

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

**UNAUDITED INTERIM CONDENSED  
FINANCIAL STATEMENTS**

**30 SEPTEMBER 2022**

National General Insurance Co. (P.J.S.C.)  
INTERIM CONDENSED FINANCIAL STATEMENTS  
For the nine months period ended 30 September 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 September 2022, which comprise the interim statement of financial position as at 30 September 2022, and the related interim statements of profit or loss and comprehensive income for the three and nine months period, statement of changes in equity and cash flows for the nine months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements 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

3 November 2022

Dubai, United Arab Emirates

National General Insurance Co. (P.J.S.C.)  
 INTERIM STATEMENT OF FINANCIAL POSITION  
 As at 30 September 2022 (Unaudited)

|  | <i>Notes</i> | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|--|--------------|--|---|
| <b>ASSETS</b>  |              |  |   |
| Property and equipment   | 5            | 27,303,533   | 27,227,665  |
| Intangible assets  |              | 5,439,399  | 3,706,450   |
| Investment properties  | 6            | 184,704,150  | 184,704,150                                       |
| Investment securities  | 7            | 325,353,250  | 356,419,319                                       |
| Investments on behalf of policyholders of unit-linked products                         | 7            | 44,590,543   | 51,535,535  |
| Reinsurance contract assets  | 8            | 370,325,085  | 360,553,396                                       |
| Insurance and other receivables  | 9            | 258,660,956  | 207,972,486                                       |
| Fixed deposits   | 10           | 242,988,913  | 247,944,812                                       |
| Bank balances and cash   | 10           | 45,802,586   | 64,397,757  |
| <b>TOTAL ASSETS</b>  |              | <b>1,505,168,415</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 |              | (11,263,460)   | 1,930,661   |
| Retained earnings  |              | 221,543,688  | 229,388,850                                       |
| Reinsurance reserve  | 14           | 1,846,431  | 1,846,431   |
| <b>Total equity</b>  |              | <b>512,034,883</b>                                   | <b>533,074,166</b>                                |
| <b>Liabilities</b>   |              |  |   |
| Provision for end of service indemnity   |              | 12,957,680   | 11,651,763  |
| Insurance contract liabilities   | 8            | 681,460,336  | 659,424,205                                       |
| Insurance and other payables   | 15           | 254,124,973  | 241,973,451                                       |
| Bank borrowings  | 16           | -  | 6,802,450   |
| Payable to policyholders of unit linked products                                       | 17           | 44,590,543   | 51,535,535  |
| <b>Total liabilities</b>   |              | <b>993,133,532</b>                                   | <b>971,387,404</b>                                |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |              | <b>1,505,168,415</b>                                 | <b>1,504,461,570</b>                              |

  
 HE Hamad Mubarak Buamim  
 Chairman

  
 Dr. Abdul Zahra A. Ali  
 Chief Executive Officer

The accompanying notes 1 to 28 form an integral part of these interim condensed financial statements.

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

INTERIM STATEMENT OF PROFIT OR LOSS

For the period ended 30 September 2022 (Unaudited)

|  | <i>Three months period ended<br/>30 September</i> |                     | <i>Nine months period ended<br/>30 September</i> |                     |
|--|---|---------------------|--|---------------------|
|  | <i>2022<br/>AED</i>                               | <i>2021<br/>AED</i> | <i>2022<br/>AED</i>                              | <i>2021<br/>AED</i> |
|  | <i>Note</i>                                       |                     |  |                     |
| Gross written premium  | <b>145,237,336</b>                                | 161,933,637         | <b>511,444,927</b>                               | 497,404,862         |
| Reinsurance ceded  | <b>(77,808,922)</b>                               | (92,467,908)        | <b>(277,170,970)</b>                             | (274,880,587)       |
| Net premium  | <b>67,428,414</b>                                 | 69,465,729          | <b>234,273,957</b>                               | 222,524,275         |
| Change in unearned premium reserve   | <b>2,526,291</b>                                  | 2,572,974           | <b>(16,215,994)</b>                              | (13,027,227)        |
| <b>Net earned premiums</b>   | <b>69,954,705</b>                                 | 72,038,703          | <b>218,057,963</b>                               | 209,497,048         |
| Reinsurance commission earned  | <b>12,681,239</b>                                 | 11,681,684          | <b>38,531,664</b>                                | 34,561,585          |
| <b>Net underwriting income</b>   | <b>82,635,944</b>                                 | 83,720,387          | <b>256,589,627</b>                               | 244,058,633         |
| Claims paid  | <b>(97,653,132)</b>                               | (78,348,780)        | <b>(274,856,222)</b>                             | (227,514,159)       |
| Reinsurance share of claims paid   | <b>46,995,173</b>                                 | 35,958,305          | <b>141,028,101</b>                               | 106,130,496         |
| <b>Net claims paid</b>   | <b>(50,657,959)</b>                               | (42,390,475)        | <b>(133,828,121)</b>                             | (121,383,663)       |
| Change in outstanding claims including IBNR/URR/PDR                                  | <b>5,883,531</b>                                  | 4,417,170           | <b>221,714</b>                                   | (7,861,909)         |
| <b>Net incurred claims</b>   | <b>(44,774,428)</b>                               | (37,973,305)        | <b>(133,606,407)</b>                             | (129,245,572)       |
| Commission incurred  | <b>(12,762,005)</b>                               | (13,298,378)        | <b>(39,839,740)</b>                              | (39,057,776)        |
| Administrative expenses  | <b>(15,441,837)</b>                               | (15,884,289)        | <b>(46,495,185)</b>                              | (42,471,724)        |
| <b>Net underwriting expenses</b>   | <b>(72,978,270)</b>                               | (67,155,972)        | <b>(219,941,332)</b>                             | (210,775,072)       |
| Movement in life assurance fund and payable to policyholders of unit linked products | <b>1,580,159</b>                                  | (624,035)           | <b>10,674,830</b>                                | (5,050,662)         |
| (Decrease)/ increase in fair value of investment held for unit linked products       | <b>(2,238,365)</b>                                | 588,320             | <b>(13,660,260)</b>                              | 4,879,169           |
| Net income from investments life   | <b>1,332,097</b>                                  | 1,791,978           | <b>3,748,749</b>                                 | 3,574,804           |
| <b>Total underwriting expenses</b>   | <b>(72,304,379)</b>                               | (65,399,709)        | <b>(219,178,013)</b>                             | (207,371,761)       |
| <b>Underwriting profit</b>   | <b>10,331,565</b>                                 | 18,320,678          | <b>37,411,614</b>                                | 36,686,872          |
| Income from investment properties (net)  | <b>907,236</b>                                    | 1,104,701           | <b>2,866,921</b>                                 | 3,086,739           |
| Net income from investment securities and deposits                                   | <b>2,836,095</b>                                  | 4,005,479           | <b>11,308,309</b>                                | 24,122,332          |
| Administrative expenses  | <b>(2,935,030)</b>                                | (2,803,102)         | <b>(9,320,772)</b>                               | (9,148,424)         |
| <b>Profit for the period</b>   | <b>11,139,866</b>                                 | 20,627,756          | <b>42,266,072</b>                                | 54,747,519          |
| <b>Basic and diluted earnings per share (Note 18)</b>                                | <b>0.07</b>                                       | 0.14                | <b>0.28</b>                                      | 0.37                |

The accompanying notes 1 to 28 form an integral part of these interim condensed financial statements.

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

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 September 2022 (Unaudited)

|  | <i>Three months period ended<br/>30 September</i> |                     | <i>Nine months period ended<br/>30 September</i> |                     |
|--|---|---------------------|--|---------------------|
|  | <i>2022<br/>AED</i>                               | <i>2021<br/>AED</i> | <i>2022<br/>AED</i>                              | <i>2021<br/>AED</i> |
| <i>Notes</i>   |   |                     |  |                     |
| Profit for the period  | <b>11,139,866</b>                                 | 20,627,756          | <b>42,266,072</b>                                | 54,747,519          |
| <b>Other comprehensive income</b>                            |   |                     |  |                     |
| <i>Items that may be reclassified<br/>to profit or loss:</i> |   |                     |  |                     |
| Net changes in FVOCI investments                             | <b>(4,367,337)</b>                                | (1,214,587)         | <b>(13,194,121)</b>                              | (2,168,606)         |
| <b>Total other comprehensive loss<br/>for the period</b>     | <b>(4,367,337)</b>                                | (1,214,587)         | <b>(13,194,121)</b>                              | (2,168,606)         |
| <b>Total comprehensive income<br/>for the period</b>         | <b>6,772,529</b>                                  | 19,413,169          | <b>29,071,951</b>                                | 52,578,913          |

The accompanying notes 1 to 28 form an integral part of these interim condensed financial statements.

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

INTERIM STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2022 (Unaudited)

|   | <i>Share<br/>capital<br/>AED</i> | <i>Legal<br/>reserve<br/>AED</i> | <i>General<br/>reserve<br/>AED</i> | <i>Reinsurance<br/>reserve<br/>AED</i> | <i>Cumulative change<br/>in fair value<br/>of investments<br/>in FVOCI<br/>AED</i> | <i>Retained<br/>earnings<br/>AED</i> | <i>Total<br/>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       | -                                | -                                | -                                  | -                                      | (2,168,606)  | 54,747,519                           | 52,578,913                |
| Directors' remuneration (Note 22)               | -                                | -                                | -                                  | -                                      | -  | (3,400,000)                          | (3,400,000)               |
| Dividends declared (Note 22)                    | -                                | -                                | -                                  | -                                      | -  | (22,493,117)                         | (22,493,117)              |
| Balance at 30 September 2021 (unaudited)        | <u>149,954,112</u>               | <u>74,977,056</u>                | <u>74,977,056</u>                  | <u>83,123</u>                          | <u>1,955,982</u>   | <u>215,114,476</u>                   | <u>517,061,805</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       | -                                | -                                | -                                  | -                                      | (13,194,121)   | 42,266,072                           | 29,071,951                |
| Directors' remuneration (Note 22)               | -                                | -                                | -                                  | -                                      | -  | (5,125,000)                          | (5,125,000)               |
| Dividends declared (Note 22)                    | -                                | -                                | -                                  | -                                      | -  | (44,986,234)                         | (44,986,234)              |
| <b>Balance at 30 September 2022 (unaudited)</b> | <b><u>149,954,112</u></b>        | <b><u>74,977,056</u></b>         | <b><u>74,977,056</u></b>           | <b><u>1,846,431</u></b>                | <b><u>(11,263,460)</u></b>   | <b><u>221,543,688</u></b>            | <b><u>512,034,883</u></b> |

The accompanying notes 1 to 28 form an integral part of these interim condensed financial statements.

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

INTERIM STATEMENT OF CASH FLOWS

For the period ended 30 September 2022 (Unaudited)

|   | <i>Nine months period ended<br/>30 September</i> |                      |
|---|--|----------------------|
|   | 2022<br>AED                                      | 2021<br>AED          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |  |                      |
| Profit for the period   | 42,266,072                                       | 54,747,519           |
| Adjustments for:  |  |                      |
| Depreciation and amortisation   | 1,792,013  | 1,896,324            |
| Dividend income   | (5,323,553)                                      | (4,987,467)          |
| Realised gains on fair value through profit or loss (FVTPL) investments | (15,455,065)                                     | (10,290,934)         |
| Unrealised loss/ (gain) on FVTPL investments                            | 13,443,733                                       | (5,602,297)          |
| Provision/ (reversal) for expected credit losses                        | 2,428,535  | (1,416,948)          |
| Other investment income   | (6,840,346)                                      | (6,704,501)          |
| Provision for employees' end of service indemnity                       | 1,752,040  | 1,175,230            |
| Operating cash flows before changes in operating assets and liabilities | 34,063,429                                       | 28,816,926           |
| Change in insurance and other receivables (including related parties)   | (53,117,005)                                     | (25,550,723)         |
| Change in insurance and other payables                                  | 12,151,522                                       | 34,645,879           |
| Change in unearned premium reserve and life assurance fund              | 12,486,156                                       | 16,359,719           |
| Change in net outstanding claims  | (221,714)  | 7,861,909            |
| Employees' end of service indemnity paid                                | (446,122)  | (1,633,100)          |
| <b>Net cash generated from operating activities</b>                     | <b>4,916,266</b>                                 | <b>60,500,610</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |  |                      |
| Purchase of property and equipment                                      | (3,607,431)                                      | (4,734,701)          |
| Proceeds from disposal of property and equipment                        | 6,600  | 91,148               |
| Purchase of FVTPL investments   | (81,646,962)                                     | (119,520,289)        |
| Purchase of FVOCI investments   | (13,811,627)                                     | (14,908,360)         |
| Proceeds from sale of FVTPL investments                                 | 122,286,861                                      | 128,490,736          |
| Net movement in payable to policyholder's unit linked products          | (6,944,992)                                      | 1,718,170            |
| Dividends received  | 5,323,553  | 4,987,467            |
| Interest and other income received                                      | 6,840,346  | 6,704,501            |
| Change in bank deposits   | 4,955,899  | (167,273,940)        |
| Increase in bank borrowings   | (6,802,450)                                      | 915,573              |
| <b>Net cash generated from/ (used in) investing activities</b>          | <b>26,599,797</b>                                | <b>(163,529,695)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |  |                      |
| Dividends paid  | (44,986,234)                                     | (22,493,117)         |
| Directors' remuneration paid  | (5,125,000)                                      | (3,400,000)          |
| <b>Net cash used in financing activities</b>                            | <b>(50,111,234)</b>                              | <b>(25,893,117)</b>  |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                        | <b>(18,595,171)</b>                              | <b>(128,922,202)</b> |
| Cash and cash equivalents at the beginning of the period                | 64,397,757                                       | 226,062,235          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 10)</b>     | <b>45,802,286</b>                                | <b>97,140,033</b>    |

The accompanying notes 1 to 28 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 nine months ended 30 September 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 nine months 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 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 these interim condensed financial statements 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.

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

#### **3.1 New and revised IFRS applied with no material effect on the interim condensed financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these interim condensed financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

#### **3.2 New and revised IFRS standards and interpretations but not yet effective**

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 17 Insurance Contracts (effective for reporting periods beginning on or after 1 January 2023). Management of the company is assessing the impact of the above standard on the company's financial statements and does not intend to adopt the above standard before its effective date.
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective for annual reporting periods beginning on or after 1 January 2023)
- Definition of Accounting Estimates - Amendments to IAS 8 (effective for annual reporting periods beginning on or after 1 January 2023)
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (applicable for annual periods beginning on or after 1 January 2023)

There are no other relevant applicable new standards and amendments to published standards that have been issued but are not effective for the first time for the company's financial period beginning on 1 January 2022 that would be expected to have a material impact on the financial statements of the company.

Management anticipates that these new standards, interpretations and amendments will be adopted in the company's financial statements as and when they are applicable and the adoption of these new standards, interpretations and amendments, except for IFRS 17, mentioned above, is not expected to have a material impact on the financial statements of the company in the period of initial application.

### **4 CHANGES IN JUDGEMENTS AND ESTIMATION UNCERTAINTY**

The preparation of these 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.

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.

### **5 PROPERTY AND EQUIPMENT**

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

### **6 INVESTMENT PROPERTIES**

Investment properties 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 September 2022 (31 December 2021: Level 3).

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2022 (Unaudited)

**7 INVESTMENT SECURITIES**

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

|   | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|---|--|---|
| Fair value through profit or loss (FVTPL) investments             | <b>254,347,443</b>                                   | 293,077,912                                       |
| Fair value through other comprehensive income (FVOCI) investments | <b>101,029,036</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>(432,686)</b>                                     | (465,401)   |
|   | <b>369,943,793</b>                                   | 407,954,854                                       |

|  | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|--|--|---|
|--|--|---|

**Investments securities – Geographic concentration**

Investments made:

|                  |                    |             |
|------------------|--------------------|-------------|
| - Within U.A.E.  | <b>165,709,913</b> | 187,262,982 |
| - Outside U.A.E. | <b>204,233,880</b> | 220,691,872 |

|              |                    |             |
|--------------|--------------------|-------------|
| <b>Total</b> | <b>369,943,793</b> | 407,954,854 |
|--------------|--------------------|-------------|

**FVTPL investments**

|   |                    |             |
|---|--------------------|-------------|
| Equity investments – quoted   | <b>121,721,155</b> | 141,596,693 |
| Equity investments – unquoted   | <b>10,000,000</b>  | 10,000,000  |
| Fixed income investments/ bonds – quoted                                    | <b>78,035,745</b>  | 89,945,684  |
| Investments held on behalf of policyholders' unit linked products (Note 17) | <b>44,590,543</b>  | 51,535,535  |

|              |                    |             |
|--------------|--------------------|-------------|
| <b>Total</b> | <b>254,347,443</b> | 293,077,912 |
|--------------|--------------------|-------------|

|  | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|--|--|---|
|--|--|---|

**FVOCI investments**

|   |                   |            |
|---|-------------------|------------|
| Equity investments – unquoted           | <b>48,279,783</b> | 51,209,909 |
| Fixed income investments/bonds – quoted | <b>52,749,253</b> | 49,132,434 |

|              |                    |             |
|--------------|--------------------|-------------|
| <b>Total</b> | <b>101,029,036</b> | 100,342,343 |
|--------------|--------------------|-------------|

FVTPL and FVOCI investments with fair value of AED Nil (31 December 2021: AED 21.9 million) are pledged to a bank against loan granted to the Company (see Note 16). The bank loan was repaid in August 2022.

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2022 (Unaudited)

**7 INVESTMENT SECURITIES (continued)**

Movements in provision for ECL are as follows:

|  | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|--|--|---|
| Balance at the beginning of the year         | 465,401  | 424,851   |
| (Reversal)/ charge during the period/year    | (32,715)   | 40,550  |
| <b>Balance at the end of the period/year</b> | <b>432,686</b>                                       | <b>465,401</b>                                    |

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

|   | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|---|--|---|
| <b>Insurance contract liabilities</b>                   |  |   |
| Claims reported unsettled                               | 207,369,016  | 222,224,733                                       |
| Claims incurred but not reported                        | 97,347,611   | 88,098,942  |
| Life assurance fund                                     | 86,667,393   | 96,817,739  |
| Unearned premium reserve                                | 287,519,309  | 245,980,607                                       |
| Unexpired risk reserve including PDR                    | 2,557,007  | 6,302,184   |
| <b>Total insurance contract liabilities, gross</b>      | <b>681,460,336</b>                                   | <b>659,424,205</b>                                |
| <b>Re-insurance contract assets</b>                     |  |   |
| Claims reported unsettled                               | 157,331,232  | 172,065,979                                       |
| Claims incurred but not reported                        | 52,869,110   | 46,980,586  |
| Life assurance fund                                     | 11,912,677   | 18,333,185  |
| Unearned premium and unexpired risk                     | 147,006,588  | 121,683,879                                       |
| Unexpired risk reserve including PDR                    | 1,205,478  | 1,489,767   |
| <b>Total reinsurers' share of insurance liabilities</b> | <b>370,325,085</b>                                   | <b>360,553,396</b>                                |
| <b>Net</b>  |  |   |
| Claims reported unsettled                               | 50,037,784   | 50,158,754  |
| Claims incurred but not reported                        | 44,478,501   | 41,118,356  |
| Life assurance fund                                     | 74,754,716   | 78,484,554  |
| Unearned premium and unexpired risk                     | 140,512,721  | 124,296,727                                       |
| Unexpired risk reserve including PDR                    | 1,351,529  | 4,812,417   |
|   | <b>311,135,251</b>                                   | <b>298,870,808</b>                                |

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2022 (Unaudited)

**9 INSURANCE AND OTHER RECEIVABLES**

|                                      | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|--------------------------------------|--|---|
| Premium receivable                   | <b>38,377,144</b>                                    | 43,643,167  |
| Reinsurance companies                | <b>21,790,396</b>                                    | 26,963,018  |
| Insurance agents and brokers         | <b>141,692,803</b>                                   | 94,190,783  |
| Due from related parties             | <b>15,273,563</b>                                    | 6,768,533   |
|                                      | <b>217,133,906</b>                                   | 171,565,501                                       |
| Less: Provision for ECL              | <b>(10,053,137)</b>                                  | (7,624,602)                                       |
|                                      | <b>207,080,769</b>                                   | 163,940,899                                       |
| Accrual of interest and other income | <b>3,986,105</b>                                     | 3,186,294   |
| Deferred acquisition cost            | <b>27,713,906</b>                                    | 27,529,657  |
| Advances and prepayments             | <b>11,258,025</b>                                    | 2,838,808   |
| Other receivables                    | <b>8,622,151</b>                                     | 10,476,828  |
|                                      | <b>258,660,956</b>                                   | 207,972,486                                       |

Movement in provision for ECL are as follows:

|  | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|--|--|---|
| Balance at the beginning of the period/year  | <b>7,624,602</b>                                     | 9,555,768   |
| Provision/ (reversal) during the period/year | <b>2,428,535</b>                                     | (1,931,166)                                       |
| <b>Balance at the end of the period/year</b> | <b>10,053,137</b>                                    | 7,624,602   |

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

**10 BANK BALANCES AND CASH**

|  | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|--|--|---|
| Cash on hand   | <b>21,001</b>  | 22,596  |
| Cash with banks  | <b>45,820,989</b>                                    | 64,416,636  |
| Statutory deposit  | <b>10,000,000</b>                                    | 10,000,000  |
| Fixed deposits   | <b>232,988,913</b>                                   | 237,944,812                                       |
| Less: Provision for ECL                                  | <b>(39,404)</b>                                      | (41,475)  |
| Total bank balances and cash                             | <b>288,791,499</b>                                   | 312,342,569                                       |
| Less: Deposits with maturities greater than three months | <b>(242,988,913)</b>                                 | (247,944,812)                                     |
| <b>Cash and cash equivalents</b>                         | <b>45,802,586</b>                                    | 64,397,757  |

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

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2022 (Unaudited)

### 10 BANK BALANCES AND CASH (continued)

Fixed deposits amounting to AED 17.6 million (31 December 2021: AED 21.6 million) under lien are against letters of guarantee (Note 20).

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 10,000,000 (31 December 2021: AED 10,000,000) 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 20).

Movements in provision for ECL are as follows:

|  | <b>30 September<br/>2022<br/>(Unaudited)<br/>AED</b> | <b>31 December<br/>2021<br/>(Audited)<br/>AED</b> |
|--|--|---|
| Balance at the beginning of the period/year  | 41,475   | 41,758  |
| Reversal made during the period/year         | (2,071)  | (283)   |
| <b>Balance at the end of the period/year</b> | <b>39,404</b>  | <b>41,475</b>                                     |

### 11 SHARE CAPITAL

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

### 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 September 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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2022 (Unaudited)

**15 INSURANCE AND OTHER PAYABLES**

|                                 | <b>30 September<br/>2022<br/>(Unaudited)<br/>AED</b> | <b>31 December<br/>2021<br/>(Audited)<br/>AED</b> |
|---------------------------------|--|---|
| Creditors                       | <b>78,198,079</b>                                    | 53,971,879  |
| Reinsurance companies           | <b>56,477,808</b>                                    | 76,529,620  |
| Premium reserve withheld        | <b>71,312,562</b>                                    | 59,064,433  |
| Due to related parties          | <b>386,819</b>                                       | 280,783   |
| Deferred reinsurance commission | <b>21,296,576</b>                                    | 16,725,734  |
| Accrued expenses                | <b>16,450,301</b>                                    | 21,828,488  |
| Commission payable              | <b>778,790</b>                                       | 1,753,665   |
| Other payable balances          | <b>9,224,038</b>                                     | 11,818,849  |
|                                 | <b>254,124,973</b>                                   | 241,973,451                                       |

**16 BANK BORROWINGS**

As at 30 September 2022, The company has fulfilled its contractual obligation and repaid the loan. The bank loan was secured against the Company's investments in debt instruments having a fair value of AED Nil (31 December 2021: AED 21.9 million) (Note 7) and carried an interest rate of 1 month USD LIBOR plus 0.5% per annum.

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

*Movement during the period:*

|   | <b>30 September<br/>2022<br/>(Unaudited)<br/>AED</b> | <b>31 December<br/>2021<br/>(Audited)<br/>AED</b> |
|---|--|---|
| As at 1 January   | <b>51,535,535</b>                                    | 47,406,148  |
| Amount invested by policyholders  | <b>16,523,267</b>                                    | 15,506,840  |
| Amount withdrawn at redemption stage/lapse/surrender<br>by policyholder | <b>(9,807,999)</b>                                   | (17,166,388)                                      |
| Change in fair value  | <b>(13,660,260)</b>                                  | 5,788,935   |
| Payable to policyholders of unit-linked products                        | <b>44,590,543</b>                                    | 51,535,535  |

**18 BASIC AND DILUTED EARNINGS PER SHARE**

|   | <b>Three months period ended<br/>30 September</b> |                                     | <b>Nine months period ended<br/>30 September</b> |                                     |
|---|---|-------------------------------------|--|-------------------------------------|
|   | <b>2022<br/>AED<br/>(Unaudited)</b>               | <b>2021<br/>AED<br/>(Unaudited)</b> | <b>2022<br/>AED<br/>(Unaudited)</b>              | <b>2021<br/>AED<br/>(Unaudited)</b> |
| Profit for the period (in AED)                | <b>11,139,866</b>                                 | 20,627,756                          | <b>42,266,072</b>                                | 54,747,519                          |
| 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>0.07</b>                                       | 0.14                                | <b>0.28</b>                                      | 0.37                                |

**18 BASIC AND DILUTED EARNINGS PER SHARE (continued)**

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.

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

|                                  | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|----------------------------------|--|---|
| <b>Due from related parties</b>  |  |   |
| Insurance premium receivable     | <u>15,273,563</u>                                    | <u>6,768,533</u>                                  |
| <b>Due to related parties</b>    |  |   |
| Insurance payable                | <u>386,819</u>                                       | <u>280,783</u>                                    |
|                                  |  |   |
|                                  | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
| <b>Cash and cash equivalents</b> |  |   |
| Cash at bank                     | <u>18,441,772</u>                                    | <u>10,010,072</u>                                 |
| Short term deposit               | <u>22,030,476</u>                                    | <u>18,409,770</u>                                 |
|                                  | <u>40,472,248</u>                                    | <u>28,419,842</u>                                 |

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

|  | <i>Three months period ended<br/>30 September</i> |                                     | <i>Nine months period ended<br/>30 September</i> |                                     |
|--|---|-------------------------------------|--|-------------------------------------|
|  | <i>2022<br/>AED<br/>(Unaudited)</i>               | <i>2021<br/>AED<br/>(Unaudited)</i> | <i>2022<br/>AED<br/>(Unaudited)</i>              | <i>2021<br/>AED<br/>(Unaudited)</i> |
| <b>Key management personnel compensation</b> |   |                                     |  |                                     |
| Remuneration and short term benefits         | <u>1,668,009</u>                                  | <u>1,677,951</u>                    | <u>5,098,225</u>                                 | <u>5,012,722</u>                    |
| End of service benefits                      | <u>58,711</u>                                     | <u>86,378</u>                       | <u>624,524</u>                                   | <u>214,130</u>                      |
| <b>Other related parties</b>                 |   |                                     |  |                                     |
| Premiums                                     | <u>15,972,368</u>                                 | <u>8,838,821</u>                    | <u>46,170,458</u>                                | <u>74,243,055</u>                   |
| Claims paid                                  | <u>1,163,963</u>                                  | <u>5,882,522</u>                    | <u>13,214,892</u>                                | <u>28,347,189</u>                   |
| Dividend paid                                | <u>-</u>  | <u>-</u>                            | <u>30,015,867</u>                                | <u>14,302,752</u>                   |
| Interest income                              | <u>259,336</u>                                    | <u>55,922</u>                       | <u>407,983</u>                                   | <u>426,773</u>                      |



**20 CONTINGENT LIABILITIES**

|                      | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
|----------------------|--|---|
| Letters of guarantee | <b>13,327,939</b>                                    | 16,102,815  |

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.

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

|  | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>30 September<br/>2021<br/>(Unaudited)<br/>AED</i> |
|--|--|--|
| Dividend income                                    | <b>5,323,553</b>                                     | 4,987,467  |
| Realised gains on investments                      | <b>15,455,065</b>                                    | 10,290,934   |
| Unrealized (losses)/ gains on investments at FVTPL | <b>(13,443,733)</b>                                  | 5,602,297  |
| Income from investment securities                  | <b>2,890,314</b>                                     | 2,827,790  |
| Interest on bank deposits                          | <b>1,495,600</b>                                     | 1,156,006  |
| Expenses/charges on securities                     | <b>(412,490)</b>                                     | (742,162)  |
| Net income from investment securities and deposits | <b>11,308,309</b>                                    | 24,122,332   |

**22 DIVIDEND AND DIRECTORS' REMUNERATION**

At the Annual General Meeting held on 29 March 2022, the Shareholders approved a cash dividend of AED 44,986,234 at 0.30 dirhams per share for 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 (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 September 2022 (Unaudited)

23 SEGMENT INFORMATION (continued)

|  | <i>General insurance</i>         |                    | <i>Life assurance</i>            |                    | <i>Total</i>                     |                    |
|--|----------------------------------|--------------------|----------------------------------|--------------------|----------------------------------|--------------------|
|  | <i>For the nine months</i>       |                    | <i>For the nine months</i>       |                    | <i>For the nine months</i>       |                    |
|  | <i>period ended 30 September</i> |                    | <i>period ended 30 September</i> |                    | <i>period ended 30 September</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  | 457,038,474                      | 415,409,447        | 54,406,453                       | 81,995,415         | 511,444,927                      | 497,404,862        |
| Reinsurance ceded  | (254,251,155)                    | (226,835,514)      | (22,919,815)                     | (48,045,073)       | (277,170,970)                    | (274,880,587)      |
| <b>Net premium</b>   | <b>202,787,319</b>               | 188,573,933        | <b>31,486,638</b>                | 33,950,342         | <b>234,273,957</b>               | 222,524,275        |
| Change in unearned premium   | (15,348,952)                     | (12,167,753)       | (867,042)                        | (859,474)          | (16,215,994)                     | (13,027,227)       |
| <b>Net earned premium</b>  | <b>187,438,367</b>               | 176,406,180        | <b>30,619,596</b>                | 33,090,868         | <b>218,057,963</b>               | 209,497,048        |
| Reinsurance commission earned  | 35,631,033                       | 30,393,577         | 2,900,631                        | 4,168,008          | 38,531,664                       | 34,561,585         |
| <b>Total underwriting income</b>   | <b>223,069,400</b>               | 206,799,757        | <b>33,520,227</b>                | 37,258,876         | <b>256,589,627</b>               | 244,058,633        |
| <b>Underwriting expenses</b>   |                                  |                    |                                  |                    |                                  |                    |
| Net incurred claims  | (118,277,739)                    | (107,142,917)      | (15,328,668)                     | (22,102,655)       | (133,606,407)                    | (129,245,572)      |
| Commission incurred  | (35,669,866)                     | (32,445,124)       | (4,169,874)                      | (6,612,652)        | (39,839,740)                     | (39,057,776)       |
| Administrative expenses  | (38,884,382)                     | (37,874,238)       | (7,610,803)                      | (4,597,486)        | (46,495,185)                     | (42,471,724)       |
| <b>Net underwriting expenses</b>   | <b>(192,831,987)</b>             | (177,462,279)      | <b>(27,109,345)</b>              | (33,312,793)       | <b>(219,941,332)</b>             | (210,775,072)      |
| <b>Profit before movement in life assurance fund</b>                                 | <b>30,237,413</b>                | 29,337,478         | <b>6,410,882</b>                 | 3,946,083          | <b>36,648,295</b>                | 33,283,561         |
| Movement in life assurance fund and payable to policyholders of unit linked products | -                                | -                  | 10,674,830                       | (5,050,662)        | 10,674,830                       | (5,050,662)        |
| Increase in fair value of investment held for unit linked products                   | -                                | -                  | (13,660,260)                     | 4,879,169          | (13,660,260)                     | 4,879,169          |
| Net income from investments life   | -                                | -                  | 3,748,749                        | 3,574,804          | 3,748,749                        | 3,574,804          |
| <b>Underwriting profit/(loss) for the period</b>                                     | <b>30,237,413</b>                | 29,337,478         | <b>7,174,201</b>                 | 7,349,394          | <b>37,411,614</b>                | 36,686,872         |
| Income from investment properties (net)  |                                  |                    |                                  |                    | 2,866,921                        | 3,086,739          |
| Net income from investment securities and deposits                                   |                                  |                    |                                  |                    | 11,308,309                       | 24,122,332         |
| Unallocated expenses   |                                  |                    |                                  |                    | (9,320,772)                      | (9,148,424)        |
| <b>Profit for the period</b>   |                                  |                    |                                  |                    | <b>42,266,072</b>                | 54,747,519         |

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

As at 30 September 2022 (Unaudited)

23 SEGMENT INFORMATION (continued)

|  | <i>General insurance</i>                             |   | <i>Life assurance</i>                                |   | <i>Total</i>   |   |
|--|--|---|--|---|--|---|
|  | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> | <i>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> |
| <b>Assets</b>  |  |   |  |   |  |   |
| Property and equipment   | 27,303,533   | 27,227,665  | -  | -   | 27,303,533   | 27,227,665  |
| Intangible assets  | 5,439,399  | 3,706,450   | -  | -   | 5,439,399  | 3,706,450   |
| Investment properties  | 184,704,150  | 184,704,150                                       | -  | -   | 184,704,150  | 184,704,150                                       |
| Investments securities   | 257,976,414  | 292,683,265                                       | 67,376,836   | 63,736,054  | 325,353,250  | 356,419,319                                       |
| Investments on behalf of policyholders of unit-linked products | -  | -   | 44,590,543   | 51,535,535  | 44,590,543   | 51,535,535  |
| Reinsurance assets   | 341,108,960  | 317,664,537                                       | 29,216,125   | 42,888,859  | 370,325,085  | 360,553,396                                       |
| Insurance and other receivables                                | 248,421,754  | 194,900,047                                       | 10,239,202   | 13,072,439  | 258,660,956  | 207,972,486                                       |
| Cash and bank balances   | 186,211,640  | 192,755,546                                       | 102,579,859  | 119,587,023                                       | 288,791,499  | 312,342,569                                       |
| <b>Total assets</b>  | <b>1,251,165,850</b>                                 | <b>1,213,641,660</b>                              | <b>254,002,565</b>                                   | <b>290,819,910</b>                                | <b>1,505,168,415</b>                                 | <b>1,504,461,570</b>                              |
| <b>Liabilities</b>   |  |   |  |   |  |   |
| Insurance contract liabilities                                 | 570,407,956  | 529,105,889                                       | 111,052,380  | 130,318,316                                       | 681,460,336  | 659,424,205                                       |
| Provision for end of service indemnity                         | 12,957,680   | 11,651,763  | -  | -   | 12,957,680   | 11,651,763  |
| Insurance and other payables                                   | 245,385,029  | 222,276,447                                       | 8,739,944  | 19,697,004  | 254,124,973  | 241,973,451                                       |
| Bank borrowings  | -  | 6,802,450   | -  | -   | -  | 6,802,450   |
| Payable to policyholders of unit linked products               | -  | -   | 44,590,543   | 51,535,535  | 44,590,543   | 51,535,535  |
| <b>Total liabilities</b>                                       | <b>828,750,665</b>                                   | <b>769,836,549</b>                                | <b>164,382,867</b>                                   | <b>201,550,855</b>                                | <b>993,133,532</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                    |  |   |  |   | (11,263,460)   | 1,930,661   |
| Retained earnings  |  |   |  |   | 221,543,688  | 229,388,850                                       |
| <b>Total equity</b>  |  |   |  |   | <b>512,034,883</b>                                   | <b>533,074,166</b>                                |
| <b>Total liabilities and equity</b>                            |  |   |  |   | <b>1,505,168,415</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 September 2022 (unaudited)**

|   | <i>FVTPL</i><br><i>AED</i> | <i>FVOCI</i><br><i>AED</i> | <i>Amortised cost</i><br><i>AED</i> | <i>Total</i><br><i>AED</i> |
|---|----------------------------|----------------------------|-------------------------------------|----------------------------|
| <b>Financial assets:</b>  |                            |                            |                                     |                            |
| Investment securities   | 209,696,630                | 100,673,216                | 14,983,404                          | 325,353,250                |
| Investments on behalf of policyholders<br>of unit-linked products | 44,590,543                 | -                          | -                                   | 44,590,543                 |
| Insurance and other receivables                                   | -                          | -                          | 217,169,867                         | 217,169,867                |
| Bank balances and cash  | -                          | -                          | 288,791,499                         | 288,791,499                |
|   | <u>254,287,173</u>         | <u>100,673,216</u>         | <u>520,944,770</u>                  | <u>875,905,159</u>         |
| <b>Financial liabilities:</b>                                     |                            |                            |                                     |                            |
| Insurance and other payables                                      | -                          | -                          | 232,828,402                         | 232,828,402                |
| Bank borrowings   | -                          | -                          | -                                   | -                          |
| Payable to policyholders of unit-linked products                  | -                          | -                          | 44,590,543                          | 44,590,543                 |
|   | <u>-</u>                   | <u>-</u>                   | <u>277,418,945</u>                  | <u>277,418,945</u>         |

**31 December 2021 (audited)**

|   | <i>FVTPL</i><br><i>AED</i> | <i>FVOCI</i><br><i>AED</i> | <i>Amortised cost</i><br><i>AED</i> | <i>Total</i><br><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<br>of unit-linked products | 51,535,535                 | -                          | -                                   | 51,535,535                 |
| Insurance and other receivables                                   | -                          | -                          | 174,965,795                         | 174,965,795                |
| Cash and bank balances  | -                          | -                          | 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.

**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 statements 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 September 2022 (Unaudited) AED</i> | <i>31 December 2021 (Audited) AED</i> |                             |  |                                       |  |
| <b>FVOCI</b>                 |  |                                       |                             |  |                                       |  |
| Quoted securities            | <b>52,393,433</b>                        | 48,752,650                            | Level 1                     | Quoted bid prices in an active market.     | None.                                 | N/A  |
| Unquoted equity securities   | <b>48,279,783</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. |

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

| <i>Financial assets</i>    | <i>Fair value as at<br/>30 September<br/>2022<br/>(Unaudited)<br/>AED</i> | <i>31 December<br/>2021<br/>(Audited)<br/>AED</i> | <i>Fair<br/>value<br/>hierarchy</i> | <i>Valuation<br/>techniques<br/>and key<br/>inputs</i> | <i>Significant<br/>unobservable<br/>input</i> | <i>Relationship of<br/>unobservable<br/>inputs to fair<br/>value</i> |
|----------------------------|---|---|-------------------------------------|--|---|--|
| <b>FVTPL</b>               |   |   |                                     |  |   |  |
| Quoted equity securities   | <b>121,721,154</b>  | 141,596,692                                       | Level 1                             | Quoted bid prices in an active market.                 | None.   | N/A  |
| Quoted debt securities     | <b>77,975,476</b>   | 89,876,664  | Level 1                             | Quoted bid prices in an active market.                 | None.   | N/A  |
| Unit linked products       | <b>44,590,543</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 securities | <b>10,000,000</b>   | 10,000,000  | Level 3                             | Net assets valuation method.                           | 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 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.

**27 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.

|                                       | <b>30 June<br/>2022<br/>(Unaudited)<br/>AED</b> | <b>31 December<br/>2021<br/>(Audited)<br/>AED</b> |
|---------------------------------------|---|---|
| Minimum Capital Requirement (MCR)     | <b>100,000,000</b>                              | 100,000,000                                       |
| Solvency Capital Requirement (SCR)    | <b>170,399,444</b>                              | 174,143,039                                       |
| Minimum Guarantee Fund (MGF)          | <b>88,312,381</b>                               | 85,607,995  |
| Basic Own Funds                       | <b>397,808,246</b>                              | 360,814,391                                       |
| MCR Solvency Margin (Surplus/deficit) | <b>297,808,246</b>                              | 260,814,391                                       |
| SCR Solvency Margin (Surplus/deficit) | <b>227,408,802</b>                              | 186,671,352                                       |
| MGF Solvency Margin (Surplus/deficit) | <b>309,495,866</b>                              | 275,206,396                                       |

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

The interim condensed financial statements were approved by Board of Directors and authorized for issue on 3 November 2022.