

**NATIONAL GENERAL  
INSURANCE CO. (P.J.S.C.)**

**UNAUDITED INTERIM CONDENSED  
FINANCIAL STATEMENTS**

**30 JUNE 2022**

**National General Insurance Co. (P.J.S.C.)**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
For the six months period ended 30 June 2022

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## **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NATIONAL GENERAL INSURANCE CO. (P.J.S.C.)**

### ***Introduction***

We have reviewed the accompanying interim condensed financial statements of National General Insurance Co. (P.J.S.C.) (the “Company”) as at 30 June 2022, which comprise the interim statement of financial position as at 30 June 2022, and the related interim statements of profit or loss and comprehensive income for the three and six months period, statement of changes in equity and cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial information in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### ***Scope of review***

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

For Ernst & Young

Signed by:  
Ashraf Abu-Sharkh  
Partner  
Registration No.: 690

11 August 2022

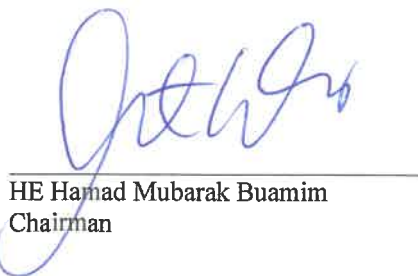
Dubai, United Arab Emirates

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

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022 (Unaudited)

	<i>Notes</i>	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Audited) AED</i>
<b>ASSETS</b>			
Property and equipment	5	27,233,404	27,227,665
Intangible assets		5,313,016	3,706,450
Investment properties	6	184,704,150	184,704,150
Investment securities	7	317,195,710	356,419,319
Investments on behalf of policyholders of unit-linked products	7	44,263,668	51,535,535
Reinsurance contract assets	8	383,285,749	360,553,396
Insurance and other receivables	9	272,343,470	207,972,486
Fixed deposits	10	243,244,224	247,944,812
Bank balances and cash	10	46,950,927	64,397,757
<b>TOTAL ASSETS</b>		<b>1,524,534,318</b>	<b>1,504,461,570</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	11	149,954,112	149,954,112
Legal reserve	12	74,977,056	74,977,056
General reserve	13	74,977,056	74,977,056
Cumulative change in fair value through other comprehensive income (FVOCI) investments		(6,896,123)	1,930,661
Retained earnings		210,403,822	229,388,850
Reinsurance reserve	14	1,846,431	1,846,431
<b>Total equity</b>		<b>505,262,354</b>	<b>533,074,166</b>
<b>Liabilities</b>			
Provision for end of service indemnity		12,670,810	11,651,763
Insurance contract liabilities	8	704,737,856	659,424,205
Insurance and other payables	15	252,449,805	241,973,451
Payable to policyholders of unit linked products	17	44,263,668	51,535,535
Bank borrowings	16	5,149,825	6,802,450
<b>Total liabilities</b>		<b>1,019,271,964</b>	<b>971,387,404</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,524,534,318</b>	<b>1,504,461,570</b>

  
 HE Hamad Mubarak Buamim  
 Chairman

  
 Dr. Abdul Zahra A. Ali Al Turki  
 Chief Executive Officer

The accompanying notes 1 to 29 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS

For the period ended 30 June 2022 (Unaudited)

	<i>Three months period ended 30 June</i>		<i>Six months period ended 30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>(Unaudited) AED</i>	<i>(Unaudited) AED</i>	<i>(Unaudited) AED</i>	<i>(Unaudited) AED</i>
	<i>Notes</i>			
Gross written premium	<b>202,034,371</b>	181,631,390	<b>366,207,591</b>	335,471,225
Reinsurance ceded	<b>(114,590,395)</b>	(103,625,397)	<b>(199,362,048)</b>	(182,412,679)
Net premium	<b>87,443,976</b>	78,005,993	<b>166,845,543</b>	153,058,546
Change in unearned premium / unexpired risk	<b>(12,408,263)</b>	(10,074,154)	<b>(18,742,285)</b>	(15,600,201)
<b>Net earned premiums</b>	<b>75,035,713</b>	67,931,839	<b>148,103,258</b>	137,458,345
Reinsurance commission earned	<b>11,636,268</b>	10,956,782	<b>25,850,425</b>	22,879,901
<b>Net underwriting income</b>	<b>86,671,981</b>	78,888,621	<b>173,953,683</b>	160,338,246
Claims paid	<b>(74,694,555)</b>	(76,830,281)	<b>(177,203,090)</b>	(149,165,379)
Reinsurance share	<b>36,677,890</b>	36,688,366	<b>94,032,928</b>	70,172,191
<b>Net claims paid</b>	<b>(38,016,665)</b>	(40,141,915)	<b>(83,170,162)</b>	(78,993,188)
Change in outstanding claims provision	<b>(4,279,266)</b>	(6,811,919)	<b>(5,661,817)</b>	(12,279,079)
<b>Net incurred claims</b>	<b>(42,295,931)</b>	(46,953,834)	<b>(88,831,979)</b>	(91,272,267)
Commission incurred	<b>(14,507,228)</b>	(12,326,226)	<b>(27,077,735)</b>	(25,759,398)
Administrative expenses	<b>(15,350,779)</b>	(15,126,312)	<b>(31,053,348)</b>	(26,587,435)
<b>Net underwriting expenses</b>	<b>(72,153,938)</b>	(74,406,372)	<b>(146,963,062)</b>	(143,619,100)
Movement in life assurance fund and payable to policyholders of unit linked products	<b>9,673,764</b>	(4,811,788)	<b>9,094,671</b>	(4,426,627)
(Decrease)/ increase in fair value of investment held for unit linked products	<b>(7,897,855)</b>	2,601,964	<b>(11,421,895)</b>	4,290,849
Net income from investment securities- life	<b>1,216,768</b>	642,018	<b>2,416,652</b>	1,782,826
<b>Total underwriting expenses</b>	<b>69,161,261</b>	(75,974,178)	<b>146,873,634</b>	(141,972,052)
<b>Underwriting profit</b>	<b>17,510,720</b>	2,914,443	<b>27,080,049</b>	18,366,194
Income from investment properties (net)	<b>984,299</b>	942,581	<b>1,959,685</b>	1,982,038
Net (loss)/ income from investment securities and deposits	<b>(13,081,742)</b>	10,079,414	<b>8,472,214</b>	20,116,853
Administrative expenses	<b>(2,918,961)</b>	(2,669,352)	<b>(6,385,742)</b>	(6,345,322)
<b>Profit for the period</b>	<b>2,494,316</b>	11,267,086	<b>31,126,206</b>	34,119,763
<b>Basic and diluted earnings per share (Note 18)</b>	<b>0.02</b>	0.08	<b>0.21</b>	0.23

The accompanying notes 1 to 29 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2022 (Unaudited)

	<i>Three months period ended 30 June</i>		<i>Six months period ended 30 June</i>	
	<i>2022 (Unaudited) AED</i>	<i>2021 (Unaudited) AED</i>	<i>2022 (Unaudited) AED</i>	<i>2021 (Unaudited) AED</i>
Profit for the period	<b>2,494,316</b>	11,267,086	<b>31,126,206</b>	34,119,763
<b>Other comprehensive income</b>				
<i>Items that may not be reclassified to profit or loss:</i>				
Net changes in FVOCI investments	<b>(6,970,277)</b>	841,079	<b>(8,826,784)</b>	(954,019)
<b>Total other comprehensive (loss)/ income for the period</b>	<b>(6,970,277)</b>	841,079	<b>(8,826,784)</b>	(954,019)
<b>Total comprehensive (loss)/ income for the period</b>	<b>(4,475,961)</b>	12,108,165	<b>22,299,422</b>	33,165,744

The accompanying notes 1 to 29 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2022 (Unaudited)

	<i>Share capital AED</i>	<i>Legal reserve AED</i>	<i>General reserve AED</i>	<i>Reinsurance reserve AED</i>	<i>Cumulative change in fair value of investments in FVOCI AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance at 31 December 2020 (audited)	149,954,112	74,977,056	74,977,056	83,123	4,124,588	186,260,074	490,376,009
Total comprehensive income for the period	-	-	-	-	(954,019)	34,119,763	33,165,744
Directors' remuneration (Note 22)	-	-	-	-	-	(3,400,000)	(3,400,000)
Dividends declared (Note 22)	-	-	-	-	-	(22,493,117)	(22,493,117)
Balance at 30 June 2021 (unaudited)	<u>149,954,112</u>	<u>74,977,056</u>	<u>74,977,056</u>	<u>83,123</u>	<u>3,170,569</u>	<u>194,486,720</u>	<u>497,648,636</u>
Balance at 31 December 2021 (audited)	149,954,112	74,977,056	74,977,056	1,846,431	1,930,661	229,388,850	533,074,166
Total comprehensive income for the period	-	-	-	-	(8,826,784)	31,126,206	22,299,422
Directors' remuneration (Note 22)	-	-	-	-	-	(5,125,000)	(5,125,000)
Dividends declared (Note 22)	-	-	-	-	-	(44,986,234)	(44,986,234)
<b>Balance at 30 June 2022 (unaudited)</b>	<u><b>149,954,112</b></u>	<u><b>74,977,056</b></u>	<u><b>74,977,056</b></u>	<u><b>1,846,431</b></u>	<u><b>(6,896,123)</b></u>	<u><b>210,403,822</b></u>	<u><b>505,262,354</b></u>

The accompanying notes 1 to 29 form an integral part of these interim condensed financial statements.

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

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2022 (Unaudited)

	<i>Notes</i>	<i>Six months period ended 30 June</i>	
		<i>2022</i> <i>AED</i>	<i>2021</i> <i>AED</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period		<b>31,126,206</b>	34,119,763
Adjustments for:			
Depreciation and amortisation		<b>1,190,798</b>	1,157,599
Dividend income		<b>(4,257,862)</b>	(4,446,145)
Realised gain on investments fair valued through profit or loss (FVTPL)		<b>(11,339,764)</b>	(6,748,384)
Unrealised loss/ (gain) on investments in FVTPL		<b>9,686,958</b>	(7,090,793)
Provision/ (reversal) for expected credit losses		<b>1,523,073</b>	(2,471,182)
Other investment income		<b>(4,521,232)</b>	(4,242,493)
Provision for gratuity end of service benefits		<b>1,374,303</b>	797,532
<b>Operating cash flows before changes in operating assets and liabilities</b>		<b>24,782,480</b>	11,075,897
Change in insurance and other receivables (including related parties)		<b>(65,894,057)</b>	(19,414,585)
Change in insurance and other payables		<b>10,476,354</b>	13,772,537
Change in unearned premium reserve and life assurance fund		<b>16,919,481</b>	19,016,391
Change in net outstanding claims		<b>5,661,817</b>	12,279,079
Employee end of service indemnity paid		<b>(355,256)</b>	(1,319,469)
<b>Net cash (used in)/ generated from operating activities</b>		<b>(8,409,181)</b>	35,409,850
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment		<b>(2,809,702)</b>	(3,296,493)
Proceeds from disposal of property and equipment		<b>6,600</b>	91,148
Purchase of investments in FVTPL		<b>(49,445,047)</b>	(120,431,629)
Purchase on investments in FVOCI		<b>(3,440,451)</b>	-
Proceeds from sale of investments in FVTPL		<b>92,206,995</b>	105,307,673
Net movement in payable to Policyholders Unit Linked Products		<b>(7,271,867)</b>	1,010,437
Dividend income		<b>4,257,862</b>	4,446,145
Interest and other income		<b>4,521,232</b>	4,242,493
Change in bank deposits		<b>4,700,588</b>	(151,697,482)
Increase in bank borrowings		<b>(1,652,625)</b>	1,871,593
<b>Net cash generated from/ (used in) investing activities</b>		<b>41,073,585</b>	(158,456,115)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	22	<b>(44,986,234)</b>	(22,493,117)
Directors' remuneration paid	22	<b>(5,125,000)</b>	(3,400,000)
<b>Net cash used in financing activities</b>		<b>(50,111,234)</b>	(25,893,117)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(17,446,830)</b>	(148,939,382)
Cash and cash equivalents at the beginning of the period		<b>64,397,757</b>	226,062,235
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 10)</b>		<b>46,950,927</b>	77,122,853

The accompanying notes 1 to 29 form an integral part of these interim condensed financial statements.



## 1 GENERAL INFORMATION

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 listed on Dubai Financial Market.

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 of 2007 relating to the Establishment of Insurance Authority and Regulations of Insurance Operations.

Federal Decree Law No. (24) of 2020 which amends certain provisions of the U.A.E. Federal Law No. 6 of 2007 on Establishment of Insurance Authority and Organization of its Operations was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. Effective 2 January 2021, the Insurance Sector including third party administrators became under the supervision and authority of the UAE Central Bank.

Federal Decree Law No. 32 of 2021 which repeals and replaces Federal Law No. 2 of 2015 (as amended) on Commercial Companies was issued on 20 September 2021 and is effective from 2 January 2022. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

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

## 2 BASIS OF PREPARATION

The interim condensed financial statements of the Company for the six months ended 30 June 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and also comply with the applicable requirements of the laws in the U.A.E. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern. The Board consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgment that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

These interim condensed financial statements do not include all the information and disclosures required for in the annual financial statements and should be read in conjunction with the Company’s audited annual financial statements as at and for the year ended 31 December 2021. In addition, results for the six months period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

The interim condensed financial statements are presented in U.A.E. Dirham (AED) since that is the currency in which the majority of the Company’s transactions are denominated.

The accounting policies, presentation and methods in this interim condensed financial information are consistent with those used in the audited financial statements for the year ended 31 December 2021.

## 3 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

### **New standards, interpretations, and amendments**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The new and revised relevant IFRSs effective in the current period had no significant impact on the amounts reported and disclosures in these interim condensed financial statements.

#### 4 CHANGES IN JUDGEMENTS AND ESTIMATION UNCERTAINTY

The significant judgements 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 financial statements as at and for the year ended 31 December 2021, with the exception of the impact of the novel coronavirus (COVID-19) outbreak on the Company which is detailed below.

##### *Recoverability of premium and insurance balances receivable*

The COVID-19 outbreak led to a significant increase in the credit risk of companies within the economy as a result of operational disruption.

Based on management's assessment, the Company has not identified any material impact on the recoverability of premium and insurance balances receivable as at 30 June 2022.

##### *Provision for outstanding claims and claims incurred but not reported*

The Company has performed an assessment of the impact of COVID-19 on its contractual arrangements and provisions for outstanding claims and claims incurred but not reported which included regular sensitivity analyses. The Company determined that there is no material impact on its risk position and provision balances for outstanding claims and claims incurred but not reported, as at 30 June 2022. The Company will continue monitoring its claims experience and the developments around the pandemic and revisit the assumptions and methodologies in future reporting periods.

##### *Fair value measurement of financial instruments*

COVID-19 outbreak led to significant market turmoil and price volatility on the global financial markets. The Company is closely monitoring whether the fair values of the financial assets and liabilities represent the price that would be achieved for transactions between market participants in the current scenario.

Based on management's assessment, the Company has not identified any material impact on the fair values of financial assets and liabilities as at 30 June 2022 other than the change which is already reflected in the condensed interim financial information.

##### *Fair value measurement of investment properties*

Based on management's assessment, there is limited information available on the 2022 outlook for the real estate market and how the situation will progress in light of COVID-19. The Company has not identified any significant impact to the fair values of investment properties as at 30 June 2022. The Company will consistently monitor the market and ensure that the prices used by the Company are an accurate representation of fair values.

#### 5 PROPERTY AND EQUIPMENT

All property and equipment are located in U.A.E.

#### 6 INVESTMENT PROPERTIES

Investment property includes two plots of land and rented out portion of a commercial building within UAE.

Management estimates that there has been no change in the fair value of investment properties. Investment properties are classified as Level 3 in the fair value hierarchy as at 30 June 2022 (31 December 2021: Level 3).

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2022 (Unaudited)

### 7 INVESTMENT SECURITIES

The Company's investment securities at the end of reporting period are detailed below.

	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Audited) AED</i>
Financial assets at fair value through profit or loss (FVTPL)	<b>251,896,530</b>	293,077,912
Financial assets at fair value through other comprehensive income (FVOCI)	<b>95,004,175</b>	100,342,343
Financial assets at amortised cost	<b>15,000,000</b>	15,000,000
Less: Provision for expected credit losses (ECL)	<b>(441,327)</b>	(465,401)
	<b><u>361,459,378</u></b>	<u>407,954,854</u>
<b>Investments securities – Geographic concentration</b>		
Investments made:		
- Within U.A.E.	<b>161,271,554</b>	187,262,982
- Outside U.A.E.	<b>200,187,824</b>	220,691,872
<b>Total</b>	<b><u>361,459,378</u></b>	<u>407,954,854</u>
<b>Financial assets at fair value through profit or loss</b>		
Equity investments – quoted	<b>116,704,404</b>	141,596,693
Equity investments – unquoted	<b>10,000,000</b>	10,000,000
Fixed income investments/bonds – quoted	<b>80,928,458</b>	89,945,684
Investments held on behalf of policyholders' unit linked products	<b>44,263,668</b>	51,535,535
<b>Total</b>	<b><u>251,896,530</u></b>	<u>293,077,912</u>

Equity investments classified at fair value through profit or loss are designated in this category upon initial recognition.

Movements in provision for ECL are as follows:

	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Audited) AED</i>
Balance at the beginning of the year	<b>465,401</b>	424,851
(Reversal)/ charge during the year	<b>(24,074)</b>	40,550
<b>Balance at the end of the period/year</b>	<b><u>441,327</u></b>	<u>465,401</u>

**8 INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT ASSETS**

	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Audited) AED</i>
<b>Insurance contract liabilities</b>		
Claims reported unsettled	<b>197,528,065</b>	222,224,733
Claims incurred but not reported	<b>114,377,936</b>	88,089,942
Life assurance fund	<b>90,761,023</b>	96,817,739
Unearned premium and unexpired risk reserve	<b>302,070,832</b>	252,282,791
	<hr/>	<hr/>
<b>Total insurance contract liabilities, gross</b>	<b>704,737,856</b>	659,424,205
	<hr/>	<hr/>
<b>Reinsurance contract assets</b>		
Recoverable from reinsurers		
Claims reported unsettled	<b>146,461,771</b>	172,065,979
Claims incurred but not reported	<b>68,505,303</b>	46,980,586
Life assurance fund	<b>14,099,273</b>	18,333,185
Unearned premium and unexpired risk reserve	<b>154,219,402</b>	123,173,646
	<hr/>	<hr/>
<b>Total reinsurers' share of insurance liabilities</b>	<b>383,285,749</b>	360,553,396
	<hr/>	<hr/>
<b>Net</b>		
Claims reported unsettled	<b>51,066,294</b>	50,158,754
Claims incurred but not reported	<b>45,872,633</b>	41,118,356
Life assurance fund	<b>76,661,750</b>	78,484,554
Unearned premium and unexpired risk	<b>147,851,430</b>	129,109,145
	<hr/>	<hr/>
	<b>321,452,107</b>	298,870,809
	<hr/>	<hr/>

**9 INSURANCE AND OTHER RECEIVABLES**

	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Audited) AED</i>
Premium receivable	<b>50,478,026</b>	43,643,167
Reinsurance companies	<b>7,621,808</b>	26,963,018
Insurance agents and brokers	<b>149,134,258</b>	94,190,783
Due from related parties	<b>28,783,270</b>	6,768,533
	<hr/>	<hr/>
	<b>236,017,422</b>	171,565,501
Less: Provision for ECL	<b>(9,147,675)</b>	(7,624,602)
	<hr/>	<hr/>
	<b>226,869,747</b>	163,940,899
	<hr/>	<hr/>
Accrual of interest and other income	<b>3,883,228</b>	3,186,294
Deferred acquisition cost	<b>25,240,867</b>	27,529,657
Advances and prepayments	<b>9,877,618</b>	2,838,808
Other receivables	<b>6,472,010</b>	10,476,828
	<hr/>	<hr/>
	<b>272,343,470</b>	207,972,486
	<hr/>	<hr/>

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2022 (Unaudited)

### 9 INSURANCE AND OTHER RECEIVABLES (continued)

Movement in provision for ECL are as follows:

	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Audited) AED</i>
Balance at the beginning of the year	7,624,602	9,555,768
Provision/ (reversal) during the year	1,523,073	(1,931,166)
Written off during the year	-	-
<b>Balance at the end of the period/year</b>	<b>9,147,675</b>	<b>7,624,602</b>

No interest is charged on overdue balances and no collateral is taken on insurance receivables.

### 10 BANK BALANCES AND CASH

	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Audited) AED</i>
Cash on hand	14,760	22,596
Cash with banks	46,977,348	64,416,636
Statutory deposit	10,000,000	10,000,000
Fixed deposits	233,244,224	237,944,812
Less: Provision for ECL	(41,181)	(41,475)
Total bank balances and cash	290,195,151	312,342,569
Less: Deposits with maturities greater than three months	(243,244,224)	(247,944,812)
<b>Cash and cash equivalents</b>	<b>46,950,927</b>	<b>64,397,757</b>

Fixed deposits amounting to AED 17.6 million (31 December 2021: AED 21.6 million) under lien are against letters of guarantee (Note 21).

In accordance with the requirements of Federal Law No. 6 of 2007, on Establishment of Insurance Authority of U.A.E. and Organisation of its operations, the Company maintains a bank deposit of AED 10 million (31 December 2021: AED 10 million) as a statutory deposit. This deposit has been pledged to the Bank as security against a guarantee issued by the Bank in favour of the Ministry of Economy and Commerce (Note 21).

Movements in provision for ECL are as follows:

	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Audited) AED</i>
Balance at the beginning of the year	41,475	41,758
Reversal made during the period/year	(294)	(283)
<b>Balance at the end of the period/year</b>	<b>41,181</b>	<b>41,475</b>

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2022 (Unaudited)

### 11 SHARE CAPITAL

	<b>30 June 2022 (Unaudited) AED</b>	<b>31 December 2021 (Audited) AED</b>
Issued and fully paid (149,954,112 ordinary shares of AED 1 each)	<b>149,954,112</b>	149,954,112

### 12 LEGAL RESERVE

In accordance with the Company's Articles of Association and UAE Federal Law No. 2 of 2015, the Company transfers 10% of annual net profits, if any, to the legal reserve until it equals 50% of the share capital.

### 13 GENERAL RESERVE

General reserve can be created upon a recommendation of the Board of Directors and this reserve cannot be utilized for any other purpose unless approved by the Ordinary General Assembly. No transfer to voluntary reserve is made during the period ended 30 June 2022.

### 14 REINSURANCE RESERVE

In accordance with Article 34 of Insurance Authority's Board of Directors Decision No. (23) of 2019, the Company allocated an amount equals to 0.5% of the total reinsurance premiums ceded to reinsurance reserve.

This reserve is accumulated year after year and may not be disposed off without the written approval of the Director General of the Insurance Authority

### 15 INSURANCE AND OTHER PAYABLES

	<b>30 June 2022 (Unaudited) AED</b>	<b>31 December 2021 (Audited) AED</b>
Creditors	<b>59,903,099</b>	53,971,879
Reinsurance companies	<b>82,505,180</b>	76,529,620
Premium reserve withheld	<b>68,365,610</b>	59,064,433
Due to related parties	<b>423,836</b>	280,783
Deferred reinsurance commission	<b>20,117,660</b>	16,725,734
Accrued expenses	<b>10,877,348</b>	21,828,488
Commission payable	<b>705,150</b>	1,753,665
Other payable balances	<b>9,551,922</b>	11,818,849
	<b>252,449,805</b>	241,973,451

**16 BANK BORROWINGS**

The bank loan is secured against the Company's investments in debt instruments having a fair value of AED 13.9 million (31 December 2021: AED 21.8 million) (Note 5) and carries an interest rate of 1 month USD LIBOR plus 0.5% per annum.

**17 PAYABLES TO POLICYHOLDERS OF UNIT-LINKED PRODUCTS**

*Movement during the period:*

	<b>30 June 2022 (Unaudited) AED</b>	<b>31 December 2021 (Audited) AED</b>
As at 1 January	<b>51,535,535</b>	47,406,148
Amount invested by policyholders	<b>12,265,855</b>	15,506,840
Amount withdrawn at redemption stage/lapse/surrender by policyholder	<b>(8,115,827)</b>	(17,166,388)
Change in fair value	<b>(11,421,895)</b>	5,788,935
Payable to policyholders of unit-linked products	<b>44,263,668</b>	51,535,535

**18 BASIC AND DILUTED EARNINGS PER SHARE**

	<i>Three months period ended 30 June</i>		<i>Six months period ended 30 June</i>	
	<b>2022 AED (Unaudited)</b>	<b>2021 AED (Unaudited)</b>	<b>2022 AED (Unaudited)</b>	<b>2021 AED (Unaudited)</b>
Profit for the period (in AED)	<b>2,494,316</b>	11,267,086	<b>31,126,206</b>	34,119,763
Number of shares	<b>149,954,112</b>	149,954,112	<b>149,954,112</b>	149,954,112
Basic and diluted earnings per share (in AED)	<b>0.02</b>	0.08	<b>0.21</b>	0.23

Basic earnings per share is calculated by dividing the profit for the period by the number of weighted average shares outstanding at the end of the reporting period. Diluted earnings per share is equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

**19 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.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2022 (Unaudited)

**19 RELATED PARTY TRANSACTIONS (continued)**

19.1 At the end of the reporting period, amounts due from/to related parties were as follows:

	<b>30 June 2022 (Unaudited) AED</b>	<b>31 December 2021 (Audited) AED</b>
<b>Due from related parties</b>		
Insurance premium receivable	<b>28,783,270</b>	6,768,533
<b>Due to related parties</b>		
Insurance payable	<b>423,836</b>	280,783
<b>Director's remuneration</b>	<b>5,125,000</b>	3,400,000
<b>Cash and cash equivalents,</b>		
Cash at bank	<b>18,441,772</b>	10,010,072
Short term deposit	<b>52,912,932</b>	18,409,770
	<b>71,354,704</b>	28,419,842

19.2 During the period, the Company entered into the following transactions with related parties:

	<b>Three months period ended 30 June</b>		<b>Six months period ended 30 June</b>	
	<b>2022 AED (Unaudited)</b>	<b>2021 AED (Unaudited)</b>	<b>2022 AED (Unaudited)</b>	<b>2021 AED (Unaudited)</b>
<b>Key management personnel compensation</b>				
Remuneration and short term benefits	<b>1,894,573</b>	1,712,408	<b>3,430,216</b>	3,334,771
End of service benefits	<b>63,609</b>	57,012	<b>565,813</b>	127,752
<b>Other related parties</b>				
Premiums	<b>27,226,202</b>	64,917,280	<b>30,198,090</b>	65,404,234
Claims paid	<b>6,879,591</b>	16,267,990	<b>12,050,929</b>	22,464,667
Dividends	-	-	<b>30,015,867</b>	14,302,752
Interest income	<b>133,261</b>	268,940	<b>148,648</b>	370,851

**20 NET INCOME FROM INVESTMENT SECURITIES AND DEPOSITS**

	<b>30 June 2022 (Unaudited) AED</b>	<b>30 June 2021 (Unaudited) AED</b>
Dividend income	<b>4,257,862</b>	4,446,145
Realised gains on investments	<b>11,339,764</b>	6,748,384
Unrealized (losses)/ gains on investments at FVTPL	<b>(9,686,958)</b>	7,090,793
Income from investment securities	<b>1,926,917</b>	1,863,092
Interest on bank deposits	<b>955,986</b>	721,568
Expenses/charges on securities	<b>(321,356)</b>	(753,129)
Net income from investment securities and bank deposits	<b>8,472,214</b>	20,116,853



**21 CONTINGENT LIABILITIES**

	<b>30 June 2022 (Unaudited) AED</b>	<i>31 December 2021 (Audited) AED</i>
Letters of guarantee	<b><u>10,873,993</u></b>	<u>16,102,815</u>

Fixed deposits amounting to AED 17.6 million (31 December 2021: AED 21.6 million) are under lien as collateral in respect of above guarantees. Guarantees include an amount of AED 10 million (31 December 2021: AED 10 million) favouring the Ministry of Economy and Commerce.

The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or financial position.

**22 DIVIDEND AND DIRECTORS' REMUNERATION**

At the Annual General Meeting held on 31 March 2022, the Shareholders approved a cash dividend of AED 44,986,234 at 0.30 dirhams per share for 2021 (2021: AED 22,493,117 at 0.15 dirhams per share for 2020). The Shareholders also approved Board of Directors' remuneration of AED 5,125,000 for 2021 (2021: AED 3,400,000 for 2020).

**23 SEGMENT INFORMATION**

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

Insurance premium represents the total income arising from insurance contracts. The Company does not conduct any business outside U.A.E. There are no transactions between the business segments.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2022 (Unaudited)

23 SEGMENT INFORMATION (continued)

	<i>General insurance</i>		<i>Life assurance</i>		<i>Total</i>	
	<i>For the six months</i>		<i>For the six months</i>		<i>For the six months</i>	
	<i>period ended 30 June</i>		<i>period ended 30 June</i>		<i>period ended 30 June</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
<b>Underwriting income</b>						
Gross written premium	<b>326,983,715</b>	281,203,243	<b>39,223,876</b>	54,267,982	<b>366,207,591</b>	335,471,225
Reinsurance ceded	<b>(183,141,090)</b>	(150,733,430)	<b>(16,220,958)</b>	(31,679,249)	<b>(199,362,048)</b>	(182,412,679)
<b>Net premium</b>	<b>143,842,625</b>	130,469,813	<b>23,002,918</b>	22,588,733	<b>166,845,543</b>	153,058,546
Change in unearned premium	<b>(17,390,758)</b>	(14,296,168)	<b>(1,351,527)</b>	(1,304,034)	<b>(18,742,285)</b>	(15,600,201)
<b>Net earned premium</b>	<b>126,451,867</b>	116,173,645	<b>21,651,391</b>	21,284,699	<b>148,103,258</b>	137,458,345
Reinsurance commission	<b>24,211,742</b>	19,906,864	<b>1,638,683</b>	2,973,037	<b>25,850,425</b>	22,879,901
<b>Total underwriting income</b>	<b>150,663,609</b>	136,080,509	<b>23,290,074</b>	24,257,736	<b>173,953,683</b>	160,338,246
<b>Underwriting expenses</b>						
Net incurred claims	<b>(76,649,868)</b>	(76,204,582)	<b>(12,182,111)</b>	(15,067,684)	<b>(88,831,979)</b>	(91,272,267)
Commission incurred	<b>(24,198,772)</b>	(21,493,753)	<b>(2,878,963)</b>	(4,265,645)	<b>(27,077,735)</b>	(25,759,398)
Administrative expenses	<b>(25,878,536)</b>	(23,575,287)	<b>(5,174,812)</b>	(3,012,148)	<b>(31,053,348)</b>	(26,587,435)
<b>Net underwriting expenses</b>	<b>(126,727,176)</b>	(121,273,622)	<b>(20,235,886)</b>	(22,345,477)	<b>(146,963,062)</b>	(143,619,100)
Profit before movement in life assurance fund	<b>23,936,433</b>	14,806,887	<b>3,054,188</b>	1,912,259	<b>26,990,621</b>	16,719,146
Movement in life assurance fund and payable to policyholders						
of unit linked products	-	-	<b>9,094,671</b>	(4,426,627)	<b>9,094,671</b>	(4,426,627)
(Decrease)/ increase in fair value of investment held for unit linked products	-	-	<b>(11,421,895)</b>	4,290,849	<b>(11,421,895)</b>	4,290,849
Net income from investments life	-	-	<b>2,416,652</b>	1,782,826	<b>2,416,652</b>	1,782,826
<b>Underwriting profit for the period</b>	<b>23,936,433</b>	14,806,887	<b>3,143,616</b>	3,559,307	<b>27,080,049</b>	18,366,194
Income from investment properties (net)					<b>1,959,685</b>	1,982,038
Net income from investment securities					<b>8,472,214</b>	20,116,853
Unallocated expenses					<b>(6,385,742)</b>	(6,345,322)
Profit for the period					<b>31,126,206</b>	34,119,763

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 June 2022 (Unaudited)

23 SEGMENT INFORMATION (continued)

	<i>General insurance</i>		<i>Life assurance</i>		<i>Total</i>	
	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Unaudited) AED</i>	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Unaudited) AED</i>	<i>30 June 2022 (Unaudited) AED</i>	<i>31 December 2021 (Unaudited) AED</i>
<b>Assets</b>						
Property and equipment	27,233,404	27,227,665	-	-	27,233,404	27,227,665
Intangible assets	5,313,016	3,706,450	-	-	5,313,016	3,706,450
Investment properties	184,704,150	184,704,150	-	-	184,704,150	184,704,150
Investments securities	258,973,514	292,683,265	58,222,196	63,736,054	317,195,710	356,419,319
Investments on behalf of policyholders of unit-linked products	-	-	44,263,668	51,535,535	44,263,668	51,535,535
Reinsurance assets	336,764,757	317,664,537	46,520,992	42,888,859	383,285,749	360,553,396
Insurance and other receivables	249,661,637	194,900,047	22,681,843	13,072,439	272,343,470	207,972,486
Cash and bank balances	188,510,874	192,755,546	101,684,277	119,587,023	290,195,151	312,342,569
<b>Total assets</b>	<b>1,251,161,352</b>	<b>1,213,641,660</b>	<b>273,372,976</b>	<b>290,819,910</b>	<b>1,524,534,328</b>	<b>1,504,461,570</b>
<b>Liabilities</b>						
Insurance contract liabilities	571,285,430	529,105,889	133,452,426	130,318,316	704,737,856	659,424,205
Provision for end of service indemnity	12,670,810	11,651,763	-	-	12,670,810	11,651,763
Insurance and other payables	243,626,624	222,276,447	8,823,181	19,697,004	252,449,805	241,973,451
Bank borrowings	5,149,825	6,802,450	-	-	5,149,825	6,802,450
Payable to policyholders of unit linked products	-	-	44,263,668	51,535,535	44,263,668	51,535,535
<b>Total liabilities</b>	<b>832,732,689</b>	<b>769,836,549</b>	<b>186,539,275</b>	<b>201,550,855</b>	<b>1,019,271,964</b>	<b>971,387,404</b>
<b>Equity</b>						
Share capital					149,954,112	149,954,112
Legal reserve					74,977,056	74,977,056
General reserve					74,977,056	74,977,056
Reinsurance reserve					1,846,431	1,846,431
Change in fair value of investment in FVOCI					(6,896,123)	1,930,661
Retained earnings					210,403,822	229,388,850
<b>Total equity</b>					<b>505,262,354</b>	<b>533,074,166</b>
<b>Total liabilities and equity</b>					<b>1,524,534,318</b>	<b>1,504,461,570</b>

**24 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 value:

**30 June 2022 (Unaudited)**

	<i>FVTPL</i> <i>AED</i>	<i>FVOCI</i> <i>AED</i>	<i>Amortised cost</i> <i>AED</i>	<i>Total</i> <i>AED</i>
<b>Financial assets:</b>				
Investment securities	207,570,968	94,641,339	14,983,404	317,195,711
Investments on behalf of policyholders of unit-linked products	44,263,668	-	-	44,263,668
Insurance and other receivables	-	-	236,706,314	236,706,314
Bank balances and cash	-	-	290,195,151	290,195,151
	<u>251,834,636</u>	<u>94,641,339</u>	<u>541,884,869</u>	<u>888,360,844</u>
<b>Financial liabilities:</b>				
Insurance and other payables	-	-	232,332,148	232,332,148
Payable to policyholders of unit-linked products	-	-	44,263,668	44,263,668
Bank borrowings	-	-	5,149,825	5,149,825
	<u>-</u>	<u>-</u>	<u>281,745,641</u>	<u>281,745,641</u>

**31 December 2021 (Audited)**

	<i>FVTPL</i> <i>AED</i>	<i>FVOCI</i> <i>AED</i>	<i>Amortised cost</i> <i>AED</i>	<i>Total</i> <i>AED</i>
<b>Financial assets:</b>				
Investment securities	241,563,770	99,962,589	14,983,404	356,509,763
Investments on behalf of policyholders of unit-linked products	51,535,535	-	-	51,535,535
Insurance and other receivables	-	-	174,965,795	174,965,795
Bank balances and cash	-	-	312,342,569	312,342,569
	<u>293,099,305</u>	<u>99,962,589</u>	<u>502,291,768</u>	<u>895,353,662</u>
<b>Financial liabilities:</b>				
Insurance and other payables	-	-	225,247,710	225,247,710
Payable to policyholders of unit-linked products	-	-	51,535,535	51,535,535
Bank borrowings	-	-	6,802,450	6,802,450
	<u>-</u>	<u>-</u>	<u>283,585,695</u>	<u>283,585,695</u>

**25 FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**25 FAIR VALUE MEASUREMENTS (continued)****Fair value of financial instruments carried at amortised cost**

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the interim condensed financial information approximate their fair values.

**Fair value of financial instruments carried at fair value***Valuation techniques and assumptions applied for the purposes of measuring fair value*

The fair values of assets are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2021.

*Fair value measurements recognised in the condensed statement of financial position*

Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

The following table provides an analysis of financial and non- financial instruments that are measured subsequent to initial recognition at fair value, 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 for identical assets or liabilities;
- 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).

Some of the Company's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

<i>Financial assets</i>	<i>Fair value as at</i>		<i>Fair value hierarchy</i>	<i>Valuation techniques and key inputs</i>	<i>Significant unobservable input</i>	<i>Relationship of unobservable inputs to fair value</i>
	<i>30 June 2022 (unaudited) AED</i>	<i>31 December 2021 (audited) AED</i>				
<b>FVOCI</b>						
Quoted debt securities	<b>43,238,792</b>	48,752,650	Level 1	Quoted bid prices in an active market.	None.	N/A
Unquoted equity securities	<b>51,402,547</b>	51,209,909	Level 3	Net assets valuation method.	Net assets value.	Higher the net assets value of the investees, higher the fair value.
<b>AMORTISED COST</b>						
Investment at amortised cost	<b>14,983,404</b>	14,983,404	Level 3	Net assets valuation method.	Net assets value.	Higher the net assets value of the investees, higher the fair value.
Quoted equity securities	<b>116,704,404</b>	141,596,692	Level 1	Quoted bid prices in an active market.	None.	N/A

**25 FAIR VALUE MEASUREMENTS (continued)****Fair value of financial instruments carried at fair value (continued)**

*Valuation techniques and assumptions applied for the purposes of measuring fair value (continued)*

<i>Financial assets</i>	<i>Fair value as at</i>		<i>Fair value</i>	<i>Valuation</i>	<i>Significant</i>	<i>Relationship of</i>
	<i>30 June</i>	<i>31 December</i>	<i>hierarchy</i>	<i>techniques and</i>	<i>unobservable</i>	<i>unobservable</i>
	<i>2022</i>	<i>2021</i>		<i>key inputs</i>	<i>input</i>	<i>inputs to fair</i>
	<i>(unaudited)</i>	<i>(audited)</i>				<i>value</i>
	<i>AED</i>	<i>AED</i>				
<b>FVTPL</b>						
Quoted debt securities	<b>80,866,565</b>	89,876,664	Level 1	Quoted bid prices in an active market.	None.	N/A
Unit linked products	<b>44,263,668</b>	51,535,535	Level 2	Net assets valuation method.	Net assets value.	Higher the net assets value of the investees, higher the fair value.
Unquoted equity investments	<b>10,000,000</b>	10,000,000	Level 3	Net assets valuation of funds.	Net assets value.	Higher the net assets value of the investees, higher the fair value.

There were no transfers between each of level during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

**26 CAPITAL RISK MANAGEMENT**

The solvency regulations identify the required Solvency Margin to be held on consolidated basis in addition to insurance liabilities.

As per Article (8) of Section 2 of the financial regulations issued for insurance companies issued by the CBUAE (formerly the "Insurance Authority"), the Company has to maintain a solvency margin. The Company has incorporated in its policies and procedures the necessary procedures to ensure continuous and full compliance with such regulations.

The table below summarises the consolidated Minimum Capital Requirement ("MCR"), Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet the required Solvency Margins in line with the requirements of the UAE Insurance Authority. The company has disclosed the solvency position for the immediately preceding period since the solvency position for current period is not yet finalised.

	<i>31 March</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>AED</i>	<i>AED</i>
Minimum Capital Requirement (MCR)	<b>100,000,000</b>	100,000,000
Solvency Capital Requirement (SCR)	<b>160,544,385</b>	174,143,039
Minimum Guarantee Fund (MGF)	<b>85,596,230</b>	85,607,995
Basic Own Funds	<b>329,529,890</b>	360,814,391
MCR Solvency Margin (Surplus/deficit)	<b>229,529,890</b>	260,814,391
SCR Solvency Margin (Surplus/deficit)	<b>168,985,505</b>	186,671,352
MGF Solvency Margin (Surplus/deficit)	<b>243,933,660</b>	275,206,396

**27 SEASONALITY OF RESULTS**

No income of seasonal nature was recorded in the interim condensed statement of profit or loss for the six month periods ended 30 June 2022 and 2021.

**28 COVID-19 IMPACT ASSESSMENT**

Two years ago, on 11 March 2020, the World Health Organization (WHO) declared the COVID-19 outbreak a pandemic. Since then, daily life across the globe has changed. Although vaccination have raised hopes of a turnaround in the pandemic, renewed waves and new variants of the virus pose concerns for the business activities. The COVID-19 pandemic had a seismic effect on the UAE market. However, despite this shock, the UAE's commendable handling of the pandemic and fiscal and monetary stimulus plans has seen recovery ensue in certain sectors.

Since the start of the pandemic NGI Management has considered the unique circumstances and the risk exposures of the Company that could have a material impact on the business operations. The Covid-19 situation has had a minimal impact on the business front of the Company. This is primarily the result of the proactive implementation of business continuity plans & and effective measures that were taken to ensure uninterrupted business. The Company continues to monitor the impact of COVID-19 on its financial performance & liquidity position on a continuous basis. As of date, there has been no significant impact on the credit risk or instances of default from the company's business partners.

**29 APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements were approved by Board of Directors and authorized for issue on 11 August 2022.