

National General Insurance Co. (P.J.S.C.)

Condensed interim financial statements

For the six month period ended 30 June 2017

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For the six month period ended 30 June 2017

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Independent Auditors' Report on Review of Condensed Interim Financial Information

The Shareholders
National General Insurance Co. (P.J.S.C.)

Introduction

We have reviewed the accompanying 30 June 2017 condensed interim financial information of National General Insurance Co. (P.J.S.C.) (the "Company"), which comprises:

- the condensed interim statement of financial position as at 30 June 2017;
- the condensed interim statement of profit or loss for the three-month and six-month periods ended 30 June 2017;
- the condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2017;
- the condensed interim statement of changes in shareholder's equity for the six-month period ended 30 June 2017;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2017; and
- notes to the condensed interim financial information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2017 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Vijendra Nath Malhotra
Registration No.: 48
Dubai, United Arab Emirates
Date:

30 JUL 2017

National General Insurance Co. (P.J.S.C.)
 Condensed interim statement of financial position
 as at 30 June 2017

		(Un-audited) 30 June 2017	(Audited) 31 December 2016
	Note	AED	AED
ASSETS			
Property and equipment		32,295,367	33,577,221
Intangible assets		1,396,651	1,671,597
Investment properties		227,277,827	227,277,827
Investment securities	8	226,281,550	226,906,252
Reinsurance assets		297,609,208	341,884,997
Insurance and other receivables		216,823,086	176,270,051
Cash and bank balances		261,761,254	247,254,414
Total assets		1,263,444,943	1,254,842,359
LIABILITIES			
Insurance contract provisions		544,132,521	575,909,907
Insurance and other payables		232,304,069	193,868,859
Payable to policyholders of unit-linked products	10	42,015,616	37,195,602
Total liabilities		818,452,206	806,974,368
EQUITY			
Share capital		149,954,112	149,954,112
Legal reserve		73,143,606	73,143,606
General reserve		72,527,620	72,527,620
Fair value reserve		(138,998)	356,121
Retained earnings		149,506,397	151,886,532
Total equity		444,992,737	447,867,991
Total liabilities and equity		1,263,444,943	1,254,842,359

The notes on pages 8 to 14 form an integral part of these condensed interim financial statements.

These condensed interim financial statements were authorised for issue and approved by the Board on 30 JUL 2017 and signed on its behalf by :



Adel Mohammed Saleh Al Zarouni
 Vice Chairman



Dr. Abdul Zahra A. Ali
 CEO

The independent auditors' review report is set out on pages 1 - 2.

National General Insurance Co. (P.J.S.C.)

Condensed interim statement of profit or loss

For the six month period ended 30 June 2017

		(Un-audited) For the three- month period ended 30 June 2017	(Un-audited) For the three- month period ended 30 June 2016	(Un-audited) For the six- month period ended 30 June 2017	(Un-audited) For the six- month period ended 30 June 2016
	Note	AED	AED	AED	AED
Gross written premium	9	123,791,842	105,359,061	304,921,787	259,300,028
Reinsurance ceded		<u>(61,184,636)</u>	(51,662,430)	<u>(159,038,830)</u>	(136,514,123)
Net premium		62,607,206	53,696,631	145,882,957	122,785,905
Change in unearned premium provision		1,384,557	14,237,435	(12,901,784)	28,247,944
Net earned premiums	9	63,991,763	67,934,066	132,981,173	151,033,849
Reinsurance commission		7,478,187	9,213,750	16,998,269	17,893,737
Net underwriting income	9	71,469,950	77,147,816	149,979,442	168,927,586
Claims paid		(77,555,444)	(89,254,979)	(221,580,288)	(166,079,984)
Reinsurance share		39,657,522	36,526,159	137,905,970	55,793,928
Net claims paid		(37,897,922)	(52,728,820)	(83,674,318)	(110,286,056)
Change in outstanding claims provision		(1,490,646)	7,875,826	4,270,673	6,656,850
Net incurred claims	9	(39,388,568)	(44,852,994)	(79,403,645)	(103,629,206)
Commission incurred		(9,790,604)	(14,733,231)	(25,710,102)	(28,453,694)
Administrative expenses		(11,803,452)	(12,302,763)	(22,895,377)	(24,353,728)
Net underwriting expenses		(60,982,624)	(71,888,988)	(128,009,124)	(156,436,628)
Movement in life assurance fund and payable to policyholders of unit linked products	9	(1,539,006)	(3,198,858)	(8,687,306)	(7,130,443)
Increase in fair value of investment held for unit linked products		1,053,652	1,431,218	4,601,536	2,165,529
Total underwriting expense		(61,467,978)	(73,656,628)	(132,094,894)	(161,401,542)
Underwriting profit	9	10,001,972	3,491,188	17,884,548	7,526,044
Interest and other income (net)		4,384,078	3,498,174	9,361,217	7,722,487
Net income from investment securities	8.4	(2,806,547)	220,670	(2,599,277)	3,823,007
Administrative expenses		(2,917,457)	(2,285,273)	(7,506,918)	(7,777,874)
Profit for the period		8,662,046	4,924,759	17,139,570	11,293,664
Basic and diluted earnings per share		0.06	0.03	0.11	0.08

The notes on pages 8 to 14 form an integral part of these condensed interim financial statements.

The independent auditors' review report is set out on pages 1 - 2.

National General Insurance Co. (P.J.S.C.)**Condensed interim statement of profit or loss and other comprehensive income***For the six month period ended 30 June 2017*

	(Un-audited) For the three- month period ended 30 June 2017 AED	(Un-audited) For the three- month period ended 30 June 2016 AED	(Un-audited) For the six- month period ended 30 June 2017 AED	(Un-audited) For the six- month period ended 30 June 2016 AED
Profit for the period	8,662,046	4,924,759	17,139,570	11,293,664
Other comprehensive income				
<i>Items that will not be classified to profit or loss:</i>				
Net change in fair value of investments at fair value through other comprehensive income	(652,412)	(61,664)	(495,119)	519,015
Total other comprehensive income	(652,412)	(61,664)	(495,119)	519,015
Total comprehensive income for the period	8,009,634	4,863,095	16,644,451	11,812,679

The notes on pages 8 to 14 form an integral part of these condensed interim financial statements.

The independent auditors' review report is set out on pages 1 - 2.

National General Insurance Co. (P.J.S.C.)

Condensed interim statement of changes in shareholders' equity (Un-audited)

For the six month period ended 30 June 2017

	Attributable to equity holders of the Company					
	Share Capital AED	Legal reserve AED	General reserve AED	Fair value reserve AED	Retained earnings AED	Total AED
Balance at 1 January 2016	149,954,112	70,299,878	69,683,892	(100,545)	145,267,236	435,104,573
Total comprehensive income for the period						
Profit for the period	-	-	-	-	11,293,664	11,293,664
Other comprehensive income for the period						
Net change in fair value of investments FVTOCI	-	-	-	519,015	-	519,015
Total other comprehensive income for the period	-	-	-	519,015	-	519,015
Total comprehensive income for the period	-	-	-	519,015	11,293,664	11,812,679
Director's remuneration	-	-	-	-	(1,130,526)	(1,130,526)
Dividends paid	-	-	-	-	(15,000,000)	(15,000,000)
As at 30 June 2016	149,954,112	70,299,878	69,683,892	418,470	140,430,374	430,786,726
Balance at 1 January 2017	149,954,112	73,143,606	72,527,620	356,121	151,886,532	447,867,991
Total comprehensive income for the period						
Profit for the period	-	-	-	-	17,139,570	17,139,570
Other comprehensive income for the period						
Net change in fair value of investments FVTOCI	-	-	-	(495,119)	-	(495,119)
Total other comprehensive income for the period	-	-	-	(495,119)	-	(495,119)
Total comprehensive income for the period	-	-	-	(495,119)	17,139,570	16,644,451
Director's remuneration	-	-	-	-	(1,525,212)	(1,525,212)
Dividends paid	-	-	-	-	(17,994,493)	(17,994,493)
As at 30 June 2017	149,954,112	73,143,606	72,527,620	(138,998)	149,506,397	444,992,737

National General Insurance Co. (P.J.S.C.)

Condensed interim statement of cash flows

For the six month period ended 30 June 2017

	(Un-audited) For the six-month period ended 30 June 2017 AED	(Un-audited) For the six-month period ended 30 June 2016 AED
Cash flows from operating activities		
Net profit for the period	17,139,570	11,293,664
<i>Adjustment for:</i>		
Depreciation and amortisation	1,858,882	1,844,101
Dividend income	(2,951,092)	(2,177,271)
Realised gains on investments fair valued through profit or loss	(1,845,713)	(2,473,458)
Unrealised loss / (gain) on investments fair valued through profit or loss	4,444,990	(1,349,549)
Realised loss on sale of property and equipment	-	1,443
Change in unearned premium reserve and life assurance fund	16,769,076	(23,286,491)
Provision for gratuity – net of repayment	(1,891,041)	974,169
	33,524,672	(15,173,392)
Change in insurance and other receivables (including related parties)	(40,553,035)	21,620,835
Change in insurance and other payables	40,326,251	9,517,686
Change in net outstanding claims	(4,270,673)	(6,656,850)
Directors' remuneration paid	(1,525,212)	(1,130,526)
<i>Net cash generated from operating activities</i>	27,502,003	8,177,753
Cash flows from investing activities		
Purchase of property and equipment	(302,082)	(760,817)
Purchase of investments fair valued through profit or loss	(13,737,728)	(32,733,845)
Purchase of investments fair valued through other comprehensive income	(9,192,500)	-
Proceeds from sale of investments fair valued through profit or loss	25,280,549	58,307,962
Proceeds from sale of investments at amortised cost	-	408,900
Proceeds from sale of property and equipment	-	1,456
Dividend income	2,951,092	2,177,271
Change in bank deposits	(11,637,666)	(67,182,347)
<i>Net cash used in investing activities</i>	(6,638,335)	(39,781,420)
Cash flows from financing activities		
Dividends paid	(17,994,493)	(15,000,000)
<i>Net cash used in financing activities</i>	(17,994,493)	(15,000,000)
Net increase / (decrease) in cash and cash equivalents	2,869,175	(46,603,667)
Cash and cash equivalents at the beginning of the period	55,416,004	107,616,467
Cash and cash equivalents at the end of the period	58,285,179	61,012,800
These comprise the following:		
Cash in hand	87,793	108,199
Cash at bank	58,197,386	60,904,601
Fixed deposits	203,476,076	164,987,347
Total	261,761,255	226,000,147
Less: deposits with original maturities of greater than three months	(203,476,076)	(164,987,347)
Cash and cash equivalents as at 30 June	58,285,179	61,012,800

The notes on pages 8 to 14 form an integral part of these condensed interim financial statements.

The independent auditors' review report is set out on pages 1 - 2.

National General Insurance Co. (P.J.S.C.)

Notes

(forming part of the condensed interim financial statements)

1. Legal status and principal activities

National General Insurance Co. (P.J.S.C) (“the Company”) was originally incorporated as a Private Limited Liability Company on 19 November 1980. Subsequently the Company was converted to a Public Joint Stock Company with effect from 12 September 2001.

The Company is registered under UAE Federal Law No. 2 of 2015 in the Emirate of Dubai and underwrites all classes of life and general insurance business as well as certain reinsurance business in accordance with the provisions of the UAE Federal Law no. 6

The registered office of the Company is at the NGI House, P.O. Box 154, Dubai, UAE.

2. Basis of preparation

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the applicable provisions of UAE Federal Law No. 2 of 2015. They do not include all of the information required for full annual audited financial statements, and should be read in conjunction with the annual audited financial statements as at and for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Company has complied with the applicable provisions of UAE Federal Law No. 2 of 2015 as at 30 June 2017. Accordingly, the legal name of the Company has been changed from “National General Insurance Co. (P.S.C.)” to “National General Insurance Co. (P.J.S.C)”.

Under Federal Law No 6 of 2007, relating to Establishment of Insurance Authority and Regulation of Insurance Operations, a new financial regulation for insurance companies was issued on 28 January 2015. The financial regulation provided an alignment period to the Insurance companies between one to three years from the publication of financial regulation in Public Gazette from 29 January 2015 to align the operations to the covenants of the regulations therein. The Company is in the process of aligning the operations with the requirement of the regulations and will be fully aligned before the deadline for alignment period.

b) Basis of measurement

These condensed interim financial statements have been prepared on the historical cost basis except for the following which are measured at fair value :

- i) financial instruments at fair value through profit or loss ("FVTPL");
- ii) financial instruments at fair value through other comprehensive income ("FVTOCI") ; and
- iii) investment properties.

c) Functional & presentation currency

These condensed interim financial statements have been prepared in United Arab Emirates Dirham (AED), which is the Company’s functional currency.

d) Use of estimates and judgements

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, 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.

Estimates and underlying assumptions are reviewed on a ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in the future periods effected.

National General Insurance Co. (P.J.S.C.)

Notes (continued)

2. Basis of preparation *(continued)*

d) Use of estimates and judgements *(continued)*

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended 31 December 2016.

3. Summary of significant accounting policies

The accounting policies used in the preparation of the condensed interim financial statements are consistent with those used in the preparation of the Company's annual audited financial statements for the year ended 31 December 2016.

4. Financial risk management

Aspects of the Company's financial risk management objectives and policies and procedures are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2016.

5. Interim measurement

The nature of the Company's business is such that income and expense are incurred in a manner, which is not impacted by any form of seasonality. These condensed interim financial statements were prepared based upon an accrual concept, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the year.

6. Related party transactions

The Company, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party as defined by International Accounting Standard 24 - (Revised). The Company's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

a) The following are the details of transactions with related parties:

	(Un-audited) For the six-month period ended 30 June 2017 AED	(Un-audited) For the six-month period ended 30 June 2016 AED
Key management personnel compensation		
Remuneration and short term benefits	3,538,533	3,669,997
End of service benefits	79,396	383,192
Other related parties		
Premiums underwritten	32,362,645	37,187,778
Claims paid	19,450,542	20,688,569
Dividends paid	15,386,696	12,822,247
Interest income	221,860	703,691
	(Un-audited) 30 June 2017 AED	(Audited) 30 June 2016 AED
b) Due from related parties		
Insurance premium receivable (included in receivables)	8,276,031	19,631,018
c) Due to related parties		
Payable to related party (included in payable)	1,499,210	2,354,508

National General Insurance Co. (P.J.S.C.)

Notes (continued)

	(Un-audited) 30 June 2017 AED	(Audited) 30 June 2016 AED
6. Related party transactions (continued)		
d) Cash and cash equivalents		
Cash at bank	<u>36,635,364</u>	<u>43,646,025</u>
Short term deposit	<u>59,292,175</u>	<u>15,368,882</u>

7. Classes and categories of financial assets and financial liabilities

The table below sets out the classification of each class of financial assets and liabilities and their fair values:

At 30 June 2017 (Un-audited)

<u>Financial assets</u>	FVTPL AED	FVTOCI AED	Amortised cost AED	Total AED
Investment securities	157,617,066	44,471,984	24,192,500	226,281,550
Insurance and other receivables	-	-	199,509,656	199,509,656
Cash and cash equivalents	-	-	261,761,254	261,761,254
	<u>157,617,066</u>	<u>44,471,984</u>	<u>485,463,410</u>	<u>687,552,460</u>

Financial liabilities

Insurance and other payables	-	-	228,298,765	228,298,765
Payable to policyholders of unit-linked products	42,015,616	-	-	42,015,616
	<u>42,015,616</u>	<u>-</u>	<u>228,298,765</u>	<u>270,314,381</u>

At 31 December 2016 (Audited)

<u>Financial assets</u>	FVTPL AED	FVTOCI AED	Amortised cost AED	Total AED
Investment securities	166,931,334	44,974,918	15,000,000	226,906,252
Insurance and other receivables	-	-	161,835,937	161,835,937
Cash and cash equivalents	-	-	247,254,414	247,254,414
	<u>166,931,334</u>	<u>44,974,918</u>	<u>424,090,351</u>	<u>635,996,603</u>

Financial liabilities

Insurance and other payables	-	-	182,005,434	182,005,434
Payable to policyholders of unit-linked products	37,195,602	-	-	37,195,602
	<u>37,195,602</u>	<u>-</u>	<u>182,005,434</u>	<u>219,201,036</u>

National General Insurance Co. (P.J.S.C.)

Notes (continued)

8. Investment securities

	(Un-audited)	(Audited)
	30 June 2017	31 December 2016
	AED	AED
Financial assets at fair value through profit or loss	157,617,066	166,931,334
Financial assets at fair value through other comprehensive income	44,471,984	44,974,918
Financial assets at amortised cost	24,192,500	15,000,000
	<u>226,281,550</u>	<u>226,906,252</u>

8.1 Investments fair valued through profit or loss

	(Un-audited)	(Audited)
	30 June 2017	31 December 2016
	AED	AED
Equity investments - quoted	55,927,414	74,306,519
Fixed income investments / bonds - quoted	59,674,036	55,429,213
Investments on behalf of policyholders of unit-linked products	42,015,616	37,195,602
Total	<u>157,617,066</u>	<u>166,931,334</u>

8.2 Investments - Geographic concentration

	(Un-audited)	(Audited)
	30 June 2017	31 December 2016
	AED	AED
Investments made :		
- Within U.A.E.	206,765,389	200,162,233
- Outside U.A.E.	19,516,161	26,744,019
	<u>226,281,550</u>	<u>226,906,252</u>

8.3 Fair value hierarchy

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised :

Investment Securities	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
At 30 June 2017 (Un-audited)				
FVTPL	157,617,066	-	-	157,617,066
FVTOCI	44,471,984	-	-	44,471,984
	<u>202,089,050</u>	<u>-</u>	<u>-</u>	<u>202,089,050</u>
31 December 2016 (Audited)				
FVTPL	166,931,334	-	-	166,931,334
FVTOCI	44,974,918	-	-	44,974,918
	<u>211,906,252</u>	<u>-</u>	<u>-</u>	<u>211,906,252</u>

8.4 Net income from investment securities

	(Un-audited)	(Un-audited)
	For the six-month period ended 30 June 2017	For the six-month period ended 30 June 2016
	AED	AED
Realised gain on disposal of investments	1,845,713	2,473,458
Revaluation of investments fair valued through profit or loss	(4,444,990)	1,349,549
	<u>(2,599,277)</u>	<u>3,823,007</u>

National General Insurance Co. (P.J.S.C.)

Notes (continued)

9. Segment information

Primary segment information

For management purposes the Company is organised into two business segments, general insurance and life assurance (including group life). These segments are the basis on which the Company reports its primary segment information.

	General insurance		Life assurance		Total	
	For the six-month period ended		For the six-month period ended		For the six-month period ended	
	30 June		30 June		30 June	
	2017	2016	2017	2016	2017	2016
	AED	AED	AED	AED	AED	AED
Profit or loss						
Underwriting income						
Gross written premium	272,017,046	225,200,865	32,904,741	34,099,163	304,921,787	259,300,028
Reinsurance ceded	(147,806,935)	(125,528,510)	(11,231,895)	(10,985,613)	(159,038,830)	(136,514,123)
Net premium	124,210,111	99,672,355	21,672,846	23,113,550	145,882,957	122,785,905
Change in unearned premium provision	(12,557,182)	30,715,660	(344,602)	(2,467,716)	(12,901,784)	28,247,944
Net earned premium	111,652,929	130,388,015	21,328,244	20,645,834	132,981,173	151,033,849
Reinsurance commission	14,178,190	14,044,745	2,820,079	3,848,992	16,998,269	17,893,737
Net underwriting income	125,831,119	144,432,760	24,148,323	24,494,826	149,979,442	168,927,586
Underwriting expenses						
Net incurred claims	(63,917,000)	(89,626,858)	(15,486,645)	(14,002,348)	(79,403,645)	(103,629,206)
Commission incurred	(23,590,130)	(24,058,760)	(2,119,972)	(4,394,934)	(25,710,102)	(28,453,694)
Administrative expenses	(19,676,609)	(20,668,215)	(3,218,768)	(3,685,513)	(22,895,377)	(24,353,728)
Net underwriting expense	(107,183,739)	(134,353,833)	(20,825,385)	(22,082,795)	(128,009,124)	(156,436,628)
Profit before movement in life assurance fund	18,647,380	10,078,927	3,322,938	2,412,031	21,970,318	12,490,958
Movement in life assurance fund and payable to participants of unit linked product	-	-	(8,687,306)	(7,130,443)	(8,687,306)	(7,130,443)
Increase in fair value of investment held for unit linked products	-	-	4,601,536	2,165,529	4,601,536	2,165,529
Underwriting profit for the period	18,647,380	10,078,927	(762,832)	(2,552,883)	17,884,548	7,526,044
Income from investments					6,761,940	11,545,494
Unallocated expenses					(7,506,918)	(7,777,874)
Profit for the period					17,139,570	11,293,664

National General Insurance Co. (P.J.S.C.)

Notes (continued)

9. Segment information (continued)

Primary segment information

For management purposes the Company is organised into two operating segments, general insurance and life assurance. These segments are the basis on which Company reports its primary segment information

	General insurance		Life assurance		Total	
	30 June 2017 AED	31 December 2016 AED	30 June 2017 AED	31 December 2016 AED	30 June 2017 AED	31 December 2016 AED
ASSETS						
Property and equipment	31,447,209	32,729,063	848,158	848,158	32,295,367	33,577,221
Intangible assets	1,396,651	1,671,597	-	-	1,396,651	1,671,597
Investment properties	227,277,827	227,277,827	-	-	227,277,827	227,277,827
Investments securities	131,737,583	138,672,770	94,543,967	88,233,482	226,281,550	226,906,252
Reinsurance assets	283,734,714	329,232,722	13,874,494	12,652,275	297,609,208	341,884,997
Insurance and other receivables	205,407,774	168,841,453	11,415,312	7,428,598	216,823,086	176,270,051
Cash and bank balances	233,349,977	216,857,238	28,411,277	30,397,176	261,761,254	247,254,414
Total assets	1,114,351,735	1,115,282,670	149,093,208	139,559,689	1,263,444,943	1,254,842,359
LIABILITIES						
Insurance contract provisions	448,437,080	485,391,344	95,695,441	90,518,563	544,132,521	575,909,907
Insurance and other payables	225,085,006	187,416,055	7,219,063	6,452,804	232,304,069	193,868,859
Payable to policyholders of unit linked products	-	-	42,015,616	37,195,602	42,015,616	37,195,602
Total liabilities	673,522,086	672,807,399	144,930,120	134,166,969	818,452,206	806,974,368
EQUITY						
Share capital	-	-	-	-	149,954,112	149,954,112
Legal reserve	-	-	-	-	73,143,606	73,143,606
General reserve	-	-	-	-	72,527,620	72,527,620
Fair value reserve	-	-	-	-	(138,998)	356,121
Retained earnings	-	-	-	-	149,506,397	151,886,532
Total equity	-	-	-	-	444,992,737	447,867,991
Total liabilities and equity					1,263,444,943	1,254,842,359

National General Insurance Co. (P.J.S.C.)

Notes (continued)

10. Payable to policyholders of unit-linked products

Movement during the period:

	(Un-audited) 30 June 2017 AED	(Audited) 31 December 2016 AED
As at 1 January	37,195,602	36,634,723
Amount invested by policyholders	6,023,011	7,199,689
Amount withdrawn at redemption stage/lapse/surrender by policyholder	(5,804,533)	(9,506,773)
Change in fair value	4,601,536	2,867,963
Balance as at 30 June / 31 December	<u>42,015,616</u>	<u>37,195,602</u>

11. Contingent liabilities and commitments

Capital commitments

Capital commitments as at 30 June 2017 amounted to AED nil (31 December 2016: nil).

Guarantees

	(Un-audited) 30 June 2017 AED	(Audited) 31 December 2016 AED
Letters of guarantees	<u>9,641,429</u>	<u>9,836,234</u>

Fixed deposits amounting to AED 15.7 million (31 December 2016: AED 15.4 million) are under lien as collateral in respect of above guarantees. Guarantees include an amount of AED 7.5 million (31 December 2016 AED 7.5 million) favoring the Ministry of Economy and Commerce.

Contingent liabilities

The Company, in common with other insurance companies, is involved as defendant in a number of legal cases in respect of its underwriting activities. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Company in terms of an outflow of economic resources and a reliable estimate of the amount of outflow can be made.