

NATIONAL GENERAL INSURANCE Co. (P.J.S.C.)

Condensed interim financial information (Unaudited)
For the period ended 30 September 2023

Review Report of the Independent Auditor To the Shareholders of National General Insurance Co. (P.J.S.C)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of National General Insurance Co. (P.J.S.C) (the "Company") as at 30 September 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income for the three months and nine months periods then ended, condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine-month period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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.

Other matter

The financial statements for the year ended 31 December 2022 and the condensed interim financial information for the period ended 30 September 2022 were audited and reviewed by another auditor who expressed an unmodified opinion and unmodified conclusion on those statements on 21 February 2023 and 3 November 2022 respectively.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".



GRANT THORNTON
Farouk Mohamed
Registration No: 86
Dubai, 13 November 2023



National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Condensed interim statement of financial position
As at 30 September 2023

| | | (Unaudited) 30 September 2023 AED | Restated (Unaudited) 31 December 2022 AED | Restated (Unaudited) 31 December 2021 AED |
|---|-------|--|---|---|
| | Notes | | | |
| Assets | | | | |
| Property and equipment | 4 | 25,993,484 | 26,874,482 | 27,227,665 |
| Intangible assets | | 3,468,479 | 5,405,607 | 3,706,450 |
| Investment properties | 5 | 185,150,000 | 185,150,000 | 184,704,150 |
| Investment securities | 6 | 338,030,398 | 317,559,937 | 356,419,319 |
| Investments on behalf of policy holders of unit-linked products | 6 | 57,574,803 | 47,879,920 | 51,535,535 |
| Reinsurance contract assets | 8 | 247,274,644 | 242,100,252 | 239,317,684 |
| Insurance contract assets | 8 | 8,658,176 | 2,324,952 | 1,895,815 |
| Prepayments and other receivables | | 54,497,181 | 16,403,345 | 14,401,336 |
| Fixed deposits | 9 | 332,179,747 | 219,027,755 | 247,944,812 |
| Bank balances and cash | 9 | 86,875,412 | 126,362,439 | 64,397,757 |
| Total assets | | 1,339,702,324 | 1,189,088,689 | 1,191,550,523 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Share capital | 10 | 149,954,112 | 149,954,112 | 149,954,112 |
| Legal reserve | 11 | 74,977,056 | 74,977,056 | 74,977,056 |
| General reserve | 11 | 74,977,056 | 74,977,056 | 74,977,056 |
| Cumulative change in fair value of FVOCI investments | | (8,129,326) | (5,637,987) | 1,930,661 |
| Retained earnings | | 260,682,675 | 240,859,833 | 232,160,016 |
| Insurance finance reserve through OCI | | 81,968 | 25,871 | - |
| Reinsurance reserves | 11 | 3,572,440 | 3,572,440 | 1,846,431 |
| Total equity | | 556,115,981 | 538,728,381 | 535,845,332 |
| Liabilities | | | | |
| Provision for end of service indemnity | | 14,304,731 | 13,290,777 | 11,651,763 |
| Other payables | | 29,558,268 | 16,523,380 | 28,696,564 |
| Insurance contract liabilities | 8 | 726,300,913 | 617,234,549 | 595,705,630 |
| Reinsurance contract liabilities | 8 | 13,422,431 | 3,311,602 | 12,848,784 |
| Bank borrowings | | - | - | 6,802,450 |
| Total liabilities | | 783,586,343 | 650,360,308 | 655,705,191 |
| Total equity and liabilities | | 1,339,702,324 | 1,189,088,689 | 1,191,550,523 |

This condensed interim financial information was authorised for issue on 1.3 NOV. 2023 by the Board of Directors and signed on its behalf by:



HE Hamad Mubarak Buamim
Chairman



Dr. Abdul Zahra A. Ali
Chief Executive Officer

The notes from 1 to 22 form an integral part of this condensed interim financial information.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Condensed interim income statement
For the period ended 30 September 2023

| | Notes | (Unaudited) Three-month period ended 30 September 2023 AED | Restated (Unaudited) Three-month period ended 30 September 2022 AED | (Unaudited) Nine-month period ended 30 September 2023 AED | Restated (Unaudited) Nine-month period ended 30 September 2022 AED |
|---|-------|---|---|--|--|
| Insurance revenue | 14 | 195,116,661 | 155,646,386 | 541,494,313 | 463,764,974 |
| Insurance service expenses | 15 | (134,863,215) | (100,971,337) | (385,440,303) | (322,487,758) |
| Insurance service result before reinsurance contracts held | | 60,253,446 | 54,675,049 | 156,054,010 | 141,277,216 |
| Allocation of reinsurance premiums | | (87,405,264) | (75,266,395) | (258,478,925) | (223,124,334) |
| Amounts recoverable from reinsurance for incurred claims | | 52,777,509 | 43,014,576 | 135,463,988 | 129,883,621 |
| Net expenses from reinsurance contracts held | | (34,627,755) | (32,251,819) | (123,014,937) | (93,240,713) |
| Insurance service result | | 25,625,691 | 22,423,230 | 33,039,073 | 48,036,503 |
| Net fair value gains / (losses) on financial assets at FVTPL | | 2,226,977 | (3,756,775) | (2,049,034) | (13,443,733) |
| Income from investment properties | | 978,491 | 809,770 | 3,026,267 | 2,866,921 |
| Other investment income | | 14,265,733 | 5,686,602 | 36,456,113 | 14,840,532 |
| Total investment income | | 17,471,201 | 2,739,597 | 37,433,346 | 4,263,720 |
| Insurance finance income / (expenses) | 16 | 389,162 | 2,995,890 | (305,451) | 6,053,742 |
| Reinsurance finance (expenses) / income | 16 | (1,263,624) | (788,995) | 293,628 | 3,105,041 |
| Net insurance financial result | | (874,462) | 2,206,895 | (11,823) | 9,158,783 |
| Other operating income | | - | 31,347 | 784,815 | 979,990 |
| Other operating expenses | | (2,877,622) | (4,685,968) | (9,059,041) | (9,606,984) |
| Profit for the period | | 39,344,808 | 22,715,101 | 62,186,370 | 52,832,012 |
| Basic and diluted earnings per share | 17 | 0.26 | 0.15 | 0.41 | 0.35 |

The notes from 1 to 22 form an integral part of this condensed interim financial information.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)
Condensed interim statement of comprehensive income
For the period ended 30 September 2023

| | (Unaudited) | (Restated) (Unaudited) | (Unaudited) | (Restated) (Unaudited) |
|--|--|--|---|---|
| | Three-month period ended 30 September 2023 AED | Three-month period ended 30 September 2023 AED | Nine-month period ended 30 September 2023 AED | Nine-month period ended 30 September 2022 AED |
| Profit for the period | 39,344,808 | 22,715,101 | 62,186,370 | 52,832,012 |
| Other comprehensive income: | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | | |
| Net gain on insurance finance reserve through OCI | 43,096 | 30,344 | 56,097 | 35,945 |
| Net change in fair value of equity instruments designated at FVTOCI | (1,923,315) | (11,327,458) | (2,491,339) | (13,183,965) |
| Total other comprehensive loss for the period | (1,880,219) | (11,297,114) | (2,435,242) | (13,148,020) |
| Total comprehensive income /(loss) for the period | 37,464,589 | 11,417,987 | 59,751,128 | 39,683,992 |

The notes from 1 to 22 form an integral part of this condensed interim financial information.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Condensed interim statement of changes in equity
For the period ended 30 September 2023

| | Share capital AED | Legal reserve AED | General reserve AED | Reinsurance reserve AED | Cumulative change in fair value of FVOCI investments AED | Insurance finance reserve through OCI AED | Retained earnings AED | Total equity AED |
|---|----------------------|-------------------------|---------------------------|-------------------------------|---|---|-----------------------------|---------------------|
| Balance at 1 January 2022, as previously reported | 149,954,112 | 74,977,056 | 74,977,056 | 1,846,431 | 1,930,661 | - | 229,388,855 | 533,074,171 |
| Impact of initial application of IFRS 17 | - | - | - | - | - | - | 2,771,161 | 2,771,161 |
| Restated balance at 1 January 2022 | 149,954,112 | 74,977,056 | 74,977,056 | 1,846,431 | 1,930,661 | - | 232,160,016 | 535,845,332 |
| Profit for the period (restated) | - | - | - | - | - | - | 52,832,012 | 52,832,012 |
| Other comprehensive (loss)/income for the period | - | - | - | - | (13,183,965) | 35,945 | - | (13,148,020) |
| Total comprehensive (loss)/income for the period | - | - | - | - | (13,183,965) | 35,945 | 52,832,012 | 39,683,992 |
| Directors' remuneration | - | - | - | - | - | - | (5,125,000) | (5,125,000) |
| Dividend | - | - | - | - | - | - | (44,986,234) | (44,986,234) |
| Balance at 30 September 2022 (Unaudited) | 149,954,112 | 74,977,056 | 74,977,056 | 1,846,431 | (11,253,304) | 35,945 | 234,880,794 | 525,418,090 |
| Balance at 1 January 2023 (Unaudited) | 149,954,112 | 74,977,056 | 74,977,056 | 3,572,440 | (5,637,987) | 25,871 | 233,945,110 | 531,813,658 |
| Impact of initial application of IFRS 17 | - | - | - | - | - | - | 6,914,723 | 6,914,723 |
| Restated balance as at 1 January 2023 | 149,954,112 | 74,977,056 | 74,977,056 | 3,572,440 | (5,637,987) | 25,871 | 240,859,833 | 538,728,381 |
| Profit for the period | - | - | - | - | - | - | 62,186,370 | 62,186,370 |
| Other comprehensive (loss)/income for the period | - | - | - | - | (2,491,339) | 56,097 | - | (2,435,242) |
| Total comprehensive (loss)/income for the period | - | - | - | - | (2,491,339) | 56,097 | 62,186,370 | 59,751,128 |
| Directors' remuneration | - | - | - | - | - | - | (4,875,000) | (4,875,000) |
| Dividend | - | - | - | - | - | - | (37,488,528) | (37,488,528) |
| Balance at 30 September 2023 (Unaudited) | 149,954,112 | 74,977,056 | 74,977,056 | 3,572,440 | (8,129,326) | 81,968 | 260,682,675 | 556,115,981 |

The notes from 1 to 22 form an integral part of this condensed interim financial information.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Condensed interim statement of cash flows
For the period ended 30 September 2023

| | (Unaudited) Nine-month period ended 30 September 2023 AED | Restated (Unaudited) Nine-month period ended 30 September 2022 AED |
|---|--|--|
| Notes | | |
| Cash flows from operating activities | | |
| Profit for the period | 62,186,370 | 52,832,012 |
| Adjustments for: | | |
| Depreciation and amortisation | 2,253,003 | 1,792,013 |
| Dividend income | (7,945,124) | (5,323,553) |
| Realised gain on fair value through profit or loss (FVTPL) | | |
| Investments | (7,914,847) | (15,455,065) |
| Unrealised loss on FVTPL investments | 687,686 | 13,443,733 |
| Other investment income | (11,065,089) | (6,840,346) |
| Provision for employees' end of service indemnity | 1,828,518 | 1,752,040 |
| Operating cash flows before changes in working capital | 40,030,517 | 42,200,834 |
| Changes in working capital: | | |
| Change in insurance and reinsurance contract assets | (11,507,616) | 10,146,838 |
| Change in prepaid expenses and other assets | (38,093,836) | (17,735,840) |
| Change in insurance and reinsurance contract liabilities | 119,177,192 | (29,588,086) |
| Change in accrued expenses and other liabilities | 13,034,889 | (6,640,687) |
| Change in insurance finance reserve | 56,097 | 35,945 |
| Employees' end of service indemnity paid | (814,563) | (446,122) |
| Net cash generated from/(used in) operating activities | 121,882,680 | (2,027,118) |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (3,107,829) | (3,607,431) |
| Proceeds from disposal of property and equipment | 3,672,950 | 6,600 |
| Purchase of FVTPL investments | (48,804,971) | (81,646,962) |
| Purchase of FVOCI investments | (19,888,512) | (13,811,627) |
| Proceeds from sale of FVTPL investments | 43,263,960 | 122,286,861 |
| Dividends received | 7,945,124 | 5,323,553 |
| Interest and other income received | 11,065,089 | 6,840,346 |
| Change in bank deposits | (113,151,992) | 4,955,899 |
| Repayment of bank borrowings | - | (6,802,450) |
| Net cash (used in)/generated from investing activities | (119,006,181) | 33,544,789 |
| Cash flows from financing activities | | |
| Dividend paid | (37,488,526) | (44,986,234) |
| Directors' remuneration paid | (4,875,000) | (5,125,000) |
| Net cash used in financing activities | (42,363,526) | (50,111,234) |
| Net decrease in cash and cash equivalents | (39,487,027) | (18,593,563) |
| Cash and cash equivalents at beginning of the period | 126,362,439 | 64,397,757 |
| Cash and cash equivalents at end of the period | 9 86,875,412 | 45,804,194 |

The notes from 1 to 22 form an integral part of this condensed interim financial information.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

1 Legal status and activities

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

The Company is registered under UAE Federal Decree Law No. (32) of 2021 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 Establishment of Insurance Authority and Regulation of Insurance Operations, as amended, and is registered in the Insurance Companies Register of the Central Bank of the UAE ("CBUAE") (formerly, the UAE Insurance Authority ("IA")). The Company is listed on Dubai Financial Market, United Arab Emirates.

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

This condensed interim financial information has been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021.

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax regime in the UAE. The Law was published in the official gazette on 10 October 2022 and became effective on 25 October 2022. The Corporate Tax law will apply to taxable persons for financial years beginning on or after 1 June 2023. The corporate tax will apply on the adjusted accounting net profits of a business. The Company is currently in the process of assessing the possible impact on its financial statements, both from current and deferred tax perspective, in preparation for full compliance with the new corporate tax law noting that the first tax period for the Company is starting on 1 January 2024.

2 Basis of preparation

This condensed interim financial information is for the nine-month period ended 30 September 2023 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. This condensed interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' and complies with the applicable requirements of the laws in the U.A.E.

This condensed interim financial information has been prepared on the historical cost basis, except for financial assets carried at fair value through other comprehensive income which are carried at fair value and the provision for employees' end of service indemnity which is measured in accordance with U.A.E labour laws.

The Company's condensed interim statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: Cash and cash equivalents, insurance and other receivables and insurance and other payables. The following balances would generally be classified as non-current: property and equipment and fixed deposit. The following balances are of mixed nature (including both current and non-current portions): financial assets at fair value through other comprehensive income, reinsurance contract assets, insurance contract liabilities, bank balances and provision for employees' end of service indemnity.

The condensed interim financial information does not include all of the information required in annual financial statements in accordance with IFRS except for newly applied standard (IFRS 17) and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2022. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

3 Significant accounting policies

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2022, except for application of new standards effective as of 1 January 2023 and several amendments and interpretations apply for the first time in 2023.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

3 Significant accounting policies (continued)

The Company has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

Standards, interpretations, and amendments to existing standards – Impact of new IFRS

IFRS 17 Insurance Contracts

The Company has initially applied IFRS 17 Insurance Contracts (IFRS 17), which replaces IFRS 4 Insurance Contracts (IFRS 4) including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Company has restated certain comparative amounts for the prior year.

For the Company, IFRS 17 has not resulted in a material change in the classification of insurance contracts relative to IFRS 4. Previously under IFRS 4, the Company measured contracts at the line of business level. IFRS 17 has introduced a new unit of account at which insurance and reinsurance contracts are measured. Contracts are grouped into a unit of account based on the portfolio, cohort and profitability group to which the contract belongs.

The Company applies the Premium Allocation Approach (PAA) to simplify the measurement of contracts for all groups except for the single premium credit life business which is not eligible for this approach. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Changes to preparation and disclosures

For presentation in the statement of financial position, the line items for insurance and reinsurance contracts issued and reinsurance contracts held have been changed significantly compared with last year. Previously balance sheet items related to insurance and reinsurance contracts were split into the following line items:

- Assets:

- Insurance balances receivable;
- Reinsurers' share of unearned premiums reserve;
- Reinsurers' share of outstanding claims reserve; and
- Reinsurers' share of claims incurred but not reported reserve.

- Liabilities:

- Unearned premiums reserve;
- Outstanding claims reserve;
- Claims incurred but not reported reserve; and
- Allocated and unallocated loss adjustment expenses reserve.

Under IFRS 17, the Company aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately on the balance sheet:

- Portfolios of insurance contracts issued that are assets;
- Portfolios of insurance contracts issued that are liabilities;
- Portfolios of reinsurance contracts held that are assets; and
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Changes to preparation and disclosures (continued)

The line item descriptions in the statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously, the Company reported the following line items:

- Gross written premiums;
- Reinsurance share of gross written premiums;
- Net transfer to unearned premiums reserve;
- Commissions earned;
- Commissions incurred;
- Gross claims paid;
- Reinsurance share of claims paid;
- Change in outstanding claims reserve;
- Change in reinsurance share of outstanding claims reserve;
- Net change in incurred but not reported claims reserve;
- Change in allocated and unallocated loss adjustment expenses reserve;
- Other income and expenses related to underwriting activities;
- General and administrative expenses; and
- Charge for expected credit losses of insurance balances receivable.

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue;
- Insurance service expenses;
- Reinsurance expenses;
- Reinsurance income;
- Insurance finance income and expenses; and
- Reinsurance finance income and expenses.

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts; and
- Significant judgements, and changes in those judgements, when applying the standard.

Application of judgement on transition

The Company has determined that reasonable and supportable information was available for all contracts in force at the transition date. For all contracts that are eligible for the PAA, the Company has concluded that only current and prospective information was required to reflect circumstances at the transition date, which made the full retrospective application practicable. All contracts not measured under the PAA were issued in during the financial year prior to transition and modified retrospective approach have been used for these contracts.

Accordingly, the Company has: identified, recognised and measured each Company of insurance contracts as if IFRS 17 had always applied; derecognised any existing balances that would not exist if IFRS 17 had always applied; and recognised any resulting net difference in equity. The Company has not recognised any insurance acquisition cash flows assets relating to insurance contracts issued or expected to be issued.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS
(continued)

IFRS 17 Insurance Contracts (continued)

Unit of account

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts except for some smaller lines which are managed together and have been combined into a single portfolio.

Each portfolio is further disaggregated into group of contracts that are issued within a calendar year.

Each cohort is further disaggregated into group of contracts:

- Contracts that are onerous at initial recognition;
- Contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- A group of remaining contracts.

This level of granularity determines sets of contracts. Significant judgement is used to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same Company without performing an individual contract assessment.

The Company will assess profitability at the cohort level as these are all deemed to have homogenous profitability. If facts and circumstances indicate that any specific segment / Company of contracts within the portfolio is expected to have different profitability characteristics from the rest of the portfolio, then these will be split into a separate profitability Company.

For short duration contracts, the Company uses normalised risk adjusted expected total combined ratio to split contracts into the three different groups above. For longer term contracts, the Company calculates a risk adjusted profit margin (the ratio of the CSM to the present value of future premiums) at inception to determine the profitability grouping.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. The Company has split reinsurance contracts into portfolio based on the product lines which are covered by the reinsurance contract.

Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a cohort into groups of:

- contracts for which there is a net gain at initial recognition, if any;
- contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
- remaining contracts in the portfolio, if any.

This level of granularity determines sets of contracts. Significant judgement is used to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all reinsurance contracts within a set are sufficiently homogeneous and will be allocated to the same Company without performing an individual contract assessment.

For all reinsurance contracts net gain or net loss is assessed at a cohort level as this is the most granular level where profitability is available. The Company uses the reinsurance combined ratio to allocate contracts to each of the three groups above.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Unit of account (continued)

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that must be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct services other than insurance contract services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation or combination of insurance contracts.

Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

- A group of reinsurance contracts held that provide proportionate coverage is recognised at the later of the beginning of the coverage period of the group and the initial recognition of any underlying insurance contract; and
- All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held; unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the cohort restriction. Composition of the groups is not reassessed in subsequent periods.

When an insurance contract is modified by the Company as a result of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- If the modified terms had been included at contract inception and the Company would have concluded that the modified contract is not within the scope of IFRS 17, results in different separable components, results in a different contract boundary or belongs to a different group of contracts;
- The original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; and
- The original contract was measured under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Recognition and derecognition (continued)

When a contract is derecognised (and not measured under the PAA), the liability is adjusted as follows:

- The present value of future cash flows and risk adjustment (RA) for the group of contracts is adjusted such that they are equal to zero; and
- The CSM or LC is adjusted as follows:
 - If the derecognition is not as a result of a transfer to a third party or a modification: the full change in the FCFs is made to the present value of future cash flows and risk adjustment(RA) for the group of contracts;
 - If the contract is transferred to a third party: the full change in the FCFs is made to the present value of future cash flows and risk adjustment (RA) for the group of contracts less the premium charged by the third party; and
 - If the contract is derecognised due to a modification: the full change in the FCFs is made to the present value of future cash flows and risk adjustment (RA) for the group of contracts less the premium the Company would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Company assumes such a hypothetical premium was actually received.

The number of coverage units for the expected remaining coverage will be reduced by the number of coverage units that the contract derecognised represented.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to condensed consolidated interim statement of profit or loss:

- If the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment; and
- If the contract is transferred to a third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party

If the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms, is recognised as the new contract at the date of the contract modification less any additional premium charged for the modification.

Measurement approach

The Company elects to measure all insurance contracts under the PAA where eligible to do so. Currently all insurance contracts are eligible and thus measured under the PAA except for the single premium credit life business which is measured under the GMM.

Contracts written by the Company that have a coverage period of one year or less are automatically eligible for the PAA. The Company does write some contracts that have a coverage period exceeding one year and which were not automatically eligible. These are the Property, Motor (non-Fleet), Casualty and Engineering portfolios. For all the groups of contracts within the portfolio, the LRC measured under the PAA and the GMM were projected over the lifetime of the contracts, considering different reasonable scenarios, to determine if the differences were significant. The Company has found that for all these contracts the PAA provided a reasonable approximation of the GMM and were thus eligible for measurement under the PAA. The Company elects to measure all reinsurance contracts under the PAA where eligible to do so.

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Notes to the condensed interim financial information
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3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Measurement approach (continued)

Currently all reinsurance contracts are eligible (and thus measured under the PAA) except for the single premium credit life reinsurance portfolio.

Measurement of the FCF

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- are based on a probability-weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
- reflect conditions existing at the measurement date.

The Company has used consistent assumptions to measure the estimates of the present value of the future cash flows for the group of reinsurance contracts held and the estimates of the present value of the future cash flows for the group(s) of underlying insurance contracts.

The Company measures the estimates of the present value of the future cash flows for the group of reinsurance contracts held and includes the effect of any risk of non-performance by the issuer of the reinsurance contract. In addition, the Company includes the effects of collateral and losses from the disputes while estimating the present value of the future cash flows for the group of reinsurance contracts held. Accordingly, the respective line 'changes in the risk of non-performance of the issuer of reinsurance contracts held' is included in the reinsurance contracts assets and liabilities reconciliation.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates.

For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Contract boundaries

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation ends when:

- a. the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b. both of the following criteria are satisfied:
 - the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio;
 - the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods; and
 - beyond the reassessment date.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS
(continued)

IFRS 17 Insurance Contracts (continued)

Contract boundaries (continued)

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

The contract boundary of the treaty business of the Group which is written on a risk attaching basis includes the reinsurer's share of all the cash flows of all contracts that attach during the term of the treaty. Treaty business written on a loss occurring basis includes the reinsurer's share of all the cash flows that are incurred within the treaty term. Reinsurance contracts written on a facultative business include the reinsurer's share of all the cash flows within the contract boundary of the underlying contract.

Measurement of expenses

The Company had defined acquisition expenses as the costs of selling, underwriting and starting issuing a group of insurance contracts as per IFRS 17 requirements. The Company had defined acquisition costs as attributable to a contract (or group of contracts) if the cost is incurred to acquire a specific contract or group of contracts (as opposed to new business in general).

The Company has defined all other expenses as maintenance expenses. The Group has defined maintenance costs as attributable if they could not have been avoided if the contract had not been entered into. Where this is unclear, the Company has determined that maintenance costs are attributable if that expense would continue in run-off.

The Company has separated the outwards reinsurance costs from other expenses using a systematic allocation. The Company defines such expenses as attributable to the reinsurance contracts in line with the principles for direct contracts.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

The Company performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance and reinsurance contracts.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. The Company allocates these using relevant proxies. Similar methods are consistently applied to allocate expenses of a similar nature.

The Company does not pay (or recognise a liability, applying a standard other than IFRS 17) directly attributable acquisition costs before a group of insurance contracts is recognised. As such, no prerecognition acquisition costs assets have been established.

Initial and subsequent measurement – group of contracts measured under the PAA

For insurance contracts issued measured under the PAA, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid. Insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group.

National General Insurance Co. (P.J.S.C.)
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Notes to the condensed interim financial information
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3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Initial and subsequent measurement – group of contracts measured under the PAA (continued)

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- Increased for premiums received in the period;
- Decreased for insurance acquisition cash flows paid in the period;
- Decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- Increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

The Company does not adjust the LRC for insurance contracts issued for the effect of the time value of money, because insurance premiums are due within a year of the coverage provided associated with each premium.

For groups of insurance contracts measured under the PAA, the Company recognises insurance revenue based on the passage of time over the coverage period of a group of contracts with the exception of Engineering (all risk) and Construction (all risk) contracts where revenue is recognised using an increasing risk pattern and Marine Cargo where it is assumed that 25% of premium is unearned at the valuation date.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage for contracts measured under the PAA at the amount of ceding premiums paid less ceding commission received from the reinsurer.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- Increased for ceding premiums paid in the period;
- Decreased for ceding commissions or investment components received in the period; and
- Decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Company does not adjust the remaining coverage for reinsurance contracts held for the effect of the time value of money, because reinsurance premiums are due within a year of the coverage provided associated with each premium.

For groups of reinsurance contracts measured under the PAA, the Company recognises reinsurance expenses related to the premium ceded based on the pattern of the groups of underlying contracts.

The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component. The resulting changes in the loss component are disaggregated between insurance service expenses and insurance finance income or expenses as the option to adjust for the effect of the time value of money and financial risk in the calculation of the FCFs has been selected.

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Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
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3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS
(continued)

IFRS 17 Insurance Contracts (continued)

Initial and subsequent measurement – group of contracts measured under the PAA (continued)

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Changes in the loss recovery component are not disaggregated between income and expenses from reinsurance contracts held and reinsurance finance income or expenses for the effect of the time value of money and financial risk as the underlying loss components, which are all measured under the PAA, are not adjusted for the effect of the time value of money and financial risk.

CSM at initial recognition

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- The initial recognition of the FCF;
- Cash flows arising from the contracts in the group at that date; and
- The derecognition of any pre-recognition cash flows.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in condensed consolidated interim statement of profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

- The initial recognition of the FCF;
- Cash flows arising from the contracts in the group at that date;
- The amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other prerecognition cash flows); and
- Any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

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3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS
(continued)

IFRS 17 Insurance Contracts (continued)

CSM at subsequent measurement

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- The addition of CSM for new contracts recognised for the first time in the current reporting period;
- The interest accreted at the locked in yield curve on the carrying amount of the CSM;
- Changes in the FCFs relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that this does not result in a negative CSM.

When an increase in the FCFs result in a negative CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC.

When the CSM is zero, changes in the FCF adjust the loss component within the LRC with corresponding changes to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM;

- The effect of any currency exchange differences; and
- The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- Experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows (experience adjustments represents the differences between the estimate, at the beginning of the period, of amounts expected in the period and the actual payments during the period);
- Changes in estimates of the present value of future cash flows in the LRC, except those relating to the effect of the time value of money and the effect of financial risk and changes thereof;
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing the actual investment component that becomes payable in a period with the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
- Changes in the estimate of the LRC RA at the end of the period (the Company does not disaggregate these changes between insurance finance income and expenses and amounts that adjust the CSM – all changes are allocated to the latter)

Adjustments in point a and b above are measured using discount rates determined on initial recognition (the locked-in discount rates).

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- The addition of CSM for new contracts recognised for the first time in the current reporting period;
- Interest accreted on the carrying amount of the CSM;
- Income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised;
- Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held;

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3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

CSM at subsequent measurement (continued)

- Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts. Changes in the FCF cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not relate to future service and shall not adjust the contractual service margin;
- The effect of any currency exchange differences; and
- The amount recognised in profit or loss for insurance contract services received during the period, determined after all other adjustments above.

Interest accretion of the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition of the group of contracts, i.e. the first day of the cohort, namely 1 January of the respective year that the cohort is recognised.

Release of CSM to profit and loss

The amount of the CSM recognised in profit or loss for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the entity provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage).

The coverage period used corresponds with the term of the contracts. The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

- The quantity of benefits provided by contracts in the groups;
- The expected coverage period of contracts in the group; and
- The likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Company uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits with respect to insurance coverage.

The Company determines coverage units as follows:

- Earned premiums for general insurance and Group Life business; and
- Outstanding loan amount for Single Premium Credit Life.

The Company reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows.

For reinsurance contracts held, the CSM is released to profit or loss as insurance contract services are received from the reinsurer in the period. The coverage units are defined in line with premium earning pattern for general insurance and Group Life contracts. For Single Premium Credit Life, outstanding loan amount are used.

National General Insurance Co. (P.J.S.C.)
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Notes to the condensed interim financial information
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3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS
(continued)

IFRS 17 Insurance Contracts (continued)

Onerous contracts – loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the CSM allocation approach described above:

- o Expected incurred claims and other directly attributable expenses for the period;
- o Changes in the RA for the risk expired; and
- o Finance income or expenses from insurance contracts issued.

The amounts of loss component allocation in point a and b above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Reinsurance contracts held – loss-recovery component

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised when a loss component is set up for the group of onerous underlying insurance contracts.

This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts. When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, The Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Subsequently, the loss recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

The loss-recovery component of the Company was not affected by changes in the risk of reinsurers' non-performance.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

Insurance revenue

For contracts not measured under the PAA, insurance revenue comprises the following:

- Insurance claims and expenses incurred in the period as expected at the start of the period, excluding amounts related to the loss component, repayments of investment components and insurance acquisition expenses;

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3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Insurance revenue (continued)

- Changes in the RA, excluding changes that relate to future coverage which adjusts the CSM and amounts allocated to the loss component;
- Amounts of the CSM recognised in profit and loss for the services provided in the period;
- Actual vs expected premiums (or other premium-related cash flows such as commission) that relate to past or current services; and
- The recovery of the insurance acquisition cash flows which is determined by allocating a portion of the premiums related to the recovery of these cashflows on the basis of the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under the PAA, the Company recognises insurance revenue based on the passage of time over the coverage period of a group of contracts with the exception of Engineering (all risk) and Construction (all risk) contracts where revenue is recognised using an increasing risk pattern and Marine Cargo where it is assumed that 25% of premium is unearned at the valuation date.

Insurance service expenses

Insurance service expenses include the following:

- Claims incurred in the period (excluding investment components) and other directly attributable insurance service expenses incurred in the period;
- The amortisation of insurance acquisition cash flows;
- Changes that relate to past service (specifically changes in the estimate of the LIC at the start of the period including the change in the RA on the LIC); and
- Losses on onerous groups of contracts (i.e. the loss on setting up a loss component) and reversals of such losses which represent changes that relate to future service.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the pattern of revenue recognition under the PAA.

Other expenses not meeting the above categories are included in other operating expenses in the condensed consolidated interim statement of profit or loss.

Net income (expenses) from reinsurance contracts held

The Company presents the income from reinsurance contracts held and the expenses for reinsurance contracts held separately.

Reinsurance income will consist of:

- Actual claims and other expenses recovered during the period;
- The effect of changes in the risk of reinsurers non-performance;
- Losses recovered on underlying contracts and reversal of such recoveries;
- Changes that relate to past service adjustments to incurred claims component; and
- Other incurred directly attributable expenses.

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Notes to the condensed interim financial information
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3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS
(continued)

IFRS 17 Insurance Contracts (continued)

Net income (expenses) from reinsurance contracts held (continued)

For contracts measured under the PAA, reinsurance expenses will consist of:

- PAA premiums recognised as revenue in the period ceded to the reinsurer; and
- Ceding commission earned in the period.

For contracts measured under the GMM, reinsurance expenses will consist of:

- Expected claims and other expenses recovery;
- Changes in the RA recognised for the risk expired;
- CSM recognised for the services received; and
- Premium (and other related cash flows) experience adjustments relating to current service.

Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- Interest accreted on the CSM;
- Interest accreted on the PAA LRC excluding the LC (if adjusted for the financing effect);
- The financing effect on the LC measured under the PAA (if adjusted for the financing effect);
- The effect of changes in FCFs at current rates, when the corresponding CSM unlocking is measured at the locked-in rates;
- Any interest charged to or added to insurance / reinsurance asset or liability balances; and
- The effect of changes in interest rates and other financial assumptions.

For all groups of contracts, the Company disaggregates insurance finance income or expenses for the period between profit or loss and other comprehensive income (that is, the OCI option is applied).

The finance income and expenses from insurance contracts issued recognised in the condensed consolidate interim statement of profit or loss reflects the unwind of the liabilities at the locked-in rates. The remaining amount of finance income and expenses from insurance contracts issued for the period is recognised in OCI.

Transition

The Company has applied IFRS 17 from financial reporting periods commencing on 1 January 2023 with the date of transition from IFRS 4 being 1 January 2022.

The Company has adopted IFRS 17 retrospectively. The full retrospective approach was applied to the insurance contracts in force at the transition date.

Best estimate cash flows

The best estimate liability (BEL) represents the explicit, unbiased and probability weighted best estimate (expected value) of the future cash outflows minus the future cash inflows that arise when the Company fulfils its obligations with respect to the insurance contracts. The BEL, thus include the effects of discounting, allowing for financial risks (to the extent not included in the estimate of the cash flows).

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the period in which the Company:

- Can compel the policyholder to pay the premium; or
- Has a substantive obligation to provide the policyholder with coverage or other services.

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Notes to the condensed interim financial information
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3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Best estimate cash flows (continued)

A substantive obligation to provide services ends when the Company has the ‘practical ability’ to reassess the risks and can set a price or level of benefits that fully reflects those reassessed risks.

Before a group of insurance contracts is recognised, the Company could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another IFRS standard. Cash flows are related to the group of insurance contracts if they would have been included in the FCF at initial recognition of the group if they had been paid or received after that date. Such assets or liabilities (referred to as ‘other pre-recognition cash flows’) are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Company applies the following principles:

- Where there is sufficient data, experience investigations are performed, with adjustments made
- for any trends as well as to account for external considerations and business strategy; or
- Where data is insufficient or lacks credibility, benchmarks and industry experience would be considered, with appropriate and justifiable adjustments.

The Company makes use of estimates that are current by ensuring that:

- Updates are made to assumptions such that they faithfully represent the conditions at the valuation date;
- The changes in estimates faithfully represent the changes in conditions during the period; and
- Future changes in legislation are not taken into account, unless they have been substantively enacted.

The Company makes use of the following assumptions to project the cash flows for the non-life and group life business where required:

- Expected premium receipts pattern;
- Expected claims ratio;
- Expected attributable expense ratio;
- Expected bad debt;
- Expected incidence of risk; and
- Expected claims payment pattern.

The Company makes use of the following assumptions to project the cash flows for the life business:

- Expected premium receipts pattern;
- Mortality / morbidity rates;
- Persistency; and
- Expenses.

For the measurement of the LIC, the Company uses a blended approach (i.e. the chain-ladder, Bornhuetter Ferguson and expected loss ratio techniques are used) for calculating the Incurred But Not Reported Reserves (IBNR) and Incurred But Not Enough Reserves (IBNER) for all direct lines of business. The Company performs the calculations using quarterly claims development for all portfolios except Motor and Medical where monthly claims development is used.

The calculations are performed using incurred claims except for the Medical business where the calculations are performed using paid claims. Incurred claims are set as paid claims plus the outstanding claims reserve. The outstanding claims reserves are set in line with the case estimates that are determined when a claim is reported.

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For the period ended 30 September 2023

3 Significant accounting policies (continued)

Standards, interpretations, and amendments to existing standards – Impact of new IFRS (continued)

IFRS 17 Insurance Contracts (continued)

Discount rates

The bottom-up approach was used to derive the discount rate for all contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an ‘illiquidity premium’). The illiquidity premium is determined by reference to observable market rates.

Discount rates applied for discounting of future cash flows are listed below:

| | 1 year | | 3 years | | 5 years | | 10 years | |
|--|--------|-------|---------|-------|---------|-------|----------|-------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| <u>Measured under PAA and GMM</u> | | | | | | | | |
| Insurance contracts | | | | | | | | |
| AED | 5.03% | 1.52% | 4.74% | 1.83% | 4.57% | 1.86% | 4.40% | 1.84% |
| Reinsurance contracts held | | | | | | | | |
| AED | 5.03% | 1.52% | 4.74% | 1.83% | 4.57% | 1.86% | 4.40% | 1.84% |
| <u>Measured under VFA</u> | | | | | | | | |
| Insurance contracts | | | | | | | | |
| AED | 3.50% | 3.50% | 2.65% | 3.97% | 2.47% | 3.84% | 2.40% | 3.84% |

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Critical accounting estimates and judgments in applying accounting policies

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

In preparing this condensed interim financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited financial statements as at and for the year ended 31 December 2022. Except for the below judgements.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

3 Significant accounting policies (continued)

Critical accounting estimates and judgments in applying accounting policies (continued)

Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Liability for remaining coverage

For insurance acquisition cash flows, the Company is eligible and chooses to recognise the payments as an expense immediately (coverage period of a year or less) for all acquisition cashflows except for commission expense which is capitalised.

Liability for remaining coverage (continued)

The effect of recognising insurance acquisition cash flows as an expense on initial recognition of group of insurance contracts is to increase the liability for remaining coverage on initial recognition and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on initial recognition, due to expensing acquisition cash flows, offset by an increase in profit released over the coverage period. For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows.

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

Discount rates

The Company use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free rate was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a AAA credit rating were used. Management uses judgment to assess liquidity characteristics of the liability cash flows.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

3 Significant accounting policies (continued)

Critical accounting estimates and judgments in applying accounting policies (continued)

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Insurance and financial risk management

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2022. There have been no changes in any risk management policies since the year end. The accounting policies in respect of property and equipment, intangible assets and financial assets have been disclosed in this condensed interim financial information as required by Securities and Commodities Authority ("SCA") notification dated 12 October 2008.

Valuation of investment property

The fair value of investment property was determined by external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provides the fair value of the Company's investment property portfolio annually.

Impairment losses on insurance receivables

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL. The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

4 Property and equipment

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

5 Investments 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 as at 30 September 2023. Investment properties are classified as Level 3 in the fair value hierarchy as at 30 September 2023 (31 December 2022: Level 3).

6 Investment securities

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|---|--|---|
| Fair value through profit or loss (FVTPL) investments | 280,501,175 | 258,032,545 |
| Fair value through other comprehensive income (FVOCI) investments | 115,525,127 | 107,822,835 |
| Less: Provision for expected credit losses (ECL) | (421,101) | (415,523) |
| | <u>395,605,201</u> | <u>365,439,857</u> |

The split of investment securities in the statement of financial position is as follows:

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|--|--|---|
| Investment securities | 338,030,398 | 317,559,937 |
| Investments on behalf of policy holders of unit- linked products | 57,574,803 | 47,879,920 |
| | <u>395,605,201</u> | <u>365,439,857</u> |

Investments securities – Geographic concentration

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|-------------------|--|---|
| Investments made: | | |
| - Within UAE | 166,039,124 | 148,859,027 |
| - Outside UAE | 229,566,077 | 216,580,830 |
| | <u>395,605,201</u> | <u>365,439,857</u> |

Fair value through profit or loss (FVTPL) investments

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|---|--|---|
| Equity investments – quoted | 122,950,971 | 119,776,698 |
| Equity investments – unquoted | 10,000,000 | 10,000,000 |
| Fixed income investments/ bonds – quoted | 89,975,401 | 80,375,927 |
| Investments held on behalf of policyholders' unit linked products | | |
| linked products | 57,574,803 | 47,879,920 |
| | <u>280,501,175</u> | <u>258,032,545</u> |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

6 Investment securities (continued)

Fair value through other comprehensive income (FVOCI) investments

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|---|--|---|
| Equity investments – unquoted | 50,566,837 | 53,091,043 |
| Fixed income investments/bonds – quoted | 64,958,290 | 54,731,792 |
| | <u>115,525,127</u> | <u>107,822,835</u> |

Movements in provision for ECL are as follows:

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|--|--|---|
| Balance at the beginning of the year | 415,523 | 465,401 |
| Charge / (reversal) during the period/year | 5,578 | (49,878) |
| Balance at the end of the period/year | <u>421,101</u> | <u>415,523</u> |

7 Fair value of financial instruments

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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2022.

Fair value of the Company's financial assets that are measured at fair value on recurring basis.

The table in the next page provides an analysis of 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: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

7 Fair value of financial instruments (continued)

| | (Unaudited) | (Audited) | | | |
|----------------------------|--------------|-------------|-----------|---------------------------------------|------------------|
| | 30 September | 31 December | Fair | Valuation | Significant |
| | 2023 | 2022 | value | techniques | unobservable |
| | AED | AED | hierarchy | and key inputs | inputs |
| FVTOCI | | | | | |
| Quoted securities | 64,958,290 | 54,731,792 | Level 1 | Quoted bid prices in an active market | N/A |
| Unquoted equity securities | 50,566,837 | 53,091,043 | Level 3 | Net assets valuation method | Net asset value. |
| Quoted equity securities | 122,950,971 | 119,776,698 | Level 1 | Quoted bid prices in an active market | N/A |
| Quoted debt securities | 89,975,401 | 80,375,927 | Level 1 | Quoted bid prices in an active market | N/A |
| Unit linked products | 57,574,803 | 47,879,920 | Level 2 | Net assets valuation method | Net asset value |
| Unquoted equity securities | 10,000,000 | 10,000,000 | Level 3 | Net assets valuation method | Net asset value |

There were no transfers between each of the 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.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

| | 2023 (unaudited) | | | 2022 (unaudited) – Restated | | |
|---|--------------------|--------------------|--------------------|-----------------------------|--------------------|--------------------|
| | Assets AED | Liabilities AED | Net AED | Assets AED | Liabilities AED | Net AED |
| Insurance contracts issued | | | | | | |
| General and medical | - | 553,784,059 | 553,784,059 | - | 460,030,208 | 460,030,208 |
| Life | 8,658,176 | 172,516,854 | 163,858,678 | 2,324,952 | 157,204,341 | 154,879,389 |
| Total insurance contracts issued | 8,658,176 | 726,300,913 | 717,642,737 | 2,324,952 | 617,234,549 | 614,909,597 |
| Reinsurance contracts held | | | | | | |
| General and medical | 223,018,867 | 1,148,211 | 221,870,656 | 213,517,198 | 2,821,144 | 210,696,054 |
| Life | 24,255,777 | 12,274,220 | 11,981,557 | 28,583,054 | 490,458 | 28,092,596 |
| Total reinsurance contracts held | 247,274,644 | 13,422,431 | 233,852,213 | 242,100,252 | 3,311,602 | 238,788,650 |

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Contracts measured under the PAA

| | Liabilities for remaining coverage | | Liabilities for incurred claims | | Total AED |
|--|------------------------------------|-----------------------|--|------------------------|----------------------|
| | Excluding loss component AED | Loss component AED | Estimates of the present value of future cash flows AED | Risk adjustment AED | |
| 30 September 2023 (Unaudited) | | | | | |
| Insurance contract assets as at 1 January | 7,010,061 | (1,681,492) | (3,577,145) | (270,482) | 1,480,942 |
| Insurance contract liabilities as at 1 January | (87,296,663) | (11,500,422) | (365,584,981) | (9,885,740) | (474,267,806) |
| Net insurance contract liabilities as at 1 January | (80,286,602) | (13,181,914) | (369,162,126) | (10,156,222) | (472,786,864) |
| Insurance revenue | 534,373,525 | - | - | - | 534,373,525 |
| Insurance service expenses | | | | | |
| Incurred claims and other expenses | - | - | (373,948,382) | (12,236,290) | (386,184,672) |
| Amortisation of insurance acquisition cash | (62,489,259) | - | - | - | (62,489,259) |
| Losses on onerous contracts and reversals | - | 8,405,827 | - | - | 8,405,827 |
| Changes to liabilities for incurred claims | - | - | 50,636,493 | 11,701,269 | 62,337,762 |
| Insurance service result | 471,884,266 | 8,405,827 | (323,311,889) | (535,021) | 156,443,183 |
| Insurance finance expense | - | - | 601,375 | - | 601,375 |
| Total changes in the statement of comprehensive income / (loss) | 471,884,266 | 8,405,827 | (322,710,514) | (535,021) | 157,044,558 |
| Cash flows | | | | | |
| Premiums received | (602,195,214) | - | - | - | (602,195,214) |
| Claims and other expenses paid | - | - | 290,983,638 | - | 290,983,638 |
| Insurance acquisition cash flows | 67,939,508 | - | - | - | 67,939,508 |
| Total cash flows | (534,255,706) | - | 290,983,638 | - | (243,272,068) |
| Insurance contract assets as at 30 September | 13,132,374 | - | (4,159,669) | (314,529) | 8,658,176 |
| Insurance contract liabilities as at 30 September | (155,790,416) | (4,776,087) | (396,729,333) | (10,376,714) | (567,672,550) |
| Net insurance contract liabilities as at 30 September | (142,658,042) | (4,776,087) | (400,889,002) | (10,691,243) | (559,014,374) |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Contracts measured under the PAA

| | Liabilities for remaining coverage | | Liabilities for incurred claims | | Total AED |
|--|------------------------------------|-----------------------|--|------------------------|---------------|
| | Excluding loss component AED | Loss component AED | Estimates of the present value of future cash flows AED | Risk adjustment AED | |
| 31 December 2022 (Unaudited) (Restated) | | | | | |
| Insurance contract assets as at 1 January | - | - | - | - | - |
| Insurance contract liabilities as at 1 January | (77,938,913) | (10,391,442) | (335,409,992) | (10,723,535) | (434,463,882) |
| Net insurance contract liabilities as at 1 January | (77,938,913) | (10,391,442) | (335,409,992) | (10,723,535) | (434,463,882) |
| Insurance revenue | 608,487,046 | - | - | - | 608,487,046 |
| Insurance service expenses | | | | | |
| Incurred claims and other expenses | - | - | (422,310,332) | (14,373,407) | (436,683,739) |
| Amortisation of insurance acquisition cash flows | (80,799,593) | - | - | - | (80,799,593) |
| Losses on onerous contracts and reversals | - | (2,790,472) | - | - | (2,790,472) |
| Changes to liabilities for incurred claims | - | - | 52,354,234 | 14,940,720 | 67,294,954 |
| Insurance service result | 527,687,453 | (2,790,472) | (369,956,098) | 567,313 | 155,508,196 |
| Insurance finance expenses | - | - | (5,257,352) | - | (5,257,352) |
| Total changes in the statement of comprehensive | 527,687,453 | (2,790,472) | (375,213,450) | 567,313 | 150,250,844 |
| <i>Cash flows</i> | | | | | |
| Premiums received | (613,251,018) | - | - | - | (613,251,018) |
| Claims and other expenses paid | - | - | 312,171,549 | - | 312,171,549 |
| Insurance acquisition cash flows | 83,215,876 | - | 29,286,832 | - | 112,502,708 |
| Total cash flows | (530,035,142) | - | 341,458,381 | - | (188,576,761) |
| Insurance contract assets as at 31 December | 7,010,061 | (1,681,492) | (3,577,145) | (270,482) | 1,480,942 |
| Insurance contract liabilities as at 31 December | (87,296,663) | (11,500,422) | (365,587,916) | (9,885,740) | (474,270,741) |
| Net insurance contract liabilities as at 31 December | (80,286,602) | (13,181,914) | (369,165,061) | (10,156,222) | (472,789,799) |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Applicable to contracts not measured under the PAA

| | Liabilities for remaining coverage | | Liabilities for incurred claims | |
|---|------------------------------------|--------------------|---|----------------------|
| | Excluding loss component | Loss component | Estimates of the present value of future cash flows | Total |
| | AED | AED | AED | AED |
| 30 September 2023 (Unaudited) | | | | |
| Insurance contract assets as at 1 January | 844,010 | - | - | 844,010 |
| Insurance contract liabilities as at 1 January | (118,980,597) | (2,377,457) | (21,605,754) | (142,963,808) |
| Net insurance contract liabilities as at 1 January | (118,136,587) | (2,377,457) | (21,605,754) | (142,119,798) |
| Insurance revenue | 7,120,788 | - | - | 7,120,788 |
| Insurance service expenses | | | | |
| Incurred claims and other expenses | - | - | (5,900,915) | (5,900,915) |
| Amortisation of insurance acquisition cash flows | (224,622) | - | - | (224,622) |
| Losses on onerous contracts and reversals | - | (1,384,426) | - | (1,384,426) |
| Insurance service result | 6,896,166 | (1,384,426) | (5,900,915) | (389,175) |
| Insurance finance expenses | (719,997) | (61,800) | - | (781,797) |
| Total changes in the statement of comprehensive income | 6,176,169 | (1,446,226) | (5,900,915) | (1,170,972) |
| Cash flows | | | | |
| Premiums received | (29,741,547) | - | - | (29,741,547) |
| Claims and other expenses paid | - | - | 13,081,015 | 13,081,015 |
| Insurance acquisition cash flows | 1,322,939 | - | - | 1,322,939 |
| Total cash flows | (28,418,608) | - | 13,081,015 | (15,337,593) |
| Net insurance contract liabilities as at 30 September | (140,379,026) | (3,823,683) | (28,995,738) | (158,628,363) |
| 31 December 2022 (Restated) | | | | |
| Insurance contract assets as at 1 January | 1,895,815 | - | - | 1,895,815 |
| Insurance contract liabilities as at 1 January | (137,401,095) | - | (23,840,653) | (161,241,748) |
| Net insurance contract liabilities as at 1 January | (135,505,280) | - | (23,840,653) | (159,345,933) |
| Insurance revenue | 12,937,147 | - | - | 12,937,147 |
| Insurance service expenses | | | | |
| Incurred claims and other expenses | - | - | (3,696,782) | (3,696,782) |
| Amortisation of insurance acquisition cash flows | (229,958) | - | - | (229,958) |
| Losses on onerous contracts and reversals | - | (2,352,016) | - | (2,352,016) |
| Insurance service result | 12,707,189 | (2,352,016) | (3,696,782) | 6,658,391 |
| Insurance finance income /(expenses) | 5,733,155 | (25,441) | - | 5,707,714 |
| Total changes in the statement of comprehensive income | 18,440,344 | (2,377,457) | (3,696,782) | 12,366,105 |
| Cash flows | | | | |
| Premiums received | (25,077,987) | - | - | (25,077,987) |
| Claims and other expenses paid | - | - | 24,965,190 | 24,965,190 |
| Insurance acquisition cash flows | 1,895,394 | - | 3,077,434 | 4,972,828 |
| Total cash flows | (23,182,593) | - | 28,042,624 | 4,860,031 |
| Insurance contract assets as at 31 December | 844,010 | - | - | 844,010 |
| Insurance contract liabilities as at 31 December | (118,980,597) | (2,377,457) | (21,605,754) | (142,963,808) |
| Net insurance contract liabilities as at 31 December | (118,136,587) | (2,377,457) | (21,605,754) | (142,119,798) |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Analysis by measurement component – Contracts not measured under the PAA

| 30 September 2023 (Unaudited) | Estimates of present value of future cash flows AED | Risk adjustment for non- financial risk AED | CSM | | Total AED |
|---|--|---|--|---------------------------|----------------------|
| | | | Contracts under modified retrospective transition approach AED | Other contracts AED | |
| Insurance contract liabilities as at 1 January | (126,914,284) | (7,323,180) | - | (7,882,334) | (142,119,798) |
| Changes that relate to current services | | | | | |
| CSM recognised for services provided | - | - | - | 2,114,694 | 2,114,694 |
| Change in risk adjustment for non-financial risk for risk expired | - | 836,358 | - | - | 836,358 |
| Experience adjustments | 1,395,091 | - | - | - | 1,395,091 |
| Changes that relate to future services | | | | | |
| Contracts initially recognised in the year | (607,500) | (880,667) | - | (12,642) | (1,500,809) |
| Changes in estimates that adjust the CSM | 4,714,110 | 177,725 | - | (4,891,835) | - |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | (1,036,805) | 133,940 | - | - | (902,865) |
| Changes that relate to past services | | | | | |
| Adjustments to liabilities for incurred claims | (2,256,212) | (75,431) | - | - | (2,331,643) |
| Insurance service result | 2,208,684 | 191,925 | - | (2,789,783) | (389,174) |
| Net finance expenses from insurance contracts | (651,940) | - | - | (129,857) | (781,797) |
| Total changes in the statement of profit or loss and OCI | 1,556,744 | 191,925 | - | (2,919,640) | (1,170,971) |
| Cash flows | | | | | |
| Premiums received | (29,741,548) | - | - | - | (29,741,548) |
| Claims and other directly attributable expenses | | | | | |
| Paid | 13,081,015 | - | - | - | 13,081,015 |
| Insurance acquisition cash flows paid | 1,322,939 | - | - | - | 1,322,939 |
| Total cash flows | (15,337,594) | - | - | - | (15,337,594) |
| Insurance contract liabilities as at 30 September | (140,695,134) | (7,131,255) | - | (10,801,974) | (158,628,363) |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Analysis by measurement component – Contracts not measured under the PAA (continued)

| | Estimates of present value of future cash flows AED | Risk adjustment for non-financial risk AED | CSM | | Total AED |
|---|--|--|--|---------------------------|---------------|
| | | | Contracts under modified retrospective transition approach AED | Other contracts AED | |
| 31 December 2022 (Unaudited) (Restated) | | | | | |
| Insurance contract liabilities as at 1 January | (133,607,828) | (7,379,268) | - | (18,358,837) | (159,345,933) |
| Changes that relate to current services | | | | | |
| CSM recognised for services provided | - | - | - | 3,544,994 | 3,544,994 |
| Change in risk adjustment for non-financial risk for risk expired | - | 477,791 | - | - | 477,791 |
| Experience adjustments | 6,000,219 | - | - | - | 6,000,219 |
| Changes that relate to future services | | | | | |
| Contracts initially recognised in the year | (615,429) | (1,158,538) | - | (929,115) | (2,703,082) |
| Changes in estimates that adjust the CSM | (8,462,388) | 262,722 | - | 8,199,666 | - |
| Changes in estimates that result in losses and reversals of losses on onerous contracts | (2,386,047) | 424,097 | - | - | (1,961,950) |
| Changes that relate to past services | | | | | |
| Adjustments to liabilities for incurred claims | 1,250,403 | 50,016 | - | - | 1,300,419 |
| Insurance service result | (4,213,242) | 56,088 | - | 10,815,545 | 6,658,391 |
| Net finance income /(expenses) from insurance contracts | 6,046,755 | - | - | (339,042) | 5,707,713 |
| Total changes in the statement of profit or loss and OCI | 1,833,513 | 56,088 | - | 10,476,503 | 12,366,104 |
| Cash flows | | | | | |
| Premiums received | (25,077,987) | - | - | - | (25,077,987) |
| Claims and other directly attributable expenses paid | 28,042,624 | - | - | - | 28,042,624 |
| Insurance acquisition cash flows paid | 1,895,394 | - | - | - | 1,895,394 |
| Total cash flows | 4,860,031 | - | - | - | 4,860,031 |
| Insurance contract liabilities as at 31 December | (126,914,284) | (7,323,180) | - | (7,882,334) | (142,119,798) |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

Contracts measured under the PAA

| | Assets for remaining coverage | | Amounts recoverable on incurred claims | | Total AED |
|--|---------------------------------------|--------------------|---|---------------------|----------------------|
| | Excluding loss recovery component AED | Loss component AED | Estimates of the present value of future cash flows AED | Risk adjustment AED | |
| 30 September 2023 (Unaudited) | | | | | |
| Reinsurance contract assets as at 1 January | (14,673,894) | 5,074,907 | 232,074,535 | 5,366,758 | 227,842,306 |
| Reinsurance contract liabilities as at 1 January | (3,140,382) | 215,349 | 103,418 | 471 | (2,821,144) |
| Net reinsurance contract (liabilities)/assets | (17,814,276) | 5,290,256 | 232,177,953 | 5,367,229 | 225,021,162 |
| An allocation of reinsurance premiums | (254,954,531) | - | - | - | (254,954,531) |
| Amounts recoverable from reinsurers for incurred claims | | | | | |
| Amounts recoverable for incurred claims and other expenses | - | - | 170,115,637 | 7,226,509 | 177,342,146 |
| Loss-recovery on onerous underlying contracts and adjustments | - | - | (32,305,627) | (7,466,771) | (39,772,398) |
| Changes to amounts recoverable for incurred claims | - | (3,195,048) | - | - | (3,195,048) |
| Net income or expense from reinsurance contracts held | (254,954,531) | (3,195,048) | 137,810,010 | (240,262) | (120,579,831) |
| Reinsurance finance income | - | - | 65,603 | - | 65,603 |
| Total changes in the statement of comprehensive income | (254,954,531) | (3,195,048) | 137,875,613 | (240,262) | (120,514,228) |
| Cash flows | | | | | |
| Premiums paid | 256,287,852 | - | - | - | 256,287,852 |
| Amounts received | - | - | (135,581,632) | - | (135,581,632) |
| Total cash flows | 256,287,852 | - | (135,581,632) | - | 120,706,220 |
| Net reinsurance contract (liabilities) /assets as at 30 September | (16,480,955) | 2,095,208 | 234,471,934 | 5,126,967 | 225,213,154 |
| Reinsurance contract assets as at 30 September | (2,514,064) | 2,095,208 | 231,077,504 | 5,011,286 | 235,669,934 |
| Reinsurance contract liabilities as at 30 September | (13,966,890) | - | 3,394,430 | 115,680 | (10,456,780) |
| Net reinsurance contract (liabilities)/assets as at 30 September | (16,480,954) | 2,095,208 | 234,471,934 | 5,126,966 | 225,213,154 |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts measured under the PAA (continued)

| | Assets for remaining coverage | | Amounts recoverable on incurred claims | | Total AED |
|---|---------------------------------------|--------------------|---|---------------------|---------------|
| | Excluding loss recovery component AED | Loss component AED | Estimates of the present value of future cash flows AED | Risk adjustment AED | |
| 31 December 2022 (Unaudited) (Restated) | | | | | |
| Reinsurance contract assets as at 1 January | (15,614,583) | 5,046,072 | 223,033,984 | 4,550,833 | 217,016,306 |
| Reinsurance contract liabilities as at 1 January | (8,618,238) | 13,301 | 525,723 | 5,366 | (8,073,848) |
| Net reinsurance contract (liabilities)/assets | (24,232,821) | 5,059,373 | 223,559,707 | 4,556,199 | 208,942,458 |
| An allocation of reinsurance premiums | (283,335,195) | - | - | - | (283,335,195) |
| Amounts recoverable from reinsurers for incurred | | | | | |
| Amounts recoverable for incurred claims and other expenses | - | - | 205,309,814 | 8,118,544 | 213,428,358 |
| Loss-recovery on onerous underlying contracts and adjustments | - | - | (28,398,971) | (7,307,514) | (35,706,485) |
| Changes to amounts recoverable for incurred | - | 230,883 | - | - | 230,883 |
| Net income or expense from reinsurance contracts held | (283,335,195) | 230,883 | 176,910,843 | 811,030 | (105,382,439) |
| Reinsurance finance income | - | - | 3,641,210 | - | 3,641,210 |
| Total changes in the statement of comprehensive income | (283,335,195) | 230,883 | 180,552,053 | 811,030 | (101,741,229) |
| <i>Cash flows</i> | | | | | |
| Premiums paid | 289,753,740 | - | - | - | 289,753,740 |
| Amounts received | - | - | (171,933,807) | - | (171,933,807) |
| Total cash flows | 289,753,740 | - | (171,933,807) | - | 117,819,933 |
| Net reinsurance contract (liabilities)/assets as at 31 December | (17,814,276) | 5,290,256 | 232,177,953 | 5,367,229 | 225,021,162 |
| Reinsurance contract assets as at 31 December | (14,673,894) | 5,074,907 | 232,074,535 | 5,366,758 | 227,842,306 |
| Reinsurance contract liabilities as at 31 December | (3,140,382) | 215,349 | 103,418 | 471 | (2,821,144) |
| Net reinsurance contract (liabilities)/assets as at 31 December | (17,814,276) | 5,290,256 | 232,177,953 | 5,367,229 | 225,021,162 |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts not measured under the PAA

| | Assets for remaining coverage | | Amounts recoverable on incurred claims | |
|---|---------------------------------------|--------------------|---|--------------------|
| | Excluding loss recovery component AED | Loss component AED | Estimates of the present value of future cash flows AED | Total AED |
| 30 September 2023 (unaudited) | | | | |
| Reinsurance contract assets as at 1 January | 9,646,708 | 540,002 | 4,071,236 | 14,257,946 |
| Reinsurance contract liabilities as at 1 January | (598,202) | - | 107,744 | (490,458) |
| Net reinsurance contract assets as at 1 January | 9,048,506 | 540,002 | 4,178,980 | 13,767,488 |
| An allocation of reinsurance premiums | (3,524,393) | - | - | (3,524,393) |
| Amounts recoverable from reinsurers for incurred claims | | | | |
| Amounts recoverable for incurred claims and other expenses | - | - | 518,853 | 518,853 |
| Changes to amounts recoverable for incurred claims | - | - | 861,458 | 861,458 |
| Changes in fulfilment cash flows that do not adjust CSM | - | (291,021) | - | (291,021) |
| Net income or expense from reinsurance contracts held | (3,524,393) | (291,021) | 1,380,311 | (2,435,103) |
| Reinsurance finance income | 159,094 | - | - | 159,094 |
| Total changes in the statement of comprehensive income | (3,365,299) | (291,021) | 1,380,311 | (2,276,009) |
| Cash flows | | | | |
| Premiums paid | (2,333,566) | - | - | (2,333,566) |
| Amounts received | - | - | (518,853) | (518,853) |
| Total cash flows | (2,333,566) | - | (518,853) | (2,852,419) |
| Net reinsurance contract assets as at 30 September | 6,423,036 | 248,980 | 4,932,694 | 11,604,710 |
| Reinsurance contract assets as at 30 September | 6,423,036 | 248,980 | 4,932,694 | 11,604,710 |
| Reinsurance contract liabilities as at 30 September | (3,073,395) | - | 107,744 | (2,965,651) |
| Net reinsurance contract assets as at 30 September | 3,349,641 | 248,980 | 5,040,438 | 8,639,059 |
| 31 December 2022 (unaudited) (Restated) | | | | |
| Reinsurance contract assets as at 1 January | 17,562,664 | - | 4,738,713 | 22,301,377 |
| Reinsurance contract liabilities as at 1 January | (4,774,936) | - | - | (4,774,936) |
| Net reinsurance contract assets as at 1 January | 12,787,728 | - | 4,738,713 | 17,526,441 |
| An allocation of reinsurance premiums | (10,465,242) | - | - | (10,465,242) |
| Amounts recoverable from reinsurers for incurred claims | | | | |
| Amounts recoverable for incurred claims and other expenses | - | - | 9,717,580 | 9,717,580 |
| Changes to amounts recoverable for incurred claims | - | - | (559,733) | (559,733) |
| Changes in fulfilment cash flows that do not adjust CSM | - | 540,002 | - | 540,002 |
| Net income or expense from reinsurance contracts held | (10,465,242) | 540,002 | 9,157,847 | (767,393) |
| Reinsurance finance income | 443,314 | - | - | 443,314 |
| Total changes in the statement of comprehensive income | (10,021,928) | 540,002 | 9,157,847 | (324,079) |
| Cash flows | | | | |
| Premiums paid | 6,282,706 | - | - | 6,282,706 |
| Amounts received | - | - | (9,717,580) | (9,717,580) |
| Total cash flows | 6,282,706 | - | (9,717,580) | (3,434,874) |
| Net reinsurance contract assets as at 31 December | 9,646,708 | 540,002 | 4,071,236 | 14,257,946 |
| Reinsurance contract assets as at 31 December | 9,646,708 | 540,002 | 4,071,236 | 14,257,946 |
| Reinsurance contract liabilities as at 31 December | (598,202) | - | 107,744 | (490,458) |
| Net reinsurance contract assets as at 31 December | 9,048,506 | 540,002 | 4,178,980 | 13,767,488 |

National General Insurance Co. (P.J.S.C.)
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Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Analysis by measurement component – Contracts not measured under the PAA

| 30 September 2023 (Unaudited) | Estimates of present value of future cash flows AED | Risk adjustment for non- financial risk AED | CSM | | Total AED |
|--|--|---|--|---------------------------|--------------------|
| | | | Contracts under modified retrospective transition approach AED | Other contracts AED | |
| Reinsurance contract assets as at 1 January | 7,658,935 | 210,364 | - | 6,388,647 | 14,257,946 |
| Reinsurance contract liabilities as at 1 January | (941,702) | 136,420 | - | 314,824 | (490,458) |
| Net reinsurance contract assets | 6,717,233 | 346,784 | - | 6,703,471 | 13,767,488 |
| Changes that relate to current services | | | | | |
| CSM recognised for services provided | - | - | - | (1,950,395) | (1,950,395) |
| Change in risk adjustment for non-financial risk for risk expired | - | (36,069) | - | - | (36,069) |
| Experience adjustments | (1,019,077) | - | - | - | (1,019,077) |
| Changes that relate to future services | | | | | |
| Contracts initially recognised in the period | (48,162) | 29,610 | - | 18,552 | - |
| Changes in estimates that adjust the CSM | (257,276) | 12,406 | - | 244,870 | - |
| Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts | - | - | - | (291,020) | (291,020) |
| Changes that relate to past services | | | | | |
| Adjustments to assets for incurred claims | 828,325 | 33,133 | - | - | 861,458 |
| Net expenses from reinsurance contracts | (496,190) | 39,080 | - | (1,977,993) | (2,435,103) |
| Net finance income from reinsurance contracts | 18,241 | - | - | 140,853 | 159,094 |
| Total changes in the statement of profit or loss and OCI | (477,949) | 39,080 | - | (1,837,140) | (2,276,009) |
| Cash flows | | | | | |
| Premiums received | (2,333,566) | - | - | - | (2,333,566) |
| Claims and other directly attributable expenses paid | (518,853) | - | - | - | (518,853) |
| Total cash flows | (2,852,419) | - | - | - | (2,852,419) |
| Reinsurance contract assets as at 30 September | 6,455,547 | 251,318 | - | 4,897,845 | 11,604,710 |
| Reinsurance contract liabilities as at 30 September | (3,068,681) | 134,547 | - | (31,517) | (2,965,651) |
| Net reinsurance contract assets as at 30 September | 3,386,866 | 385,865 | - | 4,866,328 | 8,639,059 |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Analysis by measurement component – Contracts not measured under the PAA (continued)

| | | | CSM | | |
|--|--|--|--|---------------------------|--------------|
| | Estimates of present value of future cash flows AED | Risk adjustment for non-financial risk AED | Contracts under modified retrospective transition approach AED | Other contracts AED | Total AED |
| 31 December 2022 (Unaudited) (Restated) | | | | | |
| Reinsurance contract assets as at 1 January | 18,634,012 | 356,590 | - | 3,310,775 | 22,301,377 |
| Reinsurance contract liabilities as at 1 January | (4,774,936) | - | - | - | (4,774,936) |
| Net reinsurance contract assets | 13,859,076 | 356,590 | - | 3,310,775 | 17,526,441 |
| Changes that relate to current services | | | | | |
| CSM recognised for services provided | - | - | - | (3,703,842) | (3,703,842) |
| Change in risk adjustment for non-financial risk for risk expired | - | (65,439) | - | - | (65,439) |
| Experience adjustments | 3,021,619 | - | - | - | 3,021,619 |
| Changes that relate to future services | | | | | |
| Contracts initially recognised in the year | (672,123) | 83,613 | - | 588,510 | - |
| Changes in estimates that adjust the CSM | (5,854,237) | (6,452) | - | 5,860,688 | (1) |
| Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts | - | - | - | 540,002 | 540,002 |
| Changes that relate to past services | (538,205) | (21,528) | - | - | (559,733) |
| Adjustments to assets for incurred claims | - | - | - | - | - |
| Net expenses from reinsurance contracts | (4,042,946) | (9,806) | - | 3,285,358 | (767,394) |
| Net finance income from reinsurance contracts | 335,977 | - | - | 107,338 | 443,315 |
| Total changes in the statement of profit or loss and OCI | (3,706,969) | (9,806) | - | 3,392,696 | (324,079) |
| Cash flows | | | | | |
| Premiums received | 6,282,706 | - | - | - | 6,282,706 |
| Claims and other directly attributable expenses paid | (9,717,580) | - | - | - | (9,717,580) |
| Total cash flows | (3,434,874) | - | - | - | (3,434,874) |
| Reinsurance contract assets as at 31 December | 7,593,151 | 210,364 | - | 6,388,648 | 14,192,163 |
| Reinsurance contract liabilities as at 31 December | (875,918) | 136,420 | - | 314,823 | (424,675) |
| Net reinsurance contract assets as at 31 December | 6,717,233 | 346,784 | - | 6,703,471 | 13,767,488 |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

8 Insurance and reinsurance contracts (continued)

Expected recognition of the contractual service margin - An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table (number of years until expected to be recognised).

| | 1 year AED | 2 year AED | 3 year AED | 4 year AED | 5 year AED | >6 year AED | Total AED |
|--|---------------|---------------|---------------|---------------|---------------|----------------|--------------|
| 30 September 2023 (unaudited) | | | | | | | |
| Total CSM for insurance contracts issued | (1,127,046) | (1,621,142) | (988,649) | (750,938) | (681,415) | (5,632,783) | (10,801,973) |
| Total CSM for reinsurance contracts held | 977,937 | 1,272,197 | 597,290 | 353,520 | 302,884 | 1,362,501 | 4,866,329 |
| 31 December 2022 (restated) | | | | | | | |
| Total CSM for insurance contracts issued | (2,278,043) | (1,306,885) | (615,003) | (388,052) | (343,851) | (2,950,500) | (7,882,334) |
| Total CSM for reinsurance contracts held | 2,669,151 | 1,474,621 | 621,375 | 334,576 | 283,095 | 1,320,653 | 6,703,471 |

Reconciliation of the measurement components of insurance and reinsurance contract balances measured under both PAA and GMM as at:

| | PAA AED | Non-PAA AED | Total AED |
|--------------------------------------|----------------------|----------------------|----------------------|
| 30 September 2023 (unaudited) | | | |
| Insurance contract assets | - | 8,658,176 | 8,658,176 |
| Insurance contract liabilities | (553,784,059) | (172,516,854) | (726,300,913) |
| Reinsurance contract assets | 235,669,934 | 11,604,710 | 247,274,644 |
| Reinsurance contract liabilities | (10,456,780) | (2,965,651) | (13,422,431) |
| | <u>(328,570,905)</u> | <u>(155,219,619)</u> | <u>(483,790,524)</u> |
| 31 December 2022 (Restated) | | | |
| Insurance contract assets | - | 2,324,952 | 2,324,952 |
| Insurance contract liabilities | (460,030,208) | (157,204,341) | (617,234,549) |
| Reinsurance contract assets | 227,842,306 | 14,257,946 | 242,100,252 |
| Reinsurance contract liabilities | (2,821,144) | (490,458) | (3,311,602) |
| | <u>(235,009,046)</u> | <u>(141,111,901)</u> | <u>(376,120,947)</u> |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

9 Bank balances and cash

Bank balances and cash comprise the following statement of financial position amounts:

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|--|--|---|
| Cash on hand | 17,454 | 222,378 |
| Cash with banks | 86,913,858 | 126,185,092 |
| Statutory deposits | 10,000,000 | 10,000,000 |
| Fixed deposits | 322,179,747 | 209,027,755 |
| Less: ECL provision | (55,900) | (45,031) |
| Total bank balances and cash | 419,055,159 | 345,390,194 |
| Less: Deposits with maturities greater than three months | (332,179,747) | (219,027,755) |
| Cash and cash equivalents | 86,875,412 | 126,362,439 |

Fixed deposits amounting to AED 17.7 (31 December 2022: AED 17.6 million) under lien are against letters of guarantee (Note 13). 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 2022: 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.

Movements in provision for ECL are as follows:

| | (Unaudited) 30 September 2023 AED | (Unaudited) 30 September 2022 AED | (Audited) 31 December 2022 AED |
|---|--|--|---|
| Balance at the beginning of the period/year | 45,031 | 45,031 | 41,475 |
| Reversal made during the period/year | 10,869 | (5,627) | 3,556 |
| Balance at the end of the period/year | 55,900 | 39,404 | 45,031 |

10 Share capital

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|--|--|---|
| Issued and fully paid 149,954,112 shares of AED 1 each (31 December 2022: 149,954,112 shares of AED 1 each) | 149,954,112 | 149,954,112 |

11 Reserves

Legal reserve

In accordance with the Company's Articles of Association and UAE Federal Law No. 32 of 2021, the company transfers 10% of annual net profits, if any, to the legal reserve until it equals 50% of the share capital.

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

11 Reserves (continued)

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 2023.

Investment revaluation reserve

This reserve records fair value changes on fair value through OCI investments.

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.

12 Related party balances and transactions

Related parties represent, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Company's management. The significant balances outstanding in respect of related parties included in the financial information are as follows:

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|--|--|---|
| <i>Affiliates of major shareholders:</i> | | |
| Due from policyholders – affiliates | 21,157,951 | 12,361,853 |
| Due to related parties – affiliates | 281,183 | 354,516 |
| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
| Cash and cash equivalent: | | |
| Cash at bank | 28,039,205 | 74,427,537 |
| Short term deposits | 126,178,302 | 161,309,799 |

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

| | Three-month ended 30 September (Unaudited) | | Nine-month ended 30 September (Unaudited) | |
|--|---|-------------|--|-------------|
| | 2023 AED | 2022 AED | 2023 AED | 2022 AED |
| Key management personnel compensation | | | | |
| Remuneration and short term benefits | 1,798,245 | 1,668,009 | 4,906,730 | 5,098,225 |
| End of service benefit | 70,910 | 58,711 | 290,438 | 624,524 |
| Other related parties | | | | |
| Insurance income | 17,383,689 | 15,972,368 | 43,978,595 | 46,170,458 |
| Insurance expense | 6,418,370 | 1,163,963 | 19,158,555 | 13,214,892 |
| Dividend paid | | | 28,605,505 | 30,015,867 |
| Interest income | 1,364,281 | 259,336 | 2,555,608 | 407,983 |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

12 Related party balances and transactions (continued)

The Company has not recorded any impairment of amounts owed by related parties.

13 Contingent liabilities

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|----------------------|---|---|
| Letters of guarantee | 10,866,857 | 14,627,939 |

Fixed deposits amounting to AED 17.7 million (31 December 2022: AED 17.6 million) are under lien as collateral in respect of above guarantees. Guarantees include an amount of AED 10 million (31 December 2022: 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.

14 Insurance revenue

| | General AED | Life AED | Total AED |
|---|----------------|-------------|--------------|
| For the nine-month period ended 30 September 2023 (Unaudited) | | | |
| Contracts not measured under the PAA | | | |
| Expected incurred claims and other insurance service expenses | - | 3,729,914 | 3,729,914 |
| Recovery of insurance acquisition cash flows | - | 224,622 | 224,622 |
| CSM recognised for services provided | - | 2,114,694 | 2,114,694 |
| Change in risk adjustment for non-financial risk for risk expired | - | 1,051,558 | 1,051,558 |
| | - | 7,120,788 | 7,120,788 |
| Contracts measured under the PAA | 493,705,501 | 40,668,024 | 534,373,525 |
| Total insurance revenue | 493,705,501 | 47,788,812 | 541,494,313 |
| For the nine-month period ended 30 September 2022 (Unaudited) (Restated) | | | |
| Contracts not measured under the PAA | | | |
| Expected incurred claims and other insurance service expenses | - | 6,780,921 | 6,780,921 |
| Recovery of insurance acquisition cash flows | - | 111,434 | 111,434 |
| CSM recognised for services provided | - | 5,050,210 | 5,050,210 |
| Change in risk adjustment for non-financial risk for risk expired | - | 937,304 | 937,304 |
| | - | 12,879,869 | 12,879,869 |
| Contracts measured under the PAA | 415,286,370 | 35,598,735 | 450,885,105 |
| Total insurance revenue | 415,286,370 | 48,478,604 | 463,764,974 |

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Notes to the condensed interim financial information
For the period ended 30 September 2023

14 Insurance revenue (continued)

| | General AED | Life AED | Total AED |
|---|--------------------|-------------------|--------------------|
| For the three-month period ended 30 September 2023 (Unaudited) | | | |
| Contracts not measured under the PAA | | | |
| Expected incurred claims and other insurance service expenses | - | 702,559 | 702,559 |
| Recovery of insurance acquisition cash flows | - | 74,897 | 74,897 |
| CSM recognised for services provided | - | 562,176 | 562,176 |
| Change in risk adjustment for non-financial risk for risk expired | - | 2,095,418 | 2,095,418 |
| | - | 3,435,050 | 3,435,050 |
| Contracts measured under the PAA | 178,040,253 | 13,641,358 | 191,681,611 |
| Total insurance revenue | 178,040,253 | 17,076,408 | 195,116,661 |

For the three-month period ended 30 September 2022 (Unaudited) (Restated)

| | | | |
|---|--------------------|-------------------|--------------------|
| Contracts not measured under the PAA | | | |
| Expected incurred claims and other insurance service expenses | - | 1,996,600 | 1,996,600 |
| Recovery of insurance acquisition cash flows | - | 50,417 | 50,417 |
| CSM recognised for services provided | - | 817,247 | 817,247 |
| Change in risk adjustment for non-financial risk for risk expired | - | 465,097 | 465,097 |
| | - | 3,329,361 | 3,329,361 |
| Contracts measured under the PAA | 139,886,130 | 12,430,895 | 152,317,025 |
| Total insurance revenue | 139,886,130 | 15,760,256 | 155,646,386 |

15 Insurance service expense

| | General AED | Life AED | Total AED |
|---|--------------------|-------------------|--------------------|
| For the nine-month period ended 30 September 2023 (Unaudited) | | | |
| Incurred claims and other expenses | 369,678,399 | 20,075,544 | 389,753,943 |
| Losses on onerous contracts and reversals of those losses | (6,724,335) | (297,066) | (7,021,401) |
| Changes to liabilities for incurred claims | (54,128,506) | (5,877,613) | (60,006,119) |
| Acquisition cash flows recognised when incurred | 56,766,146 | 5,947,734 | 62,713,880 |
| | 365,591,704 | 19,848,599 | 385,440,303 |
| For the nine-month period ended 30 September 2022 (Unaudited) (Restated) | | | |
| Incurred claims and other expenses | 302,136,365 | 27,184,144 | 329,320,509 |
| Losses on onerous contracts and reversals of those losses | (7,785,502) | (125,573) | (7,911,075) |
| Changes to liabilities for incurred claims | (48,327,565) | (9,953,000) | (58,280,565) |
| Acquisition cash flows recognised when incurred | 54,914,248 | 4,444,641 | 59,358,889 |
| | 300,937,546 | 21,550,212 | 322,487,758 |

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Notes to the condensed interim financial information
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15 Insurance service expense (continued)

| | General AED | Life AED | Total AED |
|--|--------------------|------------------|--------------------|
| For the three-month period ended 30 September 2023 (Unaudited) | | | |
| Incurring claims and other expenses | 95,235,762 | 5,827,685 | 101,063,447 |
| Losses on onerous contracts and reversals of those losses | 934,154 | 4,264,180 | 5,198,334 |
| Changes to liabilities for incurred claims | 10,476,475 | (5,980,941) | 4,495,534 |
| Acquisition cash flows recognised when incurred | 20,473,081 | 3,632,819 | 24,105,900 |
| | <u>127,119,472</u> | <u>7,743,743</u> | <u>134,863,215</u> |
| For the three-month period ended 30 September 2022 (Unaudited) (Restated) | | | |
| Incurring claims and other expenses | 78,758,258 | 6,492,649 | 85,250,907 |
| Losses on onerous contracts and reversals of those losses | 160,404 | (79,807) | 80,597 |
| Changes to liabilities for incurred claims | 9,607,770 | (5,336,084) | 4,271,686 |
| Acquisition cash flows recognised when incurred | 10,542,694 | 825,453 | 11,368,147 |
| | <u>99,069,126</u> | <u>1,902,211</u> | <u>100,971,337</u> |

16 Total investment income and net insurance financial result

| For the nine-month period ended 30 September 2023 (Unaudited) | General insurance AED | Life assurance AED | Total AED |
|---|-----------------------------|--------------------------|------------------|
| Insurance finance income/(expenses) from insurance contracts issued | | | |
| Interest accreted to insurance contracts using current financial assumptions | (4,324,887) | (7,130,138) | (11,455,025) |
| Due to changes in interest rates and other financial assumptions | 4,938,518 | 6,211,056 | 11,149,575 |
| Total insurance finance expenses from insurance contracts issued | <u>613,631</u> | <u>(919,082)</u> | <u>(305,451)</u> |
| Represented by: | | | |
| Amounts recognised in profit or loss | 613,631 | (919,082) | (305,451) |
| Amounts recognised in OCI | - | - | - |

National General Insurance Co. (P.J.S.C.)
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 30 September 2023

16 Total investment income and net insurance financial result (continued)

| For the nine-month period ended 30 September 2023 (Unaudited) | General insurance AED | Life assurance AED | Total AED |
|---|-----------------------------|--------------------------|-------------------|
| Reinsurance finance income/(expenses) from reinsurance contracts held | | | |
| Interest accreted to reinsurance contracts using current financial assumptions | 3,373,602 | 320,404 | 3,694,006 |
| Changes in non-performance risk of reinsurer | - | - | - |
| Due to changes in interest rates and other financial assumptions | (3,356,294) | (44,084) | (3,400,378) |
| Reinsurance finance (expense) / income from reinsurance contracts held | 17,308 | 276,320 | 293,628 |
| Represented by: | | | |
| Amounts recognised in profit or loss | 17,308 | 276,320 | 293,628 |
| Amounts recognised in OCI | - | - | - |
| Total net investment income, insurance finance expenses and reinsurance finance income | 23,842,045 | 10,553,211 | 34,395,256 |
| Represented by: | | | |
| Amounts recognised in profit or loss | 23,842,045 | 10,553,211 | 34,395,256 |
| Amounts recognised in OCI | - | - | - |
| For the nine-month period ended 30 September 2022 (unaudited) (Restated) | | | |
| Insurance finance (expenses) / income from insurance contracts issued | (3,395,574) | 11,639,988 | 8,244,414 |
| Due to changes in interest rates and other financial assumptions | (528,699) | (1,661,973) | (2,190,672) |
| Total insurance finance expenses from insurance contracts issued | (3,924,273) | 9,978,015 | 6,053,742 |
| Represented by: | | | |
| Amounts recognised in profit or loss | (3,924,273) | 9,978,015 | 6,053,742 |
| Amounts recognised in OCI | - | - | - |
| Reinsurance finance income/(expenses) from reinsurance contracts held | | | |
| Interest accreted to reinsurance contracts using current financial assumptions | 2,332,180 | 453,636 | 2,785,816 |
| Changes in non-performance risk of reinsurer | - | 6,803 | 6,803 |
| Due to changes in interest rates and other financial assumptions | 312,422 | - | 312,422 |
| Reinsurance finance income / (expense) from reinsurance contracts held | 2,644,602 | 460,439 | 3,105,041 |
| Represented by: | | | |
| Amounts recognised in profit or loss | 2,644,602 | 460,439 | 3,105,041 |
| Amounts recognised in OCI | - | - | - |
| Total net investment income, insurance finance expenses and reinsurance finance income | 10,028,638 | 526,944 | 10,555,582 |
| Represented by: | | | |
| Amounts recognised in profit or loss | 10,028,638 | 526,944 | 10,555,582 |
| Amounts recognised in OCI | - | - | - |

National General Insurance Co. (P.J.S.C.)
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Notes to the condensed interim financial information
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17 Basic and diluted earnings per share

| | Three-month period ended 30 September 2023 (Unaudited) | Three-month period ended 30 September 2022 (Unaudited) (Restated) | Nine-month period ended 30 September 2023 (Unaudited) | Nine-month period ended 30 September 2022 (Unaudited) (Restated) |
|--|--|--|---|---|
| Profit for the period (in AED) | 39,344,808 | 22,715,101 | 62,186,370 | 52,832,012 |
| Number of shares | 149,954,112 | 149,954,112 | 149,954,112 | 149,954,112 |
| Basic and diluted earnings per share (in AED) | 0.26 | 0.15 | 0.41 | 0.35 |

Basic (loss) / earnings per share are calculated by dividing the profit for the period by the number of weighted average shares outstanding during 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.

18 Dividend and Directors' remuneration

At the Annual General Meeting held on 21st March 2023, the Shareholders approved a cash dividend of AED 37,488,528 at 0.25 dirhams per share for 2022 (AED 44,986,234 at 0.30 dirhams per share for 2022). The Shareholders also approved Board of Directors' remuneration of AED 4,875,000 for 2023 (AED 5,125,000 for 2022).

19 Segment information

For management purposes the company is organized into two operating segments, insurance and investments. These segments are the basis on which company reports its primary segment information to management. The company does not conduct any business outside U.A.E. There are no transactions between the business segments.

The following is an analysis of the Company's condensed interim statement of profit or loss classified by major segments:

| | For the nine-month period ended 30 September 2023 (Unaudited) | | |
|---|--|--------------------|--------------------|
| | Insurance AED | Investments AED | Total AED |
| Insurance revenue | 541,494,313 | - | 541,494,313 |
| Insurance service expenses | (385,440,303) | - | (385,440,303) |
| Insurance service result before reinsurance contracts held | 156,054,010 | - | 156,054,010 |
| Net expense from reinsurance contracts held | (123,014,937) | - | (123,014,937) |
| Insurance service result | 33,039,073 | - | 33,039,073 |
| Income from financial investments | - | 34,407,079 | 34,407,079 |
| Income from investment properties - net | - | 3,026,267 | 3,026,267 |
| Total investment income | - | 37,433,346 | 37,433,346 |
| Insurance finance expense | (305,451) | - | (305,451) |
| Reinsurance finance income | 293,628 | - | 293,628 |
| Financial insurance result | (11,823) | - | (11,823) |
| Other income | 784,815 | - | 784,815 |
| Unattributable expenses | (9,059,041) | - | (9,059,041) |
| Profit for the period | 24,753,024 | 37,433,346 | 62,186,370 |

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19 Segment information (continued)

| | For the nine-month period ended 30 September 2022 (Unaudited) (Restated) | | |
|--|---|--------------------|---------------|
| | Insurance AED | Investments AED | Total AED |
| Insurance revenue | 463,764,974 | - | 463,764,974 |
| Insurance service expenses | (322,487,758) | - | (322,487,758) |
| Insurance service result before reinsurance contracts held | 141,277,216 | - | 141,277,216 |
| Net income or expense from reinsurance contracts held | (93,240,713) | - | (93,240,713) |
| Insurance service result | 48,036,503 | - | 48,036,503 |
| Income from financial investments | - | 1,396,799 | 1,396,799 |
| Income from investment properties – net | - | 2,866,921 | 2,866,921 |
| Total investment income | - | 4,263,720 | 4,263,720 |
| Insurance finance expense | 6,053,742 | - | 6,053,742 |
| Reinsurance finance income | 3,105,041 | - | 3,105,041 |
| Financial insurance result | 9,158,783 | - | 9,158,783 |
| Other income | 979,990 | - | 979,990 |
| Unattributable expenses | (9,606,984) | - | (9,606,984) |
| Profit for the period | 48,568,292 | 4,263,720 | 52,832,012 |

The following is an analysis of the Company's assets, liabilities and equity classified by segment:

| | (Unaudited) Insurance AED | (Unaudited) Investments AED | (Unaudited) Total AED |
|--|---------------------------------|-----------------------------------|-----------------------------|
| As at 30 September 2023 (unaudited) | | | |
| Total assets | 758,947,123 | 580,755,201 | 1,339,702,324 |
| Total equity | 556,115,981 | - | 556,115,981 |
| Total liabilities | 783,586,343 | - | 783,586,343 |
| As at 31 December 2022 (restated) | | | |
| Total assets | 638,498,832 | 550,589,857 | 1,189,088,689 |
| Total equity | 538,728,381 | - | 538,728,381 |
| Total liabilities | 650,360,308 | - | 650,360,308 |

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20 Capital risk management

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. The Company is subject to solvency regulations which it has complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

| | (Unaudited) 30 September 2023 AED | (Audited) 31 December 2022 AED |
|--|--|---|
| Minimum Capital Requirement (MCR) | 100,000,000 | 100,000,000 |
| Solvency Capital Requirement (SCR) | 180,967,799 | 161,642,056 |
| Minimum Guarantee Fund (MGF) | 100,640,523 | 91,667,888 |
| Basic Own Funds | 430,671,464 | 375,189,966 |
| MCR Solvency Margin - Minimum Capital Requirement (Surplus) | 330,671,464 | 275,189,966 |
| SCR Solvency Margin - Solvency Capital Requirement (Surplus) | 249,703,665 | 213,547,910 |
| MGF Solvency Margin - Minimum Guarantee Fund (Surplus) | 330,030,941 | 283,522,078 |

21 Subsequent events

There have been no events subsequent to the condensed interim statement of financial position date that would significantly affect the amounts reported in the condensed interim financial information as at and for the nine-month period ended 30 September 2023.

22 Approval of the condensed interim financial information

The condensed interim financial information was approved by the Board of Directors and authorised for issue on 13 November 2023.