

DIRECTORS' REPORT

For nine-month period ended 30 September 2022

Dear Shareholders,

On behalf of the Board of Directors of National Life & General Insurance Co SAOG (“the Company” or “NLGIC”), it is my pleasure to present to you the unaudited results of the group for the nine-month period ended 30 September 2022.

RSAME Acquisition

I am pleased to inform you that all legal and regulatory formalities in relation to the acquisition of the 50% shareholding of Intact Financial Corporation in Royal & Sun Alliance Insurance (ME) BSC (c) (“RSAME) as well as the conversion of the ownership of the remaining shareholders of RSA ME into NLGIC shares were successfully completed on 07 July 2022. Following this, RSAME is now a wholly owned subsidiary of NLGIC. RSAME continues to hold a majority shareholding in Al Alamiya for Cooperative Insurance Co. in Saudi Arabia (“Al Alamiya”) and in Al Ahlia Insurance Co. SAOG in Oman (“Al Ahlia”), in addition to having full ownership of its operations in Bahrain and the UAE. With the integration of RSAME, we increase our asset base by RO 275 million to now RO 515 million, and we welcome five hundred new colleagues into the workforce of the Company.

Following the completion of this transaction, the Company has consolidated the results of RSAME and its subsidiaries for the period since 07 July 2022 and the Financial position as at 30th Sep 2022, into its own Consolidated Financial Statements.

Performance Highlights for the nine-months period ended 30 September 2022:

The consolidation of RSAME as described in the above paragraph, being a first time event, has contributed to variances as compared to the previous year, across all performance dimensions. In explaining the key performance highlights of the Company, the underlying position excluding this one-off impact, is also provided.

Gross Written Premiums (GWP) and Net Underwriting Results (NUR):

GWP grew by 40% to RO 170.4 million in the period ended 30 September 2022 as compared to RO 121.5 million in the corresponding period of the previous year.

NUR grew by 40% to RO 19.6 million for the nine months-period ended 30 September 2022 as compared to RO 14.1 million in the corresponding period of the previous year.

Excluding the impact of the RSAME Consolidation, the underlying GWP and NUR growth are 11 % and -7% respectively.

Investment Income

The company's investment income has marginally decreased by 2% to RO 4.2 million as compared to RO 4.4 million in the corresponding period of the previous year, and the previous year benefited from a gain of RO 0.8 million on one-time sale of bonds.

Net Profit After Tax

The Company posted a consolidated Profits After Tax ("PAT") of RO 3.4 million during the nine-month period ended 30 September 2022 as compared to RO 7.1 million in corresponding period of 2021. RO 0.4 million of the reduction was due to integration expenses in 2022. The underlying reduction in PAT, after negating the one-time impacts under investment income, integration costs and the RSAME consolidation was -33 %.

The primary factor driving the overall subdued PAT performance, is the immense pressure on margins in motor insurance, in a market backdrop of intense price driven competition on the one hand and increasing claims trends on the other.

Recent Awards

The Company continues to maintain its status as a market leader and retains its #1 position in Motor and Health insurance in Oman, based on 2021 GWP. I am proud to share with you the following awards received during the year, which are a testimony to the Company's quest for customer trust, service excellence and market stature.

- Oman's Most Trusted Brand in Insurance category, for 2021.
- AIWA "Top Omani Brand 2022" Insurance category.
- Excellence in Insurance awards at the OER Oman Banking and Finance Summit 2022.

Training and Skill Development

The Company continues to invest in its human capital development. Seven employees underwent Tamkeen Training Program conducted jointly by CMA and College of Banking and Finance.

Acknowledgements

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

I would like to thank our esteemed shareholders, partners and regulators for their continued support and trust. Last, but not the least, I would also like to thank 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30th SEPTEMBER 2022**

Principal place of business:

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

Registered address:

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES


**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30th SEPTEMBER 2022**

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NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30th September 2022

	Notes	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
ASSETS				
Cash and cash equivalents	4	49,962,158	14,431,408	7,270,853
Bank deposits	5	132,396,558	47,393,330	46,897,206
Investments at fair value through profit or loss	6(a)	1,616,278	1,363,031	915,595
Investments carried at amortised cost	6(b)	13,791,708	11,197,834	11,205,858
Investments carried at fair value through other comprehensive income	6(c)	83,055,070	38,110,950	35,102,824
Insurance and reinsurance receivables	7	101,960,091	49,382,592	61,666,876
Reinsurance share of outstanding claims and IBNR reserve	12	23,355,826	6,284,674	6,539,497
Reinsurance share of actuarial/ mathematical and unexpired risk reserve	13	29,288,842	11,230,415	11,664,193
Other receivables and prepayments	8	37,486,799	8,623,931	18,614,660
Loans to policyholders		63,964	70,204	81,083
Property and equipment		8,864,067	6,619,588	6,633,683
Deferred tax asset	19	888,982	259,592	265,706
Intangible Assets (including Goodwill)		29,901,385	449,051	454,950
Total assets		512,631,728	195,416,600	207,312,984
EQUITY AND LIABILITIES				
EQUITY				
Capital and reserves				
Share capital	10	39,837,434	26,500,000	26,500,000
Share Premium		29,176,468	-	-
Legal reserve		9,198,513	8,833,333	8,966,763
Contingency reserve		17,827,046	15,147,024	14,646,264
Revaluation reserve		352,345	352,345	447,420
Fair value reserve		(2,417,149)	259,524	(143,606)
Foreign exchange fluctuation reserve		(40,964)	(21,976)	(20,219)
Retained earnings		16,158,336	15,357,050	14,977,399
Total equity attributable to equity holders of the Parent		110,092,029	66,427,300	65,374,021
Non-Controlling interest		39,587,580	-	-
Total Equity		149,679,609	66,427,300	65,374,021
LIABILITIES				
Gross outstanding claims and IBNR reserve	12	85,605,299	28,717,762	42,926,748
Gross actuarial / mathematical and unexpired risk reserve	13	126,882,068	57,250,770	67,423,999
Due to reinsurers	14	30,468,072	8,277,998	8,789,335
Other liabilities	15	53,853,253	25,969,292	18,578,845
Term loan		59,242,778	7,500,000	3,000,000
Income tax payable	19	6,900,649	1,273,478	1,220,036
Total liabilities		362,952,120	128,989,300	141,938,963
Total equity and liabilities		512,631,728	195,416,600	207,312,984
Net assets per share	17	0.276	0.251	0.247

The unaudited interim condensed consolidated financial statements were approved by the Board of Directors on 25 October 2022 and were signed on their behalf by



Chairman



Chief Executive Officer

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the nine months ended 30 September 2022

	Notes	30 September 2022 RO (Unaudited)	30 September 2021 RO (Unaudited)
Gross written premium		<u>170,369,040</u>	<u>121,547,873</u>
Gross premium, earned		148,691,781	105,665,387
Reinsurance share of ceded premium earned		<u>(25,464,866)</u>	<u>(17,995,610)</u>
Net premium earned		123,226,915	87,669,777
Commission income		3,190,814	2,166,284
Income from policy fees		822,382	883,476
Gross claims expense	12	(110,863,415)	(84,747,250)
Reinsurance share of gross claims expense	12	17,358,515	17,640,273
Commission expense		<u>(14,092,500)</u>	<u>(9,540,143)</u>
Net underwriting result		19,642,711	14,072,417
Investment income – net	18	4,277,669	4,367,984
Expected credit losses on financial assets		(4,070)	23,252
Other operating (expense) / income		36,013	(11,298)
Third party administration fees		(1,034,780)	(859,600)
General and administrative expenses		(17,421,176)	(9,295,370)
Finance cost		(852,301)	(70,739)
Amortisation of Intangible Assets/ Goodwill		<u>(233,091)</u>	<u>(17,697)</u>
Profit before income tax		4,410,975	8,208,949
Income tax expense	19	<u>(976,028)</u>	<u>(1,158,485)</u>
Profit for the period		<u>3,434,947</u>	<u>7,050,464</u>
Profit for the year attributable to:			
Equity holders of the Parent Company		3,651,802	7,050,464
Non-Controlling interests		<u>(216,855)</u>	<u>-</u>
		<u>3,434,947</u>	<u>7,050,464</u>
Other comprehensive income / (expense) <i>(Items that are or may be reclassified subsequently to profit or loss):</i>			
Exchange differences on translation of foreign operations		(18,988)	3,491
Change in value of debt investments carried at fair value through other comprehensive income– net		(2,517,092)	(577,464)
<i>(Items that will not be reclassified to profit or loss):</i>			
Change in value of investments carried at fair value through other comprehensive income– net		<u>(156,231)</u>	<u>752,070</u>
Other comprehensive income / (expense) for the period		<u>(2,692,311)</u>	<u>178,097</u>
Total comprehensive income for the period		<u>742,636</u>	<u>7,228,561</u>
Total comprehensive income for the year attributable to:			
Equity holders of the Parent Company		1,150,827	7,228,561
Non-Controlling interests		<u>(408,191)</u>	<u>-</u>
		<u>742,636</u>	<u>7,228,561</u>
Earnings per share - basic and diluted	20	<u>0.012</u>	<u>0.027</u>

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

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2022

	Share capital RO	Share Premium RO	Legal reserve RO	Contingency reserve RO	Revalua tion reserve RO	Fair value reserve RO	Foreign exchange fluctuation reserve RO	Retained earnings RO	Total RO	Non- controlling Interest RO	Total Equity
At 1 January 2021	26,500,000	-	8,261,717	12,970,009	447,420	438,638	(23,710)	18,826,386	67,420,460	-	67,420,460
Profit for the period	-	-	-	-	-	-	-	7,050,464	7,050,464	-	7,050,464
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	174,606	-	-	174,606	-	174,606
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	3,491	-	3,491	-	3,491
Total comprehensive income for the period	-	-	-	-	-	174,606	3,491	7,050,464	7,228,561	-	7,228,561
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(756,850)	-	756,850	-	-	-
Dividends declared and paid (Note 11)	-	-	-	-	-	-	-	(9,275,000)	(9,275,000)	-	(9,275,000)
Transfer to legal reserve	-	-	705,046	-	-	-	-	(705,046)	-	-	-
Transfer to contingency reserve	-	-	-	1,676,255	-	-	-	(1,676,255)	-	-	-
At 30 September 2021 (Unaudited)	26,500,000	-	8,966,763	14,646,264	447,420	(143,606)	(20,219)	14,977,399	65,374,021	-	65,374,021
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	-	66,427,300
Profit for the period	-	-	-	-	-	-	-	3,651,802	3,651,802	(216,855)	3,434,947
Change in value of investments carried at fair value through other comprehensive income	-	-	-	-	-	(2,494,839)	-	-	(2,494,839)	(191,336)	(2,686,175)
Cumulative Impairment of Debt instruments under FVOCI-IFRS 9	-	-	-	-	-	12,852	-	-	12,852	-	12,852
Change in foreign exchange fluctuation reserve	-	-	-	-	-	-	(18,988)	-	(18,988)	-	(18,988)
Total comprehensive income for the period	-	-	-	-	-	(2,481,987)	(18,988)	3,651,802	1,150,827	(408,191)	742,636
Issuance of Share capital	13,337,434	29,176,468	-	-	-	-	-	-	42,513,902	-	42,513,902
Transfer on sale of fair value through other comprehensive investments	-	-	-	-	-	(194,686)	-	194,686	-	-	-
Transfer to Legal reserve	-	-	365,180	-	-	-	-	(365,180)	-	-	-
Transfer to contingency reserve	-	-	-	2,680,022	-	-	-	(2,680,022)	-	-	-
Acquisition of NCI related to Subsidiary	-	-	-	-	-	-	-	-	-	39,995,771	39,995,771
At 30 September 2022 (Unaudited)	39,837,434	29,176,468	9,198,513	17,827,046	352,345	(2,417,149)	(40,964)	16,158,336	110,092,029	39,587,580	149,679,609

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine months ended 30 September 2022

		30 September 2022	30 September 2021
	Notes	RO (Unaudited)	RO (Unaudited)
Cash flows from operating activities			
Profit before taxation		4,410,975	8,208,949
Adjustments for:			
Unrealised loss on investments at FVTPL (net)	18	263,269	(8,188)
Realised gain on investments at FVTPL, FVOCI, Amortised cost – net	18	33,304	(828,458)
Provision for / (reversal of) expected credit loss of financial assets		4,070	(23,252)
Amortisation of Investments carried at amortised cost		247,673	-
Allowance for impaired debts		405,078	387,450
Provision for employees' end of service benefits		298,902	172,519
Interest income net of amortization	18	(4,400,028)	(3,291,695)
Finance cost		852,302	70,739
Dividend income	18	(213,184)	(275,450)
Depreciation		932,484	736,653
Amortisation of Intangible Assets		233,091	17,697
Loss / (profit) on disposal of property and equipment		-	(4,808)
Operating cash flows before movement in working capital		3,067,935	5,162,156
Changes in:			
Insurance and reinsurance receivables		(22,678,133)	(18,898,476)
Other receivables and prepayments		(8,150,381)	(13,033,037)
Reinsurance share of outstanding claims and IBNR reserve		(1,617,714)	(672,338)
Reinsurance share of actuarial / mathematical and unexpired risk reserve		(11,984,982)	(1,356,278)
Gross outstanding claims and IBNR reserve		14,556,907	19,755,672
Gross actuarial / mathematical and unexpired risk reserve		21,878,431	15,882,486
Due to reinsurers		11,894,081	701,306
Other liabilities		(2,843,267)	(4,558,095)
		4,122,877	2,983,396
Employees' end of service benefits paid		(453,300)	(31,562)
Income tax paid		(1,918,064)	(2,566,865)
Net cash from operating activities		1,751,513	384,969
Cash flows from investing activities			
Movement in bank deposits		25,689,861	(5,304,799)
Purchase of property and equipment		(489,251)	(426,534)
Movement in investment securities		(14,257,160)	5,203,258
Net cash acquired on acquisition of a subsidiary		(33,228,088)	-
Proceeds from disposal of property and equipment		-	4,710
Interest income received from bank deposits, bonds and securities		5,138,402	3,202,125
Dividends received		195,621	275,450
Net movement in loans to policyholders		6,241	32,790
Net cash (used in) / from investing activities		(16,944,374)	2,987,000
Cash flows from financing activities			
Finance cost paid		(825,453)	(70,739)
Dividend paid		-	(9,275,000)
(Repayment of) / proceeds in loan from Banks		51,742,778	3,000,000
Share issue expenses		(165,888)	-
Net cash from / (used in) financing activities		50,751,437	(6,345,739)
Net (decrease) / increase in cash and cash equivalents			
Currency translation adjustment		(18,988)	3,491
Cash and cash equivalents at the beginning of the period	4	14,469,199	10,267,621
Cash and cash equivalents at the end of the period	4	50,008,787	7,297,342

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

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the nine months ended 30 September 2022

1 Legal status and principal activities

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

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

2 Basis of preparation and accounting policies

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' using the same accounting policies, basis of consolidation and methods of computations as those used in the consolidated financial statements for the year ended 31 December 2021. The interim condensed consolidated financial statements do not contain all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the annual financial statements as at 31 December 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In addition, the results for the nine month period ended 30 September 2022 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 consolidated financial statements as at 30 September 2021, are for the nine month period then ended and is unaudited.

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 due to which consolidated financial statements comprise of the Parent Company and its subsidiaries (together referred to as the Group).

2.2 Changes in accounting policy and disclosures

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

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

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

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

Certain new standards, amendments to standards and interpretations are not yet effective for the nine months ended 30 September 2022, with the Group not opting for early adoption. These have, therefore, not been applied in preparing these unaudited interim condensed consolidated financial statements. Details of these standards should be read in conjunction with the annual financial statements as at 31 December 2021.

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended 30 September 2022
3 Critical accounting judgment and key sources of estimation uncertainty

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

In preparing these unaudited interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and estimates which should be read in conjunction with the annual financial statements as at 31 December 2021.

4 Cash and cash equivalents

	30 September	31 December 2021	30 September
	2022		2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Balances with banks	49,965,019	14,448,802	7,237,444
Cash in hand	43,768	20,397	59,898
Cash and cash equivalents	50,008,787	14,469,199	7,297,342
Less: ECL on cash and bank balances	(46,629)	(37,791)	(26,489)
Cash and cash equivalents – net of ECL	49,962,158	14,431,408	7,270,853

5 Bank deposits

	30 September	31 December 2021	30 September
	2022		2021
	RO	RO	RO
	(Unaudited)	(Audited)	(Unaudited)
Deposits	132,487,974	47,500,135	46,982,930
Less: ECL on bank deposits	(91,416)	(106,805)	(85,724)
	132,396,558	47,393,330	46,897,206

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the nine months ended 30 September 2022

6 Investment securities

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
Investments at fair value through profit or loss	6(a) 1,616,278	1,363,031	915,595
Investments carried at amortised cost	6(b) 13,791,708	11,197,834	11,205,858
Investment carried at fair value through other comprehensive income	6(c) 83,055,070	38,110,950	35,102,824
	98,463,056	50,671,815	47,224,277

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

	30 September 2022		31 December 2021		30 September 2021	
	Market value RO (Unaudited)	Cost RO (Unaudited)	Market value RO (Audited)	Cost RO (Audited)	Market value RO (Unaudited)	Cost RO (Unaudited)
Quoted Local						
Banking & Investment	68,966	35,771	-	-	-	-
	68,966	35,771	-	-	-	-
Quoted foreign						
Foreign Shares and Funds	1,547,312	1,688,188	1,363,031	1,273,695	915,595	907,407
	1,616,278	1,723,959	1,363,031	1,273,695	915,595	907,407

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

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
At 1 January	1,457,526	-	-
Additions during the period / year	600,172	1,273,695	907,407
Matured / sold during the period / year	(121,678)	-	-
Realised loss on disposal	(33,304)	-	-
Fair value changes (note 18)	(286,437)	89,336	8,188
At 30 September / 31 December	1,616,278	1,363,031	915,595

6 (b) Investments carried at amortised cost

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
Bonds - over one year from the date of inception	13,810,354	11,226,661	11,231,425
Less: ECL on Investments carried at amortised cost	(18,646)	(28,827)	(25,567)
	13,791,708	11,197,834	11,205,858
Annual interest rates (Parent company)	4% to 6.75%	4% to 6.75%	4% to 6.75%

(i) Movement in investments carried at amortised cost:

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
At 1 January	13,796,002	14,204,940	14,204,940
Matured / sold during the period / year	-	(3,330,248)	(3,330,248)
Amortisation during the year	(14,475)	(11,176)	(6,412)
Realised gain on disposal	-	329,116	329,116
Movement in Expected credit losses	10,181	5,202	8,462
At 30 September / 31 December	13,791,708	11,197,834	11,205,858

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended 30 September 2022**
6 Investment securities (continued)
6 (c) Investments carried at fair value through other comprehensive income (FVOCI)

	30 September 2022		31 December 2021		30 September 2021	
	Market value RO (Unaudited)	Cost RO (Unaudited)	Market value RO (Audited)	Cost RO (Audited)	Market value RO (Unaudited)	Cost RO (Unaudited)
Local						
Quoted	64,510,686	45,358,606	29,895,152	29,872,971	27,347,168	27,671,982
	<u>64,510,686</u>	<u>45,358,606</u>	<u>29,895,152</u>	<u>29,872,971</u>	<u>27,347,168</u>	<u>27,671,982</u>
Foreign						
Unquoted	152,625	722,179	81,382	722,179	81,382	722,179
Quoted	18,391,758	10,399,627	8,134,416	7,209,040	7,674,274	6,856,224
	<u>18,544,384</u>	<u>11,121,806</u>	<u>8,215,798</u>	<u>7,931,219</u>	<u>7,755,656</u>	<u>7,578,403</u>
Local and Foreign	<u>83,055,070</u>	<u>56,480,412</u>	<u>38,110,950</u>	<u>37,804,190</u>	<u>35,102,824</u>	<u>35,250,385</u>

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

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
At 1 January	83,200,391	37,034,234	37,034,234
Additions during the period / year	16,519,892	11,986,973	8,179,970
Disposals during the period / year	(11,187,818)	(12,375,573)	(10,800,243)
Realised gain on disposal (note 18)	-	499,342	499,342
Fair value change	(5,477,395)	965,974	189,521
At 30 September / 31 December	<u>83,055,070</u>	<u>38,110,950</u>	<u>35,102,824</u>

6 (d) Investment in subsidiaries

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.

On 7th July 2022, the Company has completed the purchase of 50.00002% shareholding in Royal & Sun Alliance Insurance (Middle East) (RSA ME) from Sun Alliance Insurance Overseas LTD (SAIO), a fully owned entity of Royal & Sun Alliance Insurance Limited. The remaining shares in RSA ME owned by Saudi shareholders, was exchanged with the company shares by way of private placement. As a result, RSA ME is the wholly owned subsidiary of the company (note 25).

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7 Insurance and reinsurance receivables

	30 September 2022			31 December 2021			30 September 2021		
	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)	Life RO (Audited)	General RO (Audited)	Total RO (Audited)	Life RO (Unaudited)	General RO (Unaudited)	Total RO (Unaudited)
Insurance receivables	65,715,796	40,615,796	106,331,592	44,809,079	4,547,647	49,356,726	56,530,342	4,769,350	61,299,692
Reinsurance balances receivables	1,110,022	2,099,467	3,209,489	1,713,537	871,234	2,584,771	2,410,042	419,307	2,829,349
	66,825,818	42,715,263	109,541,081	46,522,616	5,418,881	51,941,497	58,940,384	5,188,657	64,129,041
Allowance for expected credit losses	(1,961,735)	(5,619,256)	(7,580,991)	(1,728,178)	(830,727)	(2,558,905)	(1,557,180)	(904,985)	(2,462,165)
	64,864,083	37,096,008	101,960,091	44,794,438	4,588,154	49,382,592	57,383,204	4,283,672	61,666,876
Movement in allowance for expected credit losses:									
At 1 January	1,728,178	4,063,395	5,791,573	1,368,477	850,327	2,218,804	1,368,477	850,327	2,218,804
Amount transferred on acquisition of subsidiary	-	1,404,127	1,404,127	-	-	-	-	-	-
Provided during the period / year	241,256	163,822	405,078	458,268	25,922	484,190	287,270	100,180	387,450
Written off during the period / year	(7,699)	(12,088)	(19,787)	(98,567)	(45,522)	(144,089)	(98,567)	(45,522)	(144,089)
At 30 September / 31 December	1,961,735	5,619,256	7,580,991	1,728,178	830,727	2,558,905	1,557,180	904,985	2,462,165

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8 Other receivables and prepayments

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
Receivable from other insurance companies and individuals	2,901,771	2,513,645	2,097,317
Receivable from medical providers	4,082,663	-	10,471,112
Other receivables	14,317,007	4,744,571	4,770,708
Accrued interest	5,524,351	1,772,906	1,632,041
Deferred acquisition costs	11,076,148	-	-
	<u>37,901,939</u>	<u>9,031,122</u>	<u>18,971,178</u>
Provision for doubtful debts	(389,195)	(389,195)	(349,513)
Expected credit losses of other receivables	(25,945)	(17,996)	(7,005)
	<u>37,486,799</u>	<u>8,623,931</u>	<u>18,614,660</u>

9 Restrictions on transfer of assets

In accordance with the law governing the operation of insurance companies within the Sultanate of Oman, the Company has identified to the Capital Market Authority certain specific bank deposits, investments and loans to policyholders included in the statement of financial position at a total value of RO 53,491,478 (31 December 2021 - RO 52,921,238 and 30 September 2021 - RO 48,630,082). Under the terms of the legislation, the Company can transfer these assets only with the prior approval of the Capital Market Authority. The Company has provided bank guarantee of RO 50,000 (2021: RO 50,000) to the Oman Unified Bureau for the Orange Card which is secured by a fixed deposit.

In accordance with the law governing the operation of insurance companies within the United Arab Emirates, and Kuwait the Company has identified to the Insurance Authority, Abu Dhabi - UAE and The Ministry of Commerce and Industry, Kuwait certain specific fixed deposits included in the statement of financial position at a total value of RO 527,000 (31 December 2021 - RO 1,014,663 and 30 September 2021 - RO 1,007,975) and RO 3,216,850 (31 December 2021 - RO 3,216,850 and 30 September 2021 - 2,452,450) respectively. Under the terms of the legislation, the Company can transfer these assets only with the prior approval of the respective authorities.

The Company has credit facility of RO 5,000,000 (31 December 2021 - RO 5,000,000 and 30 September 2021 - RO 5,000,000) with Ahli Bank SAOG for which the Company 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 Company has nil credit facility (31 December 2021 - RO 3,256,860 and 30 September 2021 - 3,689,000) with local bank which are secured by way of 110% of amount held under fixed deposit with the bank.

10 Share capital

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
At 30 September / 31 December	<u>39,837,434</u>	<u>26,500,000</u>	<u>26,500,000</u>
Number of shares	398,374,342	265,000,000	265,000,000

11 Dividends paid

Shareholders in annual general meeting of the Company dated 30 Mar 2022 (2021 - annual general meeting dated 28 Mar 2021) approved nil cash dividend (31 December 2021 - cash dividend of RO 9,275,000 which has been paid).

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12 Claims

Life and general	30 September 2022			31 December 2021			30 September 2021		
	Gross outstanding claims RO (Unaudited)	Reinsurers' share of outstanding claims RO (Unaudited)	Net outstanding claims RO (Unaudited)	Gross outstanding claims RO (Audited)	Reinsurers' share of outstanding claims RO (Audited)	Net outstanding claims RO (Audited)	Gross outstanding claims RO (Unaudited)	Reinsurers' share of outstanding claims RO (Unaudited)	Net outstanding claims RO (Unaudited)
At 1 January									
- Claims incurred	59,173,958	(22,290,096)	36,883,862	15,798,077	(4,119,131)	11,678,946	15,798,077	(4,119,131)	11,678,946
- Incurred but not reported	16,934,042	(2,910,044)	14,023,998	7,372,999	(1,748,027)	5,624,972	7,372,999	(1,748,027)	5,624,972
	<u>76,108,001</u>	<u>(25,200,141)</u>	<u>50,907,860</u>	23,171,076	(5,867,158)	17,303,918	23,171,076	(5,867,158)	17,303,918
Amount transferred on acquisition of subsidiary	21,945,564	387,665	22,333,229	-	-	-	-	-	-
Add: Claims provided during the period / year	110,863,415	(17,358,515)	93,504,900	116,929,034	(24,312,425)	92,616,609	84,747,250	(17,640,273)	67,106,977
Less: Claims paid during the period / year	(123,311,680)	18,815,165	(104,496,516)	(111,382,348)	23,894,909	(87,487,439)	(64,991,578)	16,967,934	(48,023,644)
At 30 September / 31 December	<u>85,605,299</u>	<u>(23,355,826)</u>	<u>62,249,473</u>	28,717,762	(6,284,674)	22,433,088	42,926,748	(6,539,497)	36,387,251
Analysis of outstanding claims at 30 September / 31 December									
- Claims incurred	68,269,172	(20,327,877)	47,941,295	19,707,578	(4,192,891)	15,514,687	35,288,498	(4,926,189)	30,362,309
- Incurred but not reported	17,336,127	(3,027,949)	14,308,178	9,010,184	(2,091,783)	6,918,401	7,638,250	(1,613,308)	6,024,942
	<u>85,605,299</u>	<u>(23,355,826)</u>	<u>62,249,473</u>	28,717,762	(6,284,674)	22,433,088	42,926,748	(6,539,497)	36,387,251

Substantially all of the claims are expected to be paid within twelve months of the reporting date. The amounts due from reinsurers are contractually due within three months from the date of submission of accounts to the reinsurer.

The Group estimates its insurance liabilities and reinsurance assets principally based on previous experience. Incurred but not reported (IBNR) estimates for the medical and life business are based on an independent actuary's report. Claims requiring Court or arbitration decisions are estimated individually.

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13 Gross actuarial / mathematical and unexpired risk reserve

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
Actuarial / mathematical and unexpired risk reserve - life assurance			
Gross	65,735,795	49,472,746	59,670,253
Reinsurers' share	<u>(12,639,075)</u>	<u>(10,983,411)</u>	<u>(11,425,590)</u>
	<u>53,096,720</u>	<u>38,489,335</u>	<u>48,244,663</u>
Unexpired risk reserve – general insurance			
Gross	61,146,273	7,778,024	7,753,746
Reinsurers' share	<u>(16,649,767)</u>	<u>(247,004)</u>	<u>(238,603)</u>
	<u>44,496,507</u>	<u>7,531,020</u>	<u>7,515,143</u>
Actuarial / mathematical and unexpired risk reserve – total			
Gross	126,882,068	57,250,770	67,423,999
Reinsurers' share	<u>(29,288,842)</u>	<u>(11,230,415)</u>	<u>(11,664,193)</u>
	<u>97,593,227</u>	<u>46,020,355</u>	<u>55,759,806</u>

Movement during the period / year:

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
Actuarial / mathematical and unexpired risk reserve – life assurance			
At 1 January	38,489,335	33,234,577	33,234,577
Net movement in the statement of comprehensive income	<u>14,607,385</u>	<u>5,254,758</u>	<u>15,010,086</u>
At 30 September / 31 December	<u>53,096,720</u>	<u>38,489,335</u>	<u>48,244,663</u>
Unexpired risk reserve – general insurance			
At 1 January	46,353,036	7,999,021	7,999,021
Amount transferred on acquisition of subsidiary	2,892,804	-	-
Net movement in the statement of comprehensive income	<u>(4,749,333)</u>	<u>(468,001)</u>	<u>(483,878)</u>
At 30 September / 31 December	<u>44,496,507</u>	<u>7,531,020</u>	<u>7,515,143</u>

14 Due to reinsurers

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
Reinsurance balances payable – life insurance	12,427,561	7,042,631	7,685,302
Reinsurance balances payable – general insurance	<u>18,040,511</u>	<u>1,235,367</u>	<u>1,104,033</u>
	<u>30,468,072</u>	<u>8,277,998</u>	<u>8,789,335</u>

15 Other liabilities

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
Accounts payable	14,651,766	8,801,255	793,283
Commission Payable	6,956,235	6,429,312	6,714,057
Accrued expenses	13,242,607	4,143,290	4,536,307
Other payables	12,831,895	5,580,349	5,535,825
Employees' end of service benefits	5,134,357	1,015,086	999,373
Lease Liabilities	<u>1,036,394</u>	<u>-</u>	<u>-</u>
	<u>53,853,253</u>	<u>25,969,292</u>	<u>18,578,845</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the nine months ended 30 September 2022

16 Contingent liabilities

(a) Contingencies

At 30 September 2022, there were contingent liabilities in respect of guarantees issued by commercial banks on behalf of the Company amounting to RO 365,520 (31 December 2021 - RO 293,273 and 30 September 2021 – RO 293,643) given in the normal course of business from which it is anticipated that no material liabilities will arise.

(b) Legal claims

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

17 Net assets per share

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

	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
Net assets (RO)	<u>110,092,029</u>	<u>66,427,300</u>	<u>65,374,021</u>
Number of shares outstanding at 30 September / 31 December	<u>398,374,342</u>	<u>265,000,000</u>	<u>265,000,000</u>
Net assets per share (RO)	<u>0.276</u>	<u>0.251</u>	<u>0.247</u>

18 Investment income – net

	30 September 2022 RO (Unaudited)	30 September 2021 RO (Unaudited)
Interest income on bank deposits and other investments	2,153,432	1,482,291
Interest income on bonds, net of amortisation charge	2,242,745	1,803,632
Interest income on loans to policy holders	3,852	5,772
Dividend income	213,184	275,450
Net unrealised (loss) / gain on investments carried at fair value through profit or loss	(246,675)	-
Net realised gains/(Loss) on disposal of investments carried at fair value through profit or loss	(33,304)	8,188
Net realised gain on investment carried at FVOCI – debt instruments	-	499,342
Net realised gain on investment carried at amortised cost	-	329,116
	<u>4,316,639</u>	<u>4,403,791</u>
Investment acquisition cost and portfolio management fees	<u>(38,970)</u>	<u>(35,807)</u>
	<u>4,277,669</u>	<u>4,367,984</u>

NATIONAL LIFE AND GENERAL INSURANCE COMPANY SAOG AND ITS SUBSIDIARIES
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For the nine months ended 30 September 2022
19 Income tax

	30 September 2022 RO (Unaudited)	30 September 2021 RO (Unaudited)	
Statement of comprehensive income:			
Current tax			
- For the year	1,049,301	1,227,813	
- For prior years	-	(5,883)	
Deferred tax	(73,273)	(63,445)	
	976,028	1,158,485	
	30 September 2022 RO (Unaudited)	31 December 2021 RO (Audited)	30 September 2021 RO (Unaudited)
Current liability			
Income tax payable Current Year	1,416,366	1,273,478	1,220,036
Prior years	5,484,283	-	-
	6,900,649	1,273,478	1,220,036
Non-current asset			
Deferred tax asset	888,982	259,592	265,706

The tax rate applicable to the Parent Company is 15% (30 September 2021 – 15%).

20 Earnings per share – basic and diluted

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

	30 September 2022 (Unaudited)	30 September 2021 (Unaudited)
Profit for the nine months ended (RO)	3,434,947	7,050,464
Weighted average number of shares outstanding @ RO 0.100 per share	298,343,586	265,000,000
Basic and diluted earnings per share (RO)	0.012	0.027
Weighted average number of shares has been arrived at as given below		
	30 September 2022	30 September 2021
265,000,000 shares for nine months period from January to September 2022	198,750,000	
398,374,342 shares for three months period from July to September 2022	99,593,586	
Weighted average number of shares outstanding for the period January to September 2022	298,343,586	
Weighted average number of shares outstanding during the period January to September 2021		265,000,000

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21 Related party transactions

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

	Total	Subsidiaries	Major shareholders	Directors	Subsidiaries & associates of major shareholder	Top Senior Executives	Key management personnel of major shareholder	Other related parties
30 September 2022 (Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income								
Gross premium income	4,476,751	2,863,122	147,457	-	953,734	-	-	512,438
Claims expense	3,326,753	1,482,485	49,227	-	1,448,557	-	-	346,484
Reinsurer's share of claims paid	3,201	-	-	-	3,201	-	-	-
Interest income on deposits	855,683	293,442	-	-	562,241	-	-	-
Bonds Interest & Dividend Income	314,376	-	224,817	-	89,559	-	-	-
Commission expense	147,556	2,434	-	-	120,940	-	-	24,182
Other expenses	2,441,209	1,118,934	-	-	1,153,940	-	-	168,335
Director sitting fees	23,721	-	-	20,863	-	2,858	-	-
Directors' remuneration	112,500	-	-	112,500	-	-	-	-
Other Transactions								
Short Term Loan repayment	200,000	-	-	-	200,000	-	-	-
Maturity of Bonds	1,027,430	-	-	-	1,027,430	-	-	-
Investment in Deposits	2,373,615	66,115	-	-	2,307,500	-	-	-
Maturity/ Liquidation of Deposit	3,415,000	-	-	-	3,415,000	-	-	-
Increase in bank balances	449,412	192,465	-	-	256,947	-	-	-
Decrease in bank balances	287,697	-	-	-	287,697	-	-	-
Statement of financial position								
Directors' remuneration & sitting fees	117,890	1,517	-	115,331	-	1,042	-	-
Claims payable to related parties	12,439,251	11,423,987	19,311	-	816,184	-	-	179,769
Commission payable	927,349	667,847	-	-	12,136	-	-	246,566
Payable to related parties	978,085	224,334	-	-	753,751	-	-	-
Loan Processing fees	1,017,821	-	-	-	1,017,821	-	-	-
Short term loan payable	3,200,000	-	-	-	3,200,000	-	-	-
Long term loan payable	52,060,600	-	-	-	52,060,600	-	-	-
Receivable from related parties	14,221	2,221	-	-	-	12,000	-	-
Bank balances	1,955,578	912,825	-	-	1,042,753	-	-	-
Fixed deposits balances	56,173,302	40,185,732	-	-	15,987,570	-	-	-
Premium receivable from related parties	3,398,947	2,886,497	13,250	-	211,848	-	-	287,352
Investment in Bonds	7,948,048	-	5,245,368	-	2,702,680	-	-	-
Reinsurance balance receivable	11,280	-	-	-	11,280	-	-	-
Accrued interest receivable	2,673,721	2,471,372	28,267	-	174,082	-	-	-

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21 Related party transactions (continued)

	Total	Subsidiaries	Major shareholder	Directors	Subsidiaries & associates of major shareholder	Top Senior Executives	Key management personnel of major shareholder	Other related parties
30 September 2021 (Unaudited)	RO	RO	RO	RO	RO	RO	RO	RO
Statement of comprehensive income								
Gross premium income	3,172,937	-	107,304	-	2,533,309	-	-	532,324
Claims expense	2,150,008	-	56,937	-	1,621,337	-	-	471,733
Reinsurer's share of claims paid	932	-	-	-	932	-	-	-
Interest income on deposits	559,806	-	-	-	559,806	-	-	-
Bonds Interest & Dividend Income	154,885	-	108,010	-	46,875	-	-	-
Commission expense	323,847	-	-	-	131,412	-	-	192,435
Other expenses	1,111,335	937,479	-	-	111,059	-	-	62,797
Director sitting fees	19,926	-	-	16,024	-	3,902	-	-
Directors' remuneration	107,149	-	-	107,149	-	-	-	-
Other Transactions								
Investment in Deposits	9,355,875	-	700,000	-	8,655,875	-	-	-
Maturity/ Liquidation of Deposit	3,110,000	-	-	-	3,110,000	-	-	-
Increase in bank balances	153,391	-	-	-	153,391	-	-	-
Decrease in bank balances	545,059	-	-	-	545,059	-	-	-
Statement of financial position								
Directors' remuneration & sitting fees	107,927	-	-	107,149	-	519	259	-
Claims payable to related parties	1,073,921	-	22,631	-	784,533	-	-	266,757
Commission payable	301,994	-	-	-	16,407	-	-	285,587
Payable to related parties	292,130	270,603	-	-	2,627	-	-	18,900
Receivable from related parties	373,140	-	-	-	359,855	13,285	-	-
Bank balances	1,343,356	-	-	-	1,343,356	-	-	-
Fixed deposits balances	16,725,000	-	-	-	16,725,000	-	-	-
Premium receivable from related parties	611,456	-	1,797	-	116,375	-	-	493,284
Investment in Bonds	6,740,875	-	3,495,000	-	3,245,875	-	-	-
Reinsurance balance receivable	14,224	-	0	-	14,224	-	-	-
Accrued interest receivable	355,392	-	-	-	355,392	-	-	-

No major provision has been required during nine months ended 30 September 2022 (30 September 2021 – nil) in respect of amounts due from related parties.

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21 Related party transactions (continued)

(b) Compensation of key management personnel

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

	30 September 2022 RO (Unaudited)	30 September 2021 RO (Unaudited)
Short-term benefits	1,299,556	496,989
Employees' end of service benefits & leave salary accrual	146,824	62,680
	<u>1,446,380</u>	<u>559,669</u>
Number of key management personnel	<u>31</u>	<u>8</u>

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22 Segmental information
22.1 Primary reporting format - business segments

The Group's operating businesses are organised and managed separately according to the nature of the activities and services provided, with each segment representing a strategic business unit that offers different services.

The following table presents premium and profit information and asset and liability information regarding business segments for the nine months ended 30 September 2022 and 30 September 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.

30 September 2022 (Unaudited)	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	121,572,363	48,796,677	-	170,369,040
Movement in unearned premiums	(16,263,049)	(5,414,210)	-	(21,677,259)
Gross premiums earned	105,309,314	43,382,467	-	148,691,781
Insurance premium ceded to reinsurers	(19,715,689)	(17,568,384)	-	(37,284,073)
Movement in unearned premiums	1,655,664	10,163,543	-	11,819,207
Premium ceded to reinsurers, earned	(18,060,025)	(7,404,841)	-	(25,464,866)
Net premiums	87,249,289	35,977,626	-	123,226,915
Claims	(83,184,003)	(27,679,412)	-	(110,863,415)
Reinsurers' share of claims	14,395,029	2,963,486	-	17,358,515
Net claims	(68,788,974)	(24,715,926)	-	(93,504,900)
Income from policy fees	(4,294)	826,676	-	822,382
Commission income on premium ceded to reinsurers	2,559,853	630,961	-	3,190,814
Commission expense	(8,210,520)	(5,881,980)	-	(14,092,500)
Net underwriting results	12,805,354	6,837,357	-	19,642,711
Investment income – net	2,193,509	2,698,633	(614,473)	4,277,669
ECL on financial assets	(6,210)	2,140	-	(4,070)
Other operating (loss) / income	44,232	11,060	(19,279)	36,013
Third party administration fees	(1,034,780)	-	-	(1,034,780)
General and administrative expenses	(7,748,502)	(9,691,953)	19,279	(17,421,176)
Finance cost	(825,453)	(26,848)	-	(852,301)
Amortisation of intangible assets	(17,697)	(215,394)	-	(233,091)
Income tax	(518,047)	(457,981)	-	(976,028)
Profit for the period	4,892,406	(842,986)	(614,473)	3,434,947

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

30 September 2021 (Unaudited)	Life and medical RO	General RO	Adjustments and eliminations RO	Total RO
Gross premium written	107,236,595	14,311,278	-	121,547,873
Movement in unearned premiums	<u>(16,297,582)</u>	<u>415,096</u>	<u>-</u>	<u>(15,882,486)</u>
Gross premiums earned	<u>90,939,013</u>	<u>14,726,374</u>	<u>-</u>	<u>105,665,387</u>
Insurance premium ceded to reinsurers	(18,428,675)	(923,213)	-	(19,351,888)
Movement in unearned premiums	1,287,496	68,782	-	1,356,278
Premium ceded to reinsurers, earned	<u>(17,141,179)</u>	<u>(854,431)</u>	<u>-</u>	<u>(17,995,610)</u>
Net premiums	<u>73,797,834</u>	<u>13,871,943</u>	<u>-</u>	<u>87,669,777</u>
Claims	(74,971,754)	(9,775,496)	-	(84,747,250)
Reinsurers' share of claims	17,390,093	250,180	-	17,640,273
Net claims	<u>(57,581,661)</u>	<u>(9,525,316)</u>	<u>-</u>	<u>(67,106,977)</u>
Income from policy fees	86,279	797,197	-	883,476
Commission income on premium ceded to reinsurers	1,998,932	167,352	-	2,166,284
Commission expense	<u>(7,511,713)</u>	<u>(2,028,430)</u>	<u>-</u>	<u>(9,540,143)</u>
Net underwriting results	10,789,671	3,282,746	-	14,072,417
Investment income – net	3,293,017	1,135,929	(60,962)	4,367,984
ECL on financial assets	18,341	4,911	-	23,252
Other operating income	1,087	2,364	(14,749)	(11,298)
Third party administration fees	(859,600)	-	-	(859,600)
General and administrative expenses	(6,939,171)	(2,370,948)	14,749	(9,295,370)
Finance cost	(70,739)	-	-	(70,739)
Amortisation of intangible assets	(17,697)	-	-	(17,697)
Income tax	<u>(871,275)</u>	<u>(287,210)</u>	<u>-</u>	<u>(1,158,485)</u>
Profit for the period	<u>5,343,634</u>	<u>1,767,792</u>	<u>(60,962)</u>	<u>7,050,464</u>
	Life and Medical RO	General RO	Adjustments and eliminations RO	Total RO
30 September 2022 (Unaudited)				
Segment assets	<u>179,729,572</u>	<u>418,276,067</u>	<u>(85,373,911)</u>	<u>512,631,728</u>
Segment liabilities	<u>130,217,232</u>	<u>232,959,222</u>	<u>(224,334)</u>	<u>362,952,120</u>
31 December 2021 (Audited)				
Segment assets	<u>152,680,345</u>	<u>44,001,315</u>	<u>(1,265,060)</u>	<u>195,416,600</u>
Segment liabilities	<u>103,992,510</u>	<u>25,312,091</u>	<u>(315,301)</u>	<u>128,989,300</u>
30 September 2021 (Unaudited)				
Segment assets	<u>167,392,132</u>	<u>41,117,428</u>	<u>(1,196,576)</u>	<u>207,312,984</u>
Segment liabilities	<u>120,083,748</u>	<u>22,125,818</u>	<u>(270,603)</u>	<u>141,938,963</u>

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NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the nine months ended 30 September 2022

22 Segmental information (continued)

22.2 Primary reporting format - geographic segments

Geographic Information

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 nine months ended 30 September 2022 and 30 September 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 RO	UAE RO	Kuwait RO	Saudi RO	Bahrain RO	Others RO	Adjustments and eliminations RO	Total RO
30 September 2022 (Unaudited)								
Gross premium written	61,347,210	88,309,946	3,961,831	16,138,957	611,096	-	-	170,369,040
Movement in unearned premiums	(5,865,618)	(9,917,488)	607,935	(6,480,439)	(21,649)	-	-	(21,677,259)
Gross premiums earned	55,481,592	78,392,458	4,569,766	9,658,518	589,447	-	-	148,691,781
Insurance premium ceded to reinsurers	(5,389,923)	(24,762,266)	(236,618)	(6,785,933)	(109,332)	-	-	(37,284,073)
Movement in unearned premiums	1,272,487	6,893,003	42,638	3,654,199	(43,120)	-	-	11,819,207
Premium ceded to reinsurers, earned	(4,117,436)	(17,869,264)	(193,980)	(3,131,734)	(152,453)	-	-	(25,464,866)
Net premiums	51,364,156	60,523,194	4,375,786	6,526,784	436,994	-	-	123,226,915
Claims	(43,532,413)	(55,488,825)	(3,784,617)	(7,919,179)	(138,381)	-	-	110,863,415
Reinsurers' share of claims	2,903,310	12,195,732	218,824	2,040,658	(9)	-	-	17,358,515
Net claims	(40,629,103)	(43,293,093)	(3,565,793)	(5,878,521)	(138,389)	-	-	(93,504,900)
Income from policy fees	803,866	(6,543)	25,059	-	-	-	-	822,382
Commission income on premium ceded to reinsurers	205,431	2,741,602	27,351	215,873	557	-	-	3,190,814
Commission expense	(3,485,702)	(9,560,067)	(634,002)	(352,619)	(60,110)	-	-	(14,092,500)
Net underwriting results	8,258,648	10,405,093	228,401	511,517	239,052	-	-	19,642,711
Investment income – net	3,836,697	869,808	(160,586)	334,278	11,945	-	(614,473)	4,277,669
ECL on financial assets	(6,005)	2,709	(774)	-	-	-	-	(4,070)
Other operating (loss) / income	7,026	48,050	216	-	-	-	(19,279)	36,013
Third party administration fees	(162,258)	(1,853,357)	(120,801)	-	-	1,101,636	-	(1,034,780)
General and administrative expenses	(8,035,902)	(6,166,488)	(496,731)	(1,634,251)	(115,025)	(992,058)	19,279	(17,421,176)
Finance cost	(842,560)	(9,741)	-	-	-	-	-	(852,301)
Amortisation of intangible assets	(17,697)	(215,394)	-	-	-	-	-	(233,091)
Income tax	(658,442)	-	(96)	(295,507)	-	(21,982)	-	(976,028)
Profit / (loss) for the period	2,379,506	3,080,681	(550,371)	(1,083,964)	135,972	87,596	(614,473)	3,434,947

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

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

	Oman RO	UAE RO	Kuwait RO	Saudi RO	Bahrain RO	Others RO	Adjustments and eliminations RO	Total RO
30 September 2022 (Unaudited)								
Segment assets	300,088,304	227,574,410	10,719,337	96,149,209	-	1,383,243	(123,282,775)	512,631,728
Segment liabilities	173,681,068	127,671,496	5,566,722	58,727,496	-	364,878	(3,059,540)	362,952,120
31 December 2021 (Audited)								
Segment assets	115,832,156	68,128,438	10,662,833	-	-	2,058,233	(1,265,060)	195,416,600
Segment liabilities	71,122,700	52,203,491	4,869,936	-	-	1,108,474	(315,301)	128,989,300
30 September 2021 (Unaudited)								
Segment assets	130,249,368	70,861,906	6,081,693	-	-	1,316,593	(1,196,576)	207,312,984
Segment liabilities	82,489,693	55,042,268	4,286,985	-	-	390,620	(270,603)	141,938,963

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23 Risk management

The Group's activities expose it to a variety of risks: capital management risk, credit risk, reinsurance risk, liquidity risk, financial risks, market risk (includes currency risk interest rate risk and equity price risk), and insurance risks (includes frequency and severity of claims, sources of uncertainty in the estimation of future benefit payments and premium receipts, process used to decide on assumptions and change in assumptions). The interim condensed financial statements do not include all information and disclosures required relating to risk management and should be read in conjunction with the annual financial statements as at 31 December 2021. There have been no material changes in the risk management policies since year ended 31 December 2021.

24 Fair values

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

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

30 September 2022 (Unaudited)	Level 1	Level 2	Total
Investments	<u>84,518,722</u>	<u>152,625</u>	<u>84,671,348</u>
31 December 2021 (Audited)	Level 1	Level 2	Total
Investments	<u>39,392,599</u>	<u>81,382</u>	<u>39,473,981</u>
30 September 2021 (Unaudited)	Level 1	Level 2	Total
Investments	<u>35,937,037</u>	<u>81,382</u>	<u>36,018,419</u>

There were no transfers between any levels mentioned above.

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25. Significant Transactions during the year

25 (a) Acquisition of a subsidiary

On 7th July 2022, the Company has completed the purchase of 50.00002% shareholding in Royal & Sun Alliance Insurance (Middle East) (RSA ME) from Sun Alliance Insurance Overseas LTD (SAIO), a fully owned entity of Royal & Sun Alliance Insurance Limited. The remaining shares in RSA ME owned by Saudi shareholders, was exchanged with the company shares by way of private placement. As a result, RSA ME is the wholly owned subsidiary of the company. The company issued 133,374,342 new shares through private placement which was approved by the shareholders in extra Ordinary meeting held on 26th June 2022. Following are the details of the consideration paid.

Consideration transferred

Unit Price	Units	Unit Price	RO
Cash			52,060,600
Share Issued	133,374,342	0.100	13,337,434
Share Premium	133,374,342	0.220	29,342,355
			94,740,389

25 (b) Acquisition-related costs

The Group has incurred acquisition and related costs on advisory, legal, due diligence, valuation and other professional or consulting fees of RO 231,465 up to 30th September 2022 which have been expensed.

25 (c) Identifiable assets acquired and liabilities assumed

Following table summarizes the recognized amounts of assets acquired, and liabilities assumed at the date of acquisition at 30 June 2022, effective date of acquisition was 7 July 2022.

Assets	RO
Cash and bank balances	18,832,512
Bank Deposit	101,405,568
Investments at Fair value through other comprehensive income	42,688,896
Investment at amortized cost	2,400,768
Investment at fair value through profit or loss	359,424
Insurance and reinsurance receivables	27,564,672
Other receivables and prepayments	10,094,208
Deferred tax Asset	207,744
Reinsurer's Share of Outstanding Claims	15,453,696
Deferred acquisition cost	11,088,384
Reinsurer's share of actuarial / mathematical and unexpired risk reserve	6,073,344
Plant and equipment	2,687,232
	238,856,448
Liabilities	
Gross outstanding claims and IBNR reserve	42,330,240
Gross Unearned premiums	47,765,376
Reinsurance payable	10,295,808
Payables, accruals & provisions	33,414,288
	133,805,712
Total identifiable net assets acquired	105,050,736

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25. Significant Transactions during the year (continued)

25 (d) Net Cash Flow on acquisition:

	RO
Cash Consideration paid	(52,060,600)
Net Cash Equivalents acquired	18,832,512
Net cash consideration paid	<u>(33,228,088)</u>

25 (e) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	RO
Total consideration transferred (Note 25(a))	94,740,389
NCI based on their proportionate interest in the recognised amounts of the net assets and liabilities	39,995,772
Carrying value of net identifiable assets	<u>(105,050,736)</u>
Goodwill at acquisition	<u>29,685,425</u>

The acquisition accounting has been made on provisional basis based on net assets of the RSA ME as at 30 June 2022 as the PPA exercise to determine the fair value of assets acquired and liabilities assumed is ongoing. The accounting for the acquisition will be revised on completion of PPA within a period of 12 months from the date of acquisition as allowed under IFRS 3 "Business Combinations".

Difference of RO 29,685,425 between total consideration transferred and net identifiable assets acquired has been recorded as provisional Goodwill which is subject to changes on completion of PPA exercise.

26 Comparative Information

Group's results for the nine months period ended 30th September 2022 includes RSA Me's results from 1st July till 30th September 2022 which are not reflected in the comparatives results. Consequently, comparative amounts for the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not entirely comparable.