994,073	14,839,691	12,572,658	14,276,888

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

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 Company has expanded its operations in UAE with a branch in Dubai to transact life insurance business as per the license dated 13 May 2007 issued by United Arab Emirates Insurance Authority. During 2014, the Parent Company obtained a license dated 8 May 2014 to have a branch in Abu Dhabi issued by United Arab Emirates Insurance Authority and commenced operations in Abu Dhabi during 2015 onwards. During October 2017, the Company has obtained license for branch operations in Kuwait and has commenced life and general business from January 2018.

In accordance with the Royal Decree 39/2014 dated 17 August 2014 (the “RD”), all insurance companies registered under Commercial Companies Law should be a Public Joint Stock Company with a minimum paid up capital of RO 10 million within 3 years from the date of the RD. Accordingly, the Company’s completed the IPO process transforming itself from a closed joint stock company to a Public Oman Joint Stock Company (SAOG) and listed the Company’s shares for trading on the MSM from 6 December 2017 onwards.

The Parent Company has three fully owned subsidiaries Royal & Sun Alliance Insurance (Middle East) (RSA ME) in Bahrain ,“NLGIC Support Services Private Limited’ in India and “Inayah TPA LLC” in UAE and owns minority shares 47.5% of Al Ahlia Insurance Co. SAOG (Al Ahlia), due to which consolidated financial statements comprise of the Parent Company and its subsidiaries (together referred to as the Group). The unaudited interim condensed separate and consolidated financial statements represent the financial statements of the Parent Company on a stand-alone basis.

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, which is the ultimate parent company.

2 Basis of preparation

These unaudited interim condensed separate and 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 2022. The unaudited interim condensed separate and 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 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the results for the six month period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The comparative information, included in these unaudited interim condensed separate and consolidated financial statements as at 30 June 2022, are for the six month period then ended and is unaudited. Group’s results for the half year ended 30 June 2023 includes RSA Me’s results for the six month ended June 2023 which are not reflected in the comparatives results. Consequently, comparative amounts for the statement of profit or loss, statement of changes in equity, statement of cash flows and related notes are not entirely comparable.

2.2 Changes in accounting policy and disclosures

(a) New and amended standards and interpretations effective after 1 January 2023 and relevant for the company’s operations

The accounting policies adopted in the preparation of the unaudited interim condensed separate and 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 2022.

IFRS 17 Insurance Contracts:

One of the key new standard effective for annual periods beginning after 1 January 2023 and applicable for the Company is IFRS 17. It governs insurance contracts and is a replacement of the existing IFRS 4. The Company followed IFRS 4 Insurance Contracts for the preparation of these interim financial results as agreed with the Oman Insurance regulator (CMA). The Company will issue another set of condensed unaudited interim financial information as per CMA letter CMA/454/2023 dated 5 April 2023 after incorporating the impact of IFRS-17 ‘Insurance Contracts’. This standards will bring significant changes to the accounting for insurance and reinsurance contracts and are detailed in the Financial Statements as at 31 December 2022. The implementation of IFRS 17 is expected to have a material impact on the Company’s financial statements in the period of initial application. Changes in accounting policies resulting from the adoption of IFRS 17 will be applied retrospectively. The period will be restated to present comparative information as if the requirements of IFRS 17 had always been applied.

The Company is in the process of implementing the IFRS17 calculation system and hence the impact of IFRS17 implementation cannot be quantified at the present stage although, it is expected to be a material figure.

2.2 Changes in accounting policy and disclosures (continued)**IFRS 9 Financial Instruments:**

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 became effective for annual periods beginning on or after 1 January 2018, with early application permitted. Insurance Companies were allowed time upto implementation of IFRS 17 to implement IFRS 9.

RSA ME, subsidiary of the Company has applied IFRS 9 effective from 01 January 2023 which includes reclassification and measurement of its Financial Instruments .

The impact of the above implementation has been adjusted in the opening retained earnings as at 1st January 2023 in the financials for the reporting period commencing from 1st January 2023 and will not affect the income statement. The impact is as follows:

	Group Retained earning RO
Impact on financial assets due to adoption of IFRS 9 net of ECL	
Investment carried at FVOCI	3,878,751
Investments carried at amortised cost	2,255,356
Transition impact on adoption of IFRS 9 (Group)	<u>6,134,107</u>
Transition impact attributable to shareholders of the Parent	<u>3,993,085</u>
Transition impact on Non-controlling interests	<u>2,141,022</u>

(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 2023, with the Group not opting for early adoption. These have, therefore, not been applied in preparing these unaudited interim condensed separate and consolidated financial statements . Details of these standards should be read in conjunction with the annual financial statements as at 31 December 2022.

3 Critical accounting judgment and key sources of estimation uncertainty

The preparation of unaudited interim condensed 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 separate and consolidated 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 2022.

for the six months ended 30th June 2023

4 (a) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Balances with banks	40,951,247	47,901,407	12,539,688	19,619,962
Cash in hand	42,826	54,299	32,970	41,559
Cash and cash equivalents	40,994,073	47,955,706	12,572,658	19,661,521
Less: ECL on cash and bank balances	(43,141)	(41,659)	(20,117)	(29,864)
Cash and cash equivalents - net of ECL	40,950,932	47,914,047	12,552,541	19,631,657

4 (b) Term loans

	Group & Parent Company	
	30 June 2023	31 December 2022
	RO	RO
	(Unaudited)	(Audited)
Short term loan	14,700,000	14,500,000
Long term loan	62,717,961	62,593,974
Total	77,417,961	77,093,974

5	Bank deposits	Group		Parent Company	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		RO	RO	RO	RO
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Deposits	144,150,321	147,483,808	44,523,117	42,238,185
	Less: ECL on bank deposits	(196,448)	(206,256)	(101,751)	(94,668)
		143,953,873	147,277,552	44,421,366	42,143,517

6 (a) Investment securities

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Investments carried at FVTPL	938,211	846,764	290,177	276,746
Investments carried at amortised cost	48,702,907	13,692,639	9,425,751	11,176,713
Investment carried at FVOCI	56,033,380	86,299,922	51,322,410	44,922,547
	105,674,498	100,839,325	61,038,338	56,376,006

6 (a)(i) Investments carried at FVTPL

	Group			
	30 June 2023		31 December 2022	
	Market value	Cost	Market value	Cost
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Local				
Quoted				
Banking & Investment	77,152	35,864	76,812	35,864
	<u>77,152</u>	<u>35,864</u>	<u>76,812</u>	<u>35,864</u>
Foreign				
Quoted				
Foreign Shares and Funds	861,059	706,457	769,952	706,457
	<u>861,059</u>	<u>706,457</u>	<u>769,952</u>	<u>706,457</u>
Total	<u>938,211</u>	<u>742,321</u>	<u>846,764</u>	<u>742,321</u>

Investments carried at FVTPL

	Parent Company			
	30 June 2023		31 December 2022	
	Market value	Cost	Market value	Cost
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Foreign				
Quoted				
Foreign Shares and Funds	290,177	194,606	276,746	194,606
	<u>290,177</u>	<u>194,606</u>	<u>276,746</u>	<u>194,606</u>

6 (a) Investment securities (continued)

6 (a)(i) Investments carried at FVTPL (Continued)

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
(i) Movement in investments carried at FVTPL				
At the beginning of the year	846,764	1,363,031	276,746	1,363,031
Acquired through acquisition of subsidiary	-	360,464	-	-
Purchases during the period / year	-	545,847	-	338,585
Sold during the period / year	-	(1,131,276)	-	(1,131,276)
Realised loss on disposal	-	(296,861)	-	(296,861)
Fair value changes (note 20)	91,447	5,559	13,431	3,267
At the end of the period / year	<u>938,211</u>	<u>846,764</u>	<u>290,177</u>	<u>276,746</u>

for the six months ended 30th June 2023

6 (a) Investment securities (continued)

6 (a)(ii) Investments carried at amortised cost -Group	Interest rate	Group	
		30 June 2023	31 December 2022
		RO (Unaudited)	RO (Audited)
Bonds	(2023: 1.5% to 6.75%p.a.)	48,768,893	13,723,733
Less: Expected credit losses on Investments carried at amortised cost	(2022: 1.5% to 6.75%p.a.)	(65,986)	(31,094)
		48,702,907	13,692,639

Investments carried at amortised cost - Parent	Interest rate	Parent Company	
		30 June 2023	31 December 2022
		RO (Unaudited)	RO (Audited)
Bonds	(2023: 3.6% to 6.84%p.a.)	9,456,631	11,207,807
Less: Expected credit losses on Investments carried at amortised cost	(2022: 4% to 6.75%p.a.)	(30,880)	(31,094)
		9,425,751	11,176,713

(i) Movement in investments carried at amortised cost:

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RO (Unaudited)	RO (Audited)	RO (Unaudited)	RO (Audited)
At the beginning of the year	13,692,639	11,197,834	11,176,713	11,197,834
Acquired through acquisition of subsidiary	-	2,604,934	-	-
Opening Investment Adjustment-IFRS 9	2,255,356	-	-	-
Purchases during the period / year	702,884	-	-	-
Matured / Sold during the period / year	(8,902,322)	(88,500)	(1,740,922)	-
Amortisation during the period / year	(138,166)	(19,362)	(10,254)	(18,854)
Reclassified from Investments carried at Amortised cost to FVOCI	(197,505)	-	-	-
Reclassified from FVOCI to Investments carried at Amortised cost	41,324,913	-	-	-
Movement in Expected credit losses	(34,892)	(2,267)	214	(2,267)
At the end of the period / year	48,702,907	13,692,639	9,425,751	11,176,713

for the six months ended 30th June 2023

6 (a) Investment securities (continued)

6 (a)(iii) Investment carried at fair value through other comprehensive income - Group	Group			
	30 June 2023		31 December 2022	
	Market value	Cost	Market value	Cost
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Local				
Unquoted	4,143,953	268,934	71,429	71,429
Quoted	32,411,409	32,670,216	66,772,947	56,881,522
	<u>36,555,362</u>	<u>32,939,150</u>	<u>66,844,376</u>	<u>56,952,951</u>
Foreign				
Unquoted	35,451	666,859	81,382	722,179
Quoted	19,442,567	18,673,109	19,374,164	19,259,271
	<u>19,478,018</u>	<u>19,339,968</u>	<u>19,455,546</u>	<u>19,981,450</u>
Local and Foreign	<u>56,033,380</u>	<u>52,279,118</u>	<u>86,299,922</u>	<u>76,934,401</u>

Investment carried at fair value through other comprehensive income - Parent	Parent Company			
	30 June 2023		31 December 2022	
	Market value	Cost	Market value	Cost
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Local				
Quoted	31,844,392	32,103,199	32,678,683	33,349,022
	<u>31,844,392</u>	<u>32,103,199</u>	<u>32,678,683</u>	<u>33,349,022</u>
Foreign				
Unquoted	35,451	666,859	81,382	722,179
Quoted	19,442,567	18,673,110	12,162,482	11,408,548
	<u>19,478,018</u>	<u>19,339,969</u>	<u>12,243,864</u>	<u>12,130,727</u>
Local and Foreign	<u>51,322,410</u>	<u>51,443,168</u>	<u>44,922,547</u>	<u>45,479,749</u>

(i) Movement in investments carried at FVOCI:

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
At the beginning of the year	86,318,889	38,110,950	44,922,547	38,110,950
Acquired through acquisition of subsidiary		42,726,013	-	-
Opening Investment Adjustment-IFRS 9	3,878,751	-	-	-
Additions during the period / year	12,382,707	9,925,465	11,815,690	9,925,465
Disposals during the period / year	(6,018,257)	(2,508,236)	(6,018,257)	(2,508,236)
Reclassified from Investments carried at Amortised cost to FVOCI	197,505	-	-	-
Reclassified from FVOCI to Investments carried at Amortised cost	(41,324,913)	-	-	-
Amortised during the period / year	(7,453)	-	(3,721)	-
Fair value change (includes amortised amount)	606,151	(1,954,270)	606,151	(605,632)
At the end of the period / year	<u>56,033,380</u>	<u>86,299,922</u>	<u>51,322,410</u>	<u>44,922,547</u>

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)

for the six months ended 30th June 2023

6 (b) Investment in subsidiaries

	Country of Incorporation	Parent Company			
		30 June 2023		31 December 2022	
		Holding %	Carrying value RO	Holding %	Carrying value RO
			(Unaudited)		(Audited)
(i) NLGIC support services Pvt. Ltd. (NSSPL)	India	100	435,637	100	382,737
(ii) Inayah TPA LLC	UAE	100	673,598	100	657,401
(iii) Royal and Sun Alliance Insurance (Middle East) B.S.C.	Bahrain	100	99,183,949	100	98,384,127
(iv) Al Ahlia Insurance Company	Oman	47.5	21,209,454	47.5	22,135,000
At 30 June / December			<u>121,502,638</u>		<u>121,559,265</u>

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)

for the six months ended 30th June 2023

7 Insurance and reinsurance receivables

	Group					
	30 June 2023			31 December 2022		
	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)	Life RO (Audited)	General RO (Audited)	Total RO (Audited)
Insurance receivables	79,867,851	40,932,237	120,800,088	50,678,089	37,106,237	87,784,326
Reinsurance receivables	637,215	4,219,150	4,856,365	1,033,414	484,413	1,517,827
	<u>80,505,066</u>	<u>45,151,387</u>	<u>125,656,453</u>	<u>51,711,503</u>	<u>37,590,650</u>	<u>89,302,153</u>
Allowance for doubtful debts	(2,395,869)	(6,217,735)	(8,613,604)	(2,063,791)	(6,123,969)	(8,187,760)
	<u>78,109,197</u>	<u>38,933,652</u>	<u>117,042,849</u>	<u>49,647,712</u>	<u>31,466,681</u>	<u>81,114,393</u>

	Parent Company					
	30 June 2023			31 December 2022		
	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)	Life RO (Audited)	General RO (Audited)	Total RO (Audited)
Insurance receivables	79,867,851	4,584,073	84,451,924	50,678,089	4,570,767	55,248,856
Reinsurance receivables	637,215	95,722	732,937	1,033,414	319,578	1,352,992
	<u>80,505,066</u>	<u>4,679,795</u>	<u>85,184,861</u>	<u>51,711,503</u>	<u>4,890,345</u>	<u>56,601,848</u>
Allowance for doubtful debts	(2,395,869)	(900,984)	(3,296,853)	(2,063,791)	(948,345)	(3,012,136)
	<u>78,109,197</u>	<u>3,778,811</u>	<u>81,888,008</u>	<u>49,647,712</u>	<u>3,942,000</u>	<u>53,589,712</u>

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)

for the six months ended 30th June 2023

7 Insurance and reinsurance receivables (continued)

(i) Movement in allowance for doubtful debts:

	Group					
	30 June 2023			31 December 2022		
	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)	Life RO (Audited)	General RO (Audited)	Total RO (Audited)
At 1 January	2,063,791	6,123,969	8,187,760	1,728,178	830,727	2,558,905
Amount transferred on acquisition of subsidiary	-	-	-	-	4,651,436	4,651,436
Provided during the period / year	332,078	174,161	506,239	343,312	675,057	1,018,369
Written off during the period / year	-	(80,395)	(80,395)	(7,699)	(33,251)	(40,950)
At 30 June / December	2,395,869	6,217,735	8,613,604	2,063,791	6,123,969	8,187,760

	Parent Company					
	30 June 2023			31 December 2022		
	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)	Life RO (Audited)	General RO (Audited)	Total RO (Audited)
At 1 January	2,063,791	948,345	3,012,136	1,728,178	830,727	2,558,905
Provided during the period / year	332,078	(47,361)	284,717	343,312	129,324	472,636
Written off during the period / year	-	-	-	(7,699)	(11,706)	(19,405)
At 30 June / December	2,395,869	900,984	3,296,853	2,063,791	948,345	3,012,136

8 Other receivables and prepayments

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RO (Unaudited)	RO (Audited)	RO (Unaudited)	RO (Audited)
Receivable from other insurance companies and individuals	5,681,423	3,045,617	3,153,974	2,852,345
Other receivables	23,148,334	19,180,431	17,904,012	7,772,203
Accrued interest	6,088,918	5,578,563	1,677,563	1,555,537
	34,918,675	27,804,611	22,735,549	12,180,085
Provision for doubtful debts	(2,942,310)	(4,196,718)	(505,817)	(446,167)
Expected credit losses of other receivables	(31,733)	(26,165)	(31,733)	(26,165)
	31,944,632	23,581,728	22,197,999	11,707,753

9 Loans to policyholders

Loans to policyholders are generally advanced at 90% of the cash value of the respective policies and carry an annual effective rate of interest of 9.5% (2022- 9.5%). The loans are secured against the cash values of the respective policies, and do not have specific repayment terms.

10 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 consolidated statement of financial position at a total value of RO 85,027,692 (2022: RO 84,576,058). 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 (2022: 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, Kuwait and Baharain the Group has identified to the Insurance Authority, Abu Dhabi - UAE, The Ministry of Commerce and Industry, Kuwait and Saudi centra bank certain specific fixed deposits of RO 1,736,005 (2022: RO 1,736,005), RO 3,216,850 (2022: RO 3,216,850), RO 300,701 (2022: RO 296,933) and RO 4,709,628 (2022: RO 4,709,628 respectively which are included in the consolidated statement of financial position. 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 (2022: 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 NIL (2022: NIL) with local bank which are secured by way of 110% of amount held under fixed deposit with the bank.

for the six months ended 30th June 2023

11 Intangible assets (including Goodwill)

	Group		Parent Company	
	30 June 2023 RO (Unaudited)	31 December 2022 RO (Audited)	30 June 2023 RO (Unaudited)	31 December 2022 RO (Audited)
Intangible Assets (note 11.1)	1,034,297	1,262,805	267,167	278,965
Goodwill (note 11.2)	25,310,017	25,310,017	146,490	146,490
	26,344,314	26,572,822	413,657	425,455

11.1 Movement in Intangible assets

Intangible	Group		Parent Company	
	30 June 2023 RO (Unaudited)	31 December 2022 RO (Audited)	30 June 2023 RO (Unaudited)	31 December 2022 RO (Audited)
Cost				
At 1 January	1,744,365	373,349	373,349	373,349
Amount transferred on acquisition of subsidiary	-	1,500,054	-	-
Additions	130,101	109,186	-	-
Disposals and write offs	-	(238,224)	-	-
At 30 June / December	1,874,466	1,744,365	373,349	373,349
Accumulated depreciation				
At 1 January 2022	481,560	70,788	94,384	70,788
Charge for the year	358,609	301,990	11,798	23,596
Eliminated on revaluation	-	108,782	-	-
At 30 June / December	840,169	481,560	106,182	94,384
Net book amount				
At 30 June / December	1,034,297	1,262,805	267,167	278,965

11.2 Movement in Goodwill

	Group		Parent Company	
	30 June 2023 RO (Unaudited)	31 December 2022 RO (Audited)	30 June 2023 RO (Unaudited)	31 December 2022 RO (Audited)
At 1 January	25,310,017	146,490	146,490	146,490
Provisional goodwill on acquisition of subsidiary	-	25,163,527	-	-
At 30 June / December	25,310,017	25,310,017	146,490	146,490

12 Share capital

	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	shares	Number of shares	RO	RO
			(Unaudited)	(Audited)
Authorised - shares of RO 0.100 each (2022: RO 0.100 each)	1,000,000,000	1,000,000,000	100,000,000	100,000,000
Issued and fully paid - shares of RO 0.100 each (2022: RO 0.100 each)	<u>398,374,342</u>	<u>398,374,342</u>	<u>39,837,434</u>	<u>39,837,434</u>

Major shareholders

Shareholders of the Company who own 10% or more of the Company's shares, whether in their name, or through a nominee account and the number of shares they hold are as follows:

	30 June 2023	31 December 2022
Oman International Development and Investment Company SAOG 48.858% (2022: 48.858%)	<u>194,637,357</u>	194,635,357
Riyad Bank 14.348%	<u>57,160,436</u>	57,160,436
	<u>251,797,793</u>	<u>251,795,793</u>

13 Dividends paid and proposed

Shareholders in annual general meeting of the Company dated 26 March 2023 (2022 - annual general meeting dated 30 March 2022) approved nil cash dividend (31 December 2022 - nil cash dividend).

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

14 Claims

The provision for outstanding claims and IBNR reserve, and the related reinsurers' share is as follows:

	Group					
	30 June 2023			31 December 2022		
	Gross RO (Unaudited)	Reinsurers' share RO (Unaudited)	Net RO (Unaudited)	Gross RO (Audited)	Reinsurers' share RO (Audited)	Net RO (Audited)
Life and General						
At 1 January						
- Outstanding claims	60,969,242	(19,865,706)	41,103,536	19,707,578	(4,192,891)	15,514,687
- Incurred but not reported	18,593,009	(3,397,199)	15,195,810	9,010,184	(2,091,783)	6,918,401
	<u>79,562,251</u>	<u>(23,262,905)</u>	<u>56,299,346</u>	<u>28,717,762</u>	<u>(6,284,674)</u>	<u>22,433,088</u>
Amount transferred on acquisition of subsidiary	-	-	-	42,440,773	(15,494,216)	26,946,557
Add: Claims provided during the period / year	111,803,544	(16,069,071)	95,734,473	166,264,342	(26,905,988)	139,358,354
Less: Insurance claims paid during the period / year	(92,709,201)	15,246,538	(77,462,663)	(157,860,626)	25,421,973	(132,438,653)
At 30 June / December	<u>98,656,594</u>	<u>(24,085,438)</u>	<u>74,571,156</u>	<u>79,562,251</u>	<u>(23,262,905)</u>	<u>56,299,346</u>
Analysis of outstanding claims as At 30 June / December						
- Outstanding claims	77,934,236	(21,523,484)	56,410,752	60,969,242	(19,865,706)	41,103,536
- Incurred but not reported	20,722,358	(2,561,954)	18,160,404	18,593,009	(3,397,179)	15,195,830
	<u>98,656,594</u>	<u>(24,085,438)</u>	<u>74,571,156</u>	<u>79,562,251</u>	<u>(23,262,885)</u>	<u>56,299,366</u>
	Parent Company					
	30 June 2023			31 December 2022		
	Gross RO (Unaudited)	Reinsurers' share RO (Unaudited)	Net RO (Unaudited)	Gross RO (Audited)	Reinsurers' share RO (Audited)	Net RO (Audited)
Life and General						
At 1 January						
- Outstanding claims	22,638,697	(4,628,540)	18,010,157	19,707,578	(4,192,891)	15,514,687
- Incurred but not reported	8,681,132	(1,870,234)	6,810,898	9,010,184	(2,091,783)	6,918,401
	<u>31,319,829</u>	<u>(6,498,774)</u>	<u>24,821,055</u>	<u>28,717,762</u>	<u>(6,284,674)</u>	<u>22,433,088</u>
Add: Claims provided during the period / year	74,067,590	(12,460,648)	61,606,942	131,162,834	(20,559,927)	110,602,907
Less: Insurance claims paid during the period / year	(55,372,075)	11,349,440	(44,022,635)	(128,560,767)	20,345,827	(108,214,940)
At 30 June / December	<u>50,015,344</u>	<u>(7,609,982)</u>	<u>42,405,362</u>	<u>31,319,829</u>	<u>(6,498,774)</u>	<u>24,821,055</u>
Analysis of outstanding claims as At 30 June / December						
- Outstanding claims	41,897,644	(6,206,708)	35,690,936	22,638,697	(4,628,540)	18,010,157
- Incurred but not reported	8,117,700	(1,403,274)	6,714,426	8,681,132	(1,870,234)	6,810,898
	<u>50,015,344</u>	<u>(7,609,982)</u>	<u>42,405,362</u>	<u>31,319,829</u>	<u>(6,498,774)</u>	<u>24,821,055</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 life and general business are based on an independent actuary's report. Claims requiring court or arbitration decisions are estimated individually.

15 Gross actuarial / mathematical and unexpired risk reserve

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Actuarial / mathematical and unexpired risk reserve - life assurance				
Gross	77,099,778	55,316,153	77,079,144	55,311,042
Reinsurance share	(15,725,613)	(11,849,700)	(15,696,568)	(11,846,160)
	<u>61,374,165</u>	<u>43,466,453</u>	<u>61,382,576</u>	<u>43,464,882</u>
Unexpired risk reserve - general insurance				
Gross	53,985,505	46,421,943	6,302,697	6,775,501
Reinsurance share	(2,940,261)	(6,232,701)	(317,215)	(319,219)
	<u>51,045,244</u>	<u>40,189,242</u>	<u>5,985,482</u>	<u>6,456,282</u>
Actuarial / mathematical and unexpired risk reserve - total				
Gross	131,085,283	101,738,096	83,381,841	62,086,543
Reinsurance share	(18,665,874)	(18,082,401)	(16,013,783)	(12,165,379)
	<u>112,419,409</u>	<u>83,655,695</u>	<u>67,368,058</u>	<u>49,921,164</u>

Movement during the year:

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Actuarial / mathematical and unexpired risk reserve				
At 1 January	43,466,453	38,489,335	43,464,882	38,489,335
Amount transferred on acquisition of subsidiary	-	42,761	-	-
Net movement in the separate and consolidated statement of profit or loss and other comprehensive income	17,907,712	4,916,534	17,917,694	4,975,547
Other movements	-	17,823	-	-
At 30 June / December	<u>61,374,165</u>	<u>43,466,453</u>	<u>61,382,576</u>	<u>43,464,882</u>
Unexpired risk reserve - general insurance (net)				
At 1 January	40,189,242	7,531,020	6,456,282	7,531,020
Amount transferred on acquisition of subsidiary	-	30,640,098	-	-
Net movement in the separate and consolidated statement of profit or loss and other comprehensive income	10,899,474	2,096,706	(470,800)	(1,074,738)
Other movements	(43,472)	(78,582)	-	-
At 30 June / December	<u>51,045,244</u>	<u>40,189,242</u>	<u>5,985,482</u>	<u>6,456,282</u>

for the six months ended 30th June 2023

16 Due to reinsurers

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Reinsurance balances payable - life insurance	17,023,778	10,435,042	17,023,778	10,435,042
Reinsurance balances payable - general insurance	9,536,659	15,014,953	2,057,005	1,550,779
	26,560,437	25,449,995	19,080,783	11,985,821

17 Other liabilities

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RO	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Accounts payable	8,535,186	28,815,027	2,074,455	14,908,201
Commission Payable	9,084,778	7,052,938	8,207,941	4,181,045
Accrued expenses	12,116,910	7,578,164	4,189,398	6,646,946
Other payables	11,394,340	11,725,950	13,833,332	9,209,490
Employees' end of service benefits	4,464,612	4,623,101	1,170,664	1,084,456
Lease liabilities	1,699,215	1,424,033	328,765	-
	47,295,041	61,219,213	29,804,555	36,030,138

18 Contingent liabilities

18.1 Contingencies

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. Based on independent legal advice, management does not believe that the outcome of such court cases will have a material impact on the Group's consolidated income or financial position.

At 30 June 2023, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Company amounting to RO 477,962 (2022: RO 359,195) given in the normal course of business from which it is anticipated that no material liabilities will arise.

18.2 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 separate and consolidated income or financial position.

19 Net assets per share

Net assets per share are calculated by dividing the net assets attributable to the Company at the year-end by the number of shares outstanding at the year end as follows:

	Group		Parent Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net assets (RO)	112,235,670	109,213,457	115,010,945	111,988,732
Number of shares outstanding at 31 December	398,374,342	398,374,342	398,374,342	398,354,342
Net assets per share (RO)	0.282	0.274	0.289	0.281

20 Investment income - net

	Group		Parent Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income on bank deposits and other investments	3,271,649	985,173	953,411	985,173
Interest income on bonds, net of amortisation charge	2,189,301	1,355,820	1,680,451	1,355,820
Interest income on loans to policy holders	2,829	3,831	2,829	3,831
Dividend income	257,146	193,831	230,649	193,831
Net unrealised gain on investment carried at FVTPL	91,446	(298,531)	13,431	(298,531)
Net realised (loss)/gains on disposal of investments carried at fair value through profit or loss	-	(17,934)	-	(17,934)
	<u>5,812,371</u>	<u>2,222,190</u>	<u>2,880,771</u>	<u>2,222,190</u>
Investment acquisition cost and portfolio management fees	(71,563)	(25,860)	(71,563)	(25,860)
	<u>5,740,808</u>	<u>2,196,330</u>	<u>2,809,208</u>	<u>2,196,330</u>

21 Income tax

	Group		Parent Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Statement of comprehensive income				
Current tax				
- For the year	510,541	580,327	52,652	567,413
Deferred tax	(362,337)	(46,875)	(362,102)	(39,249)
	<u>148,204</u>	<u>533,452</u>	<u>(309,450)</u>	<u>528,164</u>

	Group		Parent Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RO	RO	RO	RO
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current liability				
Income tax payable	<u>6,535,131</u>	<u>600,389</u>	<u>98,462</u>	<u>600,389</u>
Non-current asset				
Deferred tax asset	<u>956,569</u>	<u>542,133</u>	<u>716,328</u>	<u>523,695</u>

22 Earnings per share - basic and diluted

Earnings per share are calculated by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of shares outstanding during the year as follows:

	Group & Parent Company	
	30 June 2023	30 June 2022
	(Unaudited)	(Unaudited)
Profit for the year (RO)	<u>(1,544,499)</u>	<u>3,137,090</u>
Weighted average number of shares outstanding during the year	<u>398,374,342</u>	<u>265,000,000</u>
Basic earnings per share (RO)	<u>(0.004)</u>	<u>0.012</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

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

23 Related party transactions

These represent transactions with related parties defined in IAS 24- 'Related Party Disclosures'.

The Company is controlled by Oman International Development and Investment Company SAOG (OMINVEST), which owns 48.858% (2021: 73.448%) and Riyadh Bank which owns 14.348% (2021: Nil) of the Company's shares.

23.1 Group

	Total	Major shareholders and subsidiaries	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 June 2023(Unaudited)							
Separate and consolidated statement of profit or loss and other comprehensive income							
Gross premium income	6,602,105	3,847,962	-	1,331,610	-	-	1,422,533
Claims expense	5,397,524	3,682,139	-	1,219,862	-	-	495,523
Interest income on deposits	1,283,724	460,329	-	327,535	-	-	495,860
Bonds Interest & Dividend Income	449,229	193,961	-	129,811	-	-	125,457
Reinsurance share of claims Paid	49	-	-	49	-	-	-
Commission expense	323,401	-	-	43,651	-	-	279,750
Other expenses	1,047,022	765,930	-	94,107	-	-	186,985
Director sitting fees	13,053	-	13,053	-	-	-	-
Directors' remuneration	172,074	-	75,061	-	-	-	97,013
Other Transactions:							
Short Term Loan (Net of repayments)	-	-	-	-	-	-	-
Long Term Loan repayment	-	-	-	-	-	-	-
Investment in Bonds	5,725,061	1,810,000	-	3,565,372	-	-	349,689
Liquidation of Bonds	7,300,368	3,495,368	-	3,805,000	-	-	-
Placement of Fixed Deposit	13,312,163	11,887,163	-	-	-	-	1,425,000
Maturity / liquidation of fixed deposit	17,960,483	12,860,465	-	-	-	-	5,100,018
Increase in bank balances	113,900	-	-	1,372	-	-	112,528
Decrease in bank balances	327,907	327,907	-	-	-	-	-

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

23 Related party transactions (continued)

23.1 Group (continued)	Total	Major shareholders and subsidiaries	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
30 June 2023(Unaudited)	RO	RO	RO	RO	RO	RO	RO
Separate and consolidated statement of financial position:							
Payable to Directors	78,065	820	77,245	-	-	-	-
Claims payable to related Parties	9,767,818	7,850,835	-	1,486,683	-	-	430,300
Commission payable	250,607	-	-	6,070	-	-	244,537
Short Term Loan payable	5,000,000	-	-	-	-	-	5,000,000
Long Term Loan payable	11,500,000	-	-	11,500,000	-	-	-
Payable to related parties	2,660,210	1,095,741	-	743,424	-	-	821,045
Receivable from related Parties	11,438,082	2,502,156	-	1,544,128	4,302	-	7,387,496
Bank balances	545,055	117,664	-	270,985	-	-	156,406
Fixed deposits balances	53,056,816	20,464,991	-	12,260,000	-	-	20,331,825
Insurance premium receivable from related parties	3,201,304	1,797,634	-	437,630	-	-	966,040
Investment in Bonds	10,005,809	3,234,200	-	3,171,920	-	-	3,599,689
Reinsurance balance receivable	11,329	-	-	11,329	-	-	-
Accrued interest receivable	1,197,355	415,876	-	277,716	-	-	503,763

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

23 Related party transactions (continued)

23.1 Group (continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 June 2022(Unaudited)							
Separate and consolidated statement of profit or loss and other comprehensive income							
Gross premium income	1,355,457	146,050	-	822,701	-	-	386,706
Claims expense	1,266,315	32,368	-	1,003,975	-	-	229,972
Interest income on deposits	388,368	-	-	388,368	-	-	-
Bonds Interest & Dividend Income	255,640	166,081	-	89,559	-	-	-
Reinsurance share of claims Paid	-	-	-	-	-	-	-
Commission expense	230,304	-	-	82,844	-	-	147,460
Other expenses	344,325	-	-	278,575	-	-	65,750
Director sitting fees (of Parent Company)	15,077	-	14,259	-	818	-	-
Director sitting fees (of Subsidiary Company)	-	-	-	-	-	-	-
Directors' remuneration	75,000	-	75,000	-	-	-	-
Other Transactions:							
Short Term Loan (Net of repayments)	800,000	-	-	800,000	-	-	-
Investment in Bonds	1,000,000	-	-	1,000,000	-	-	-
Placement of Fixed Deposit	2,307,500	-	-	2,307,500	-	-	-
Maturity / liquidation of fixed deposit	2,305,000	-	-	2,305,000	-	-	-
Increase in bank balances	287,377	-	-	287,377	-	-	-
Decrease in bank balances	8,153	-	-	8,153	-	-	-

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

23 Related party transactions (continued)

Group (continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 June 2022(Unaudited)							
Separate and consolidated statement of financial position:							
Payable to Directors	77,166	-	76,301	-	865	-	-
Claims payable to related Parties	1,134,242	17,304	-	942,270	-	-	174,668
Commission payable	251,103	-	-	14,136	-	-	236,967
Loan Processing fees	550,801	-	-	550,801	-	-	-
Payable to related parties	3,937,462	-	-	3,931,612	-	-	5,850
Receivable from related Parties	2,221	-	-	-	2,221	-	-
Bank balances	1,352,726	-	-	1,352,726	-	-	-
Fixed deposits balances	17,125,000	-	-	17,125,000	-	-	-
Insurance premium receivable from related parties	813,654	146,050	-	343,536	-	-	324,068
Investment in Bonds	7,948,048	5,245,368	-	2,702,680	-	-	-
Reinsurance balance receivable	8,079	-	-	8,079	-	-	-
Accrued interest receivable	381,548	-	-	381,548	-	-	-

During the year ended 30 June 2022, subsidiary in India (NSSPL) has charged the parent company service fees of RO 351,263. The Parent Company accounted share of profit from subsidiary of RO 54,869. Carrying value of investment is RO 374,516 and due to NSSPL is RO 33,923 as at 30 June 2022.

In 2022, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 368,319 and paid rental to the parent company of RO 12,642. The Parent Company has accounted Inayah Share of Profit from subsidiary of RO 17,539. Carrying value of investment is RO 639,091 it's related intangibles are RO 296,662 and due to Inayah TPA LLC is RO 304,154 as at 30 June 2022.

At 30 June 2022, there was bank guarantee amounting USD 139,769,000 issued by Oman Arab Bank with respect to Royal & Sun Alliance Insurance (Middle East) BSC (RSA ME) (transaction) which has been subsequently cancelled on completion and payment of purchase consideration.

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

23 Related party transactions (continued)

23.1 Parent

	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
30 June 2023(Unaudited)	RO	RO	RO	RO	RO	RO	RO
Separate and consolidated statement of profit or loss and other comprehensive income							
Gross premium income	2,371,321	504	-	1,331,610	-	-	1,039,207
Claims expense	1,736,276	20,891	-	1,219,862	-	-	495,523
Interest income on deposits	532,506	-	-	327,535	-	-	204,971
Bonds Interest & Dividend Income	445,621	193,961	-	129,811	-	-	121,849
Reinsurance share of claims Paid	49	-	-	49	-	-	-
Commission expense	268,538	-	-	43,651	-	-	224,887
Other expenses	601,315	325,800	-	94,107	-	-	181,408
Director sitting fees	11,900	-	11,900	-	-	-	-
Directors' remuneration	75,061	-	75,061	-	-	-	-
Other Transactions:							
Short Term Loan (Net of repayments)	-	-	-	-	-	-	-
Long Term Loan repayment	-	-	-	-	-	-	-
Investment in Bonds	5,375,372	1,810,000	-	3,565,372	-	-	-
Liquidation of Bonds	7,300,368	3,495,368	-	3,805,000	-	-	-
Placement of Fixed Deposit	-	-	-	-	-	-	-
Maturity / liquidation of fixed deposit	750,000	-	-	-	-	-	750,000
Increase in bank balances	113,900	-	-	1,372	-	-	112,528
Decrease in bank balances	-	-	-	-	-	-	-

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

23 Related party transactions (continued)

Parent (Continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 June 2023(Unaudited)							
Separate and consolidated statement of financial position:							
Payable to Directors	75,061	-	75,061	-	-	-	-
Claims payable to related Parties	1,926,189	9,206	-	1,486,683	-	-	430,300
Commission payable	250,607	-	-	6,070	-	-	244,537
Short Term Loan payable	5,000,000	-	-	-	-	-	5,000,000
Long Term Loan payable	11,500,000	-	-	11,500,000	-	-	-
Payable to related parties	7,381	-	-	7,381	-	-	-
Receivable from related Parties	1,555,030	-	-	1,544,128	4,302	-	6,600
Bank balances	424,440	-	-	270,985	-	-	153,455
Fixed deposits balances	20,260,000	-	-	12,260,000	-	-	8,000,000
Insurance premium receivable from related parties	1,180,223	24,858	-	437,630	-	-	717,735
Investment in Bonds	9,656,120	3,234,200	-	3,171,920	-	-	3,250,000
Reinsurance balance receivable	11,329	-	-	11,329	-	-	-
Accrued interest receivable	486,982	-	-	277,716	-	-	209,266

During January to June 2023, subsidiary in India (NSSPL) has charged the parent company service fees of RO 421,363. The Parent Company has accounted NSSPL Share of Profit from subsidiary of RO 46,784. Carrying value of investment as on 30.06.2023 is RO 435,637 and due to NSSPL as at 30.06.2023 is RO 48,011.

The Parent Company has accounted RSA Share of loss from subsidiary of RO 1,106,940 (pertaining to equity holders of the Parent Company). Carrying value of investment as on 30.06.2023 is RO 99,183,949 and due to RSA as at 30.06.2023 is RO 3,372,002 and dividend receivable from RSA ME is RO 3,850,000.

The Parent Company has accounted share of profit for Al Ahlia Insurance Co. SAOG (Al Ahlia) of RO 505,492. Carrying value of investment as on 30.06.2023 is RO 21,209,454 . Due to Al Ahlia as at 30.06.2023 is RO 2,500,000 and dividend received from AL Ahlia is RO 1,377,500.

During January to June 2023, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 340,150 and paid rental of RO 13,274. The Parent Company has accounted Inayah Share of Profit from subsidiary of RO 16,198. Carrying value of investment as on 30.06.2023 is RO 673,598 , it's related intangibles are RO 267,167 and due to Inayah TPA LLC as at 30.06.2023 is RO 156,360.

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

23 Related party transactions (continued)

23.1 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 consolidated statements of profit or loss and other comprehensive income and consolidated statement of financial position are as follows

Parent (Continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 June 2022(Unaudited)							
Separate and consolidated statement of profit or loss and other comprehensive income							
Gross premium income	1,355,457	146,050	-	822,701	-	-	386,706
Claims expense	1,266,315	32,368	-	1,003,975	-	-	229,972
Interest income on deposits	388,368	-	-	388,368	-	-	-
Bonds Interest & Dividend Income	255,640	166,081	-	89,559	-	-	-
Reinsurance share of claims Paid	-	-	-	-	-	-	-
Commission expense	230,304	-	-	82,844	-	-	147,460
Other expenses	344,325	-	-	278,575	-	-	65,750
Director sitting fees (of Parent Company)	15,077	-	14,259	-	818	-	-
Director sitting fees (of Subsidiary Company)	-	-	-	-	-	-	-
Directors' remuneration	75,000	-	75,000	-	-	-	-
Other Transactions:							
Short Term Loan (Net of repayments)	800,000	-	-	800,000	-	-	-
Investment in Bonds	1,000,000	-	-	1,000,000	-	-	-
Placement of Fixed Deposit	2,307,500	-	-	2,307,500	-	-	-
Maturity / liquidation of fixed deposit	2,305,000	-	-	2,305,000	-	-	-
Increase in bank balances	287,377	-	-	287,377	-	-	-
Decrease in bank balances	8,153	-	-	8,153	-	-	-

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

23 Related party transactions (continued)

Parent (Continued)	Total	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Key Senior Executives	Key management personnel of major shareholder	Other related parties
	RO	RO	RO	RO	RO	RO	RO
30 June 2022(Unaudited)							
Separate and consolidated statement of financial position:							
Payable to Directors	77,166	-	76,301	-	865	-	-
Claims payable to related Parties	1,134,242	17,304	-	942,270	-	-	174,668
Commission payable	251,103	-	-	14,136	-	-	236,967
Loan Processing fees	550,801	-	-	550,801	-	-	-
Payable to related parties	3,937,462	-	-	3,931,612	-	-	5,850
Receivable from related Parties	2,221	-	-	-	2,221	-	-
Bank balances	1,352,726	-	-	1,352,726	-	-	-
Fixed deposits balances	17,125,000	-	-	17,125,000	-	-	-
Insurance premium receivable from related parties	813,654	146,050	-	343,536	-	-	324,068
Investment in Bonds	7,948,048	5,245,368	-	2,702,680	-	-	-
Reinsurance balance receivable	8,079	-	-	8,079	-	-	-
Accrued interest receivable	381,548	-	-	381,548	-	-	-

During the year ended 30 June 2022, subsidiary in India (NSSPL) has charged the parent company service fees of RO 351,263. The Parent Company accounted share of profit from subsidiary of RO 54,869. Carrying value of investment is RO 374,516 and due to NSSPL is RO 33,923 as at 30 June 2022.

In 2022, subsidiary - Inayah TPA LLC in UAE has charged the parent company service fees of RO 368,319 and paid rental to the parent company of RO 12,642. The Parent Company has accounted Inayah Share of Profit from subsidiary of RO 17,539. Carrying value of investment is RO 639,091 it's related intangibles are RO 296,662 and due to Inayah TPA LLC is RO 304,154 as at 30 June 2022.

At 30 June 2022, there was bank guarantee amounting USD 139,769,000 issued by Oman Arab Bank with respect to Royal & Sun Alliance Insurance (Middle East) BSC (RSA ME) (transaction) which has been subsequently cancelled on completion and payment of purchase consideration.

23.2 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:

	Group		Parent Company	
	30 June 2023(Unaudited)	30 June 2022(Unaudited)	30 June 2023(Unaudited)	30 June 2022(Unaudited)
	RO (Unaudited)	RO (Unaudited)	RO (Unaudited)	RO (Unaudited)
Short-term benefits	1,397,120	437,875	373,384	437,875
Employees' end of service benefits & leave salary accrual	299,910	104,248	159,742	104,248
	<u>1,697,030</u>	<u>542,123</u>	<u>533,126</u>	<u>542,123</u>
Number of key management personnel	16	9	7	9

Outstanding balances at the year end arise in the normal course of business.

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

24 Operating segment

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 year ended 31 December 2022 and 2021.

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

Primary reporting format - business segments

30 June 2023(Unaudited)	Group				Parent		
	Life	General	Adjustments and eliminations	Total	Life	General	Total
	RO	RO	RO	RO	RO	RO	RO
Gross premium written	105,485,707	76,157,662	-	181,643,369	7,000,857	101,855,003	108,855,860
Movement in unearned premiums	(21,783,625)	(3,966,802)	-	(25,750,427)	472,804	(21,768,102)	(21,295,298)
Gross premiums earned	83,702,082	72,190,860	-	155,892,942	7,473,661	80,086,901	87,560,562
Reinsurance premiums ceded	(21,590,433)	(2,754,308)	-	(24,344,741)	(813,951)	(18,972,927)	(19,786,878)
Movement in unearned premiums	3,875,914	(6,932,670)	-	(3,056,756)	(2,004)	3,850,408	3,848,404
Premium ceded to reinsurance earned	(17,714,519)	(9,686,978)	-	(27,401,497)	(815,955)	(15,122,519)	(15,938,474)
Net premiums	65,987,563	62,503,882	-	128,491,445	6,657,706	64,964,382	71,622,088
Gross claims expense	(69,703,779)	(42,099,765)	-	(111,803,544)	(7,814,827)	(66,252,763)	(74,067,590)
Reinsurance share of gross claims expenses	15,044,768	1,024,303	-	16,069,071	235,506	12,225,142	12,460,648
Net claims expenses	(54,659,011)	(41,075,462)	-	(95,734,473)	(7,579,321)	(54,027,621)	(61,606,942)
Income from policy fees	36,789	623,295	-	660,084	623,295	36,789	660,084
Commission income	2,450,546	145,328	-	2,595,874	125,160	2,450,488	2,575,648
Commission expense	(7,568,687)	(9,242,833)	-	(16,811,520)	(882,780)	(7,568,687)	(8,451,467)
	(5,081,352)	(8,474,210)	-	(13,555,562)	(134,325)	(5,081,410)	(5,215,735)

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

24 Operating segment - Primary reporting format - business segments (continued)

	Group				Parent		
	Life	General	Adjustments and eliminations	Total	Life	General	Total
	RO	RO	RO	RO	RO	RO	RO
Net underwriting income	6,247,200	12,954,210	-	19,201,410	(1,055,940)	5,855,351	4,799,411
Investment income - net of expected credit losses	1,943,792	4,963,859	(1,169,922)	5,737,729	2,028,690	1,943,792	3,972,482
Other operating income	33,930	13,965	(13,274)	34,621	641	33,930	34,571
Third party administration fees	(955,592)	(22,003)	-	(977,595)	(22,003)	(1,717,105)	(1,739,108)
General and administrative expenses	(5,952,565)	(17,485,653)	13,274	(23,424,944)	(1,906,378)	(4,898,511)	(6,804,889)
Finance cost	(125,261)	(1,947,011)	-	(2,072,272)	(1,979,357)	(125,261)	(2,104,618)
Amortisation of intangible asset	(11,798)	(346,811)	-	(358,609)	-	(11,798)	(11,798)
Income tax	(8,277)	(139,927)	-	(148,204)	309,450	-	309,450
Profit for the year	1,171,429	(2,009,371)	(1,169,922)	(2,007,864)	(2,624,897)	1,080,398	(1,544,499)
30 June 2023(Unaudited)							
Segment assets	218,716,240	436,271,525	(136,253,492)	518,734,273	166,826,369	207,983,522	374,809,891
Segment liabilities	164,079,092	247,937,612	(24,466,257)	387,550,447	103,069,381	156,729,565	259,798,946

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

24 Operating segment (continued)

Primary reporting format - business segments (continued)

	Group				Parent		
	Life	General	Adjustments and eliminations	Total	Life	General	Total
	RO	RO	RO	RO	RO	RO	RO
30 June 2022(Unaudited)							
Gross premium written	85,401,095	9,171,345	-	94,572,440	85,401,095	9,171,345	94,572,440
Movement in unearned premiums	(16,083,479)	278,007	-	(15,805,472)	(16,083,479)	278,007	(15,805,472)
Gross premiums earned	69,317,616	9,449,352	-	78,766,968	69,317,616	9,449,352	78,766,968
Reinsurance premiums ceded	(12,085,018)	(730,433)	-	(12,815,451)	(12,085,018)	(730,433)	(12,815,451)
Movement in unearned premiums	261,936	26,705	-	288,641	261,936	26,705	288,641
Premium ceded to reinsurance earned	(11,823,082)	(703,728)	-	(12,526,810)	(11,823,082)	(703,728)	(12,526,810)
Net premiums	57,494,534	8,745,624	-	66,240,158	57,494,534	8,745,624	66,240,158
Gross claims expense	(54,005,795)	(8,766,801)	-	(62,772,596)	(54,005,795)	(8,766,801)	(62,772,596)
Reinsurance share of gross claims expenses	9,373,407	721,877	-	10,095,284	9,373,407	721,877	10,095,284
Net claims expenses	(44,632,388)	(8,044,924)	-	(52,677,312)	(44,632,388)	(8,044,924)	(52,677,312)
Income from policy fees	54,780	622,032	-	676,812	54,780	622,032	676,812
Commission income	1,566,601	104,704	-	1,671,305	1,566,601	104,704	1,671,305
Commission expense	(5,418,996)	(1,247,631)	-	(6,666,627)	(5,418,996)	(1,247,631)	(6,666,627)
Net underwriting income	9,064,531	179,805	-	9,244,336	9,064,531	179,805	9,244,336
Investment income - net of expected credit losses	1,463,301	795,248	(72,408)	2,186,141	1,463,301	795,248	2,258,549
Other operating income	47,156	(746)	(12,642)	33,768	47,156	(746)	46,410
Third party administration fees	(635,283)	-	-	(635,283)	(1,354,865)	-	(1,354,865)
General and administrative expenses	(5,435,342)	(1,621,500)	12,642	(7,044,200)	(4,793,456)	(1,621,500)	(6,414,956)
Finance cost	(102,422)	-	-	(102,422)	(102,422)	-	(102,422)
Amortisation of intangible asset	(11,798)	-	-	(11,798)	(11,798)	-	(11,798)
Income tax	(533,356)	(96)	-	(533,452)	(528,068)	(96)	(528,164)
Profit for the year	3,856,787	(647,289)	(72,408)	3,137,090	3,784,379	(647,289)	3,137,090
Segment assets	174,789,685	45,690,082	(1,351,683)	219,128,084	173,380,752	45,690,082	219,070,834
Segment liabilities	124,971,140	26,135,782	(338,077)	150,768,845	124,575,813	26,135,782	150,711,595

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

24 Operating segment (continued)

Primary reporting format - Geographic Information - Group (continued)

The Group has operations in five major geographic locations in Middle East - Oman, UAE, Kuwait, Saudi and Baharin. 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 year ended 31 December 2022 and 2021.

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

	Oman	UAE	Kuwait	Saudi	Bahrain	Subsidiaries	Adjustments and eliminations	Total
30 June 2023(Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO
Gross premium written	54,851,704	95,504,678	2,937,578	27,524,112	825,297	-	-	181,643,369
Movement in unearned premiums	(11,749,159)	(14,592,987)	39,449	422,803	129,467	-	-	(25,750,427)
Gross premiums earned	43,102,545	80,911,691	2,977,027	27,946,915	954,764	-	-	155,892,942
Reinsurance premiums ceded	(3,469,234)	(17,179,903)	(876,222)	(2,778,980)	(40,402)	-	-	(24,344,741)
Movement in unearned premiums	(647,695)	543,628	444,123	(3,396,812)	-	-	-	(3,056,756)
Premium ceded to reinsurance earned	(4,116,929)	(16,636,275)	(432,099)	(6,175,792)	(40,402)	-	-	(27,401,497)
Net premium earned	38,985,616	64,275,416	2,544,928	21,771,123	914,362	-	-	128,491,445
Gross claims expense	(31,916,295)	(55,369,616)	(2,226,001)	(21,643,112)	(648,520)	-	-	(111,803,544)
Reinsurance share of gross claims expenses	908,713	11,016,163	173,355	3,971,166	(326)	-	-	16,069,071
Net claims expenses	(31,007,582)	(44,353,453)	(2,052,646)	(17,671,946)	(648,846)	-	-	(95,734,473)
Income from policy fees	603,812	30,799	25,473	-	-	-	-	660,084
Commission income	349,669	2,348,264	117,432	(225,565)	6,074	-	-	2,595,874
Commission expense	(3,365,769)	(12,318,514)	(308,976)	(730,658)	(87,603)	-	-	(16,811,520)
Net underwriting income	5,565,746	9,982,512	326,211	3,142,954	183,987	-	-	19,201,410
Investment income - net of expected credit losses	4,110,540	1,541,051	44,375	1,182,180	29,505	-	(1,169,922)	5,737,729
Other operating income /(expenses)	3,615	44,040	240	-	-	-	(13,274)	34,621
Third party administration fees	(143,145)	(1,532,532)	(63,431)	-	-	761,513	-	(977,595)
General and administrative expenses	(7,689,031)	(9,237,992)	(376,345)	(5,238,231)	(206,365)	(690,254)	13,274	(23,424,944)
Finance cost	(2,055,119)	(6,434)	(8,531)	-	(2,188)	-	-	(2,072,272)
Amortisation of intangible asset	(11,798)	(271,632)	-	(75,179)	-	-	-	(358,609)
Income tax	121,450	-	-	(261,377)	-	(8,277)	-	(148,204)
Profit for the year	(97,742)	519,013	(77,481)	(1,249,653)	4,939	62,982	(1,169,922)	(2,007,864)
Segment assets	316,185,901	243,423,079	11,619,701	78,742,564	3,547,277	1,469,243	(136,253,492)	518,734,273
Segment liabilities	200,458,019	142,077,621	6,518,745	59,059,972	3,542,338	360,009	(24,466,257)	387,550,447

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

24 Operating segment (continued)

Primary reporting format - Geographic Information - Group (continued)

30 June 2022(Unaudited)	Oman	UAE	Kuwait	Saudi	Bahrain	Subsidiaries	Adjustments and eliminations	Total
	RO	RO	RO	RO	RO	RO	RO	RO
Gross premium written	44,088,239	47,706,197	2,778,004	-	-	-	-	94,572,440
Movement in unearned premiums	(10,241,751)	(5,676,416)	112,695	-	-	-	-	(15,805,472)
Gross premiums earned	33,846,488	42,029,781	2,890,699	-	-	-	-	78,766,968
Reinsurance premiums ceded	(2,074,077)	(10,533,902)	(207,472)	-	-	-	-	(12,815,451)
Movement in unearned premiums	(101,370)	317,528	72,483	-	-	-	-	288,641
Premium ceded to reinsurance earned	(2,175,447)	(10,216,374)	(134,989)	-	-	-	-	(12,526,810)
Net premium earned	31,671,041	31,813,407	2,755,710	-	-	-	-	66,240,158
Gross claims expense	(27,392,124)	(32,914,946)	(2,465,526)	-	-	-	-	(62,772,596)
Reinsurance share of gross claims expenses	2,215,700	7,774,099	105,485	-	-	-	-	10,095,284
Net claims expenses	(25,176,424)	(25,140,847)	(2,360,041)	-	-	-	-	(52,677,312)
Income from policy fees	609,179	55,250	12,383	-	-	-	-	676,812
Commission income	105,203	1,538,751	27,351	-	-	-	-	1,671,305
Commission expense	(2,283,544)	(3,961,011)	(422,072)	-	-	-	-	(6,666,627)
Net underwriting income	4,925,455	4,305,550	13,331	-	-	-	-	9,244,336
Investment income - net of expected credit	2,040,232	449,589	(231,272)	-	-	-	(72,408)	2,186,141
Other operating (expenses) / income	4,763	41,290	357	-	-	-	(12,642)	33,768
Third party administration fees	(102,269)	(1,157,261)	(95,335)	-	-	719,582	-	(635,283)
General and administrative expenses	(4,289,589)	(1,789,178)	(336,189)	-	-	(641,886)	12,642	(7,044,200)
Finance cost	(102,422)	-	-	-	-	-	-	(102,422)
Amortisation of intangible asset	(11,798)	-	-	-	-	-	-	(11,798)
Income tax	(528,068)	-	(96)	-	-	(5,288)	-	(533,452)
Profit for the year	1,936,304	1,849,990	(649,204)	-	-	72,408	(72,408)	3,137,090
Segment assets	131,218,120	77,005,605	10,847,109	-	-	1,408,933	(1,351,683)	219,128,084
Segment liabilities	87,960,292	56,942,608	5,808,695	-	-	395,327	(338,077)	150,768,845

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

24 Operating segment (continued)

Primary reporting format - Geographic Information - Parent

30 June 2023(Unaudited)

	Oman RO	UAE RO	Kuwait RO	Total RO
Gross premium written	42,680,134	63,238,148	2,937,578	108,855,860
Movement in unearned premiums	(10,562,663)	(10,772,084)	39,449	(21,295,298)
Gross premiums earned	32,117,471	52,466,064	2,977,027	87,560,562
Reinsurance premiums ceded	(2,302,685)	(16,607,971)	(876,222)	(19,786,878)
Movement in unearned premiums	346,684	3,057,597	444,123	3,848,404
Premium ceded to reinsurance earned	(1,956,001)	(13,550,374)	(432,099)	(15,938,474)
Net premium earned	30,161,470	38,915,690	2,544,928	71,622,088
Gross claims expense	(27,733,858)	(44,107,731)	(2,226,001)	(74,067,590)
Reinsurance share of gross claims expenses	1,176,276	11,111,017	173,355	12,460,648
Net claims expenses	(26,557,582)	(32,996,714)	(2,052,646)	(61,606,942)
Income from policy fees	603,812	30,799	25,473	660,084
Commission income	187,828	2,270,388	117,432	2,575,648
Commission expense	(2,456,444)	(5,686,047)	(308,976)	(8,451,467)
Net underwriting income	1,939,084	2,534,116	326,211	4,799,411
Investment income - net of expected credit losses	3,240,864	687,243	44,375	3,972,482
Other operating income / (expenses)	(9,709)	44,040	240	34,571
Third party administration fees	(143,145)	(1,532,532)	(63,431)	(1,739,108)
General and administrative expenses	(4,390,594)	(2,037,950)	(376,345)	(6,804,889)
Finance cost	(2,096,087)	-	(8,531)	(2,104,618)
Amortisation of intangible asset	(11,798)	-	-	(11,798)
Income tax	309,450	-	-	309,450
Profit for the year	(1,161,935)	(305,083)	(77,481)	(1,544,499)
Segment assets	261,435,033	101,755,157	11,619,701	374,809,891
Segment liabilities	169,883,381	83,396,820	6,518,745	259,798,946

National Life and General Insurance Company SAOG and its subsidiaries

Notes to the unaudited interim condensed separate and consolidated financial statements (continued)
for the six months ended 30th June 2023

24 Operating segment (continued)

Primary reporting format - Geographic Information - Parent (continued)

30 June 2022(Unaudited)	Oman	UAE	Kuwait	Total
	RO	RO	RO	RO
Gross premium written	44,088,239	47,706,197	2,778,004	94,572,440
Movement in unearned premiums	(10,241,751)	(5,676,416)	112,695	(15,805,472)
Gross premiums earned	33,846,488	42,029,781	2,890,699	78,766,968
Reinsurance premiums ceded	(2,074,077)	(10,533,902)	(207,472)	(12,815,451)
Movement in unearned premiums	(101,370)	317,528	72,483	288,641
Premium ceded to reinsurance earned	(2,175,447)	(10,216,374)	(134,989)	(12,526,810)
Net premium earned	31,671,041	31,813,407	2,755,710	66,240,158
Gross claims expense	(27,392,124)	(32,914,946)	(2,465,526)	(62,772,596)
Reinsurance share of gross claims expenses	2,215,700	7,774,099	105,485	10,095,284
Net claims expenses	(25,176,424)	(25,140,847)	(2,360,041)	(52,677,312)
Income from policy fees	609,179	55,250	12,383	676,812
Commission income	105,203	1,538,751	27,351	1,671,305
Commission expense	(2,283,544)	(3,961,011)	(422,072)	(6,666,627)
Net underwriting income	4,925,455	4,305,550	13,331	9,244,336
Investment income - net of expected credit losses	2,040,232	449,589	(231,272)	2,258,549
Other operating income	4,763	41,290	357	46,410
Third party administration fees	(102,269)	(1,157,261)	(95,335)	(1,354,865)
General and administrative expenses	(4,289,589)	(1,789,178)	(336,189)	(6,414,956)
Finance cost	(102,422)	-	-	(102,422)
Amortisation of intangible asset	(11,798)	-	-	(11,798)
Income tax	(528,068)	-	(96)	(528,164)
Profit for the year	1,936,304	1,849,990	(649,204)	3,137,090
Segment assets	131,218,120	77,005,605	10,847,109	219,070,834
Segment liabilities	87,960,292	56,942,608	5,808,695	150,711,595

25 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 2022. There have been no material changes in the risk management policies since year ended 31 December 2022.

26 Fair values

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

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

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, the Group grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments recorded at fair value

	Level 1	Level 2	Level 3	Total
30 June 2023 (Unaudited)				
Investments carried at FVTPL and FVOCI	52,792,187	4,179,404	-	56,971,591
	Level 1	Level 2	Level 3	Total
31 December 2022 (Audited)				
Investments carried at FVTPL and FVOCI	86,993,575	152,811	-	87,146,386

There were no transfers between any levels mentioned above.