

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

Condensed interim financial information (Unaudited)
For the period ended 31 March 2024

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 31 March 2024 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows for the three-month period then ended and material accounting policy information. 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.

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 UAE

Farouk Mohamed
Registration No: 86
Dubai, United Arab Emirates


14 May 2024


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

Condensed interim statement of financial position
As at 31 March 2024

	Notes	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Assets			
Property and equipment	5	25,134,031	25,546,512
Intangible assets		3,006,235	3,161,554
Investment properties	6	147,583,472	186,002,982
Investment securities	7	324,064,108	353,408,125
Investments on behalf of policy holders of unit-linked products	7	76,047,037	67,630,921
Reinsurance contract assets	10	241,724,817	250,102,821
Insurance contract assets	10	56,065,516	11,149,272
Prepayments and other receivables		58,699,235	15,369,431
Fixed deposits	11	412,534,908	361,869,747
Bank balances and cash	11	99,170,898	84,875,024
Total assets		1,444,030,257	1,359,116,389
Equity and liabilities			
Equity			
Share capital	12	149,954,112	149,954,112
Legal reserve	13	74,977,056	74,977,056
General reserve	13	74,977,056	74,977,056
Reinsurance reserves	13	5,770,295	5,770,295
Cumulative change in fair value of FVOCI investments		(3,487,738)	(3,423,304)
Retained earnings		301,494,516	271,177,441
Insurance finance reserve through OCI		19,071	28,246
Total equity		603,704,368	573,460,902
Liabilities			
Provision for end of service indemnity		14,756,121	14,693,070
Other payables		31,768,878	22,647,663
Insurance contract liabilities	10	777,273,418	744,290,680
Reinsurance contract liabilities	10	13,929,472	4,024,074
Income tax payable	20	2,598,000	-
Total liabilities		840,325,889	785,655,487
Total equity and liabilities		1,444,030,257	1,359,116,389

This condensed interim financial information was authorised for issue on 14 May 2024 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 24 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 31 March 2024

	Notes	Three-month period ended 31 March (Unaudited)	
		2024 AED	2023 AED
Insurance revenue	16	217,607,675	174,944,319
Insurance service expenses	17	(156,102,466)	(134,556,433)
Insurance service result before reinsurance contracts held		61,505,209	40,387,886
Allocation of reinsurance premiums		(95,669,058)	(86,807,097)
Amounts recoverable from reinsurance for incurred claims		56,423,201	47,843,224
Net expenses from reinsurance contracts held		(39,245,857)	(38,963,873)
Insurance service result		22,259,352	1,424,013
Net fair value losses on financial assets at FVTPL		(3,959,238)	(10,646,603)
Net income from investment properties		1,102,928	946,070
Other investment income		26,042,616	11,762,853
Total investment income		23,186,306	2,062,320
Insurance finance (expense) / income	18	(11,825,906)	5,645,269
Reinsurance finance income / (expenses)	18	2,948,316	(1,953,970)
Net insurance financial result		(8,877,590)	3,691,299
Other operating income		806,050	684,999
Other operating expenses		(4,459,043)	(3,523,349)
Profit before tax		32,915,075	4,339,282
Income tax expense	20	(2,598,000)	-
Profit after tax		30,317,075	4,339,282
Basic and diluted earnings per share	19	0.20	0.03

The notes from 1 to 24 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 31 March 2024

	Three-month period ended 31	
	March (Unaudited)	
	2024	2023
	AED	AED
Profit for the period	30,317,075	4,339,282
Other comprehensive income:		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net (loss) / gain on insurance finance reserve through OCI	(9,175)	13,001
Net loss on fair value of equity instruments designated at FVOCI	(64,434)	(568,024)
Total other comprehensive loss for the period	<u>(73,609)</u>	<u>(555,023)</u>
Total comprehensive income for the period	<u>30,243,466</u>	<u>3,784,259</u>

The notes from 1 to 24 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 31 March 2024

	Share capital AED	Legal reserve AED	General reserve AED	Reinsurance reserve AED	Cumulative change in fair value of FVOCI investments through OCI AED	Insurance finance reserve through OCI AED	Retained earnings AED	Total equity AED
Balance 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	-	-	-	-	-	-	4,339,282	4,339,282
Other comprehensive (loss)/income for the period	-	-	-	-	(568,024)	13,001	-	(555,023)
Total comprehensive income for the period	-	-	-	-	(568,024)	13,001	4,339,282	3,784,259
Directors' remuneration	-	-	-	-	-	-	(4,875,000)	(4,875,000)
Dividend	-	-	-	-	-	-	(37,488,528)	(37,488,528)
Balance at 31 March 2023 (unaudited)	149,954,112	74,977,056	74,977,056	3,572,440	(6,206,011)	38,872	202,835,587	500,149,112
Balance at 1 January 2024	149,954,112	74,977,056	74,977,056	5,770,295	(3,423,304)	28,246	271,177,441	573,460,902
Profit for the period	-	-	-	-	-	-	30,317,075	30,317,075
Other comprehensive loss for the period	-	-	-	-	(64,434)	(9,175)	-	(73,609)
Total comprehensive (loss)/income for the period	-	-	-	-	(64,434)	(9,175)	30,317,075	30,243,466
Balance at 31 March 2024 (unaudited)	149,954,112	74,977,056	74,977,056	5,770,295	(3,487,738)	19,071	301,494,516	603,704,368

The notes from 1 to 24 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 31 March 2024

	Notes	Three-month period ended 31 March (Unaudited)	
		2024 AED	2023 AED
Cash flows from operating activities			
Profit before tax for the period		32,915,075	4,339,282
Adjustments for:			
Depreciation and amortisation		747,505	638,005
Dividend income		(6,460,868)	(5,396,376)
Realised (gain) / loss on fair value through profit or loss (FVTPL) investments		(8,342,521)	11,377
Realised loss on sale of investment property		658,059	-
Unrealised loss on FVTPL investments		3,959,238	10,646,603
Other investment income		(4,808,260)	(3,387,467)
Provision for employees' end of service indemnity		659,414	1,163,320
Operating cash flows before changes in working capital		19,327,642	8,014,744
Changes in working capital:			
Change in insurance and reinsurance contract assets		(36,538,239)	11,028,002
Change in prepaid expenses & other assets		(43,329,802)	(14,667,439)
Change in insurance and other payables		9,112,040	4,006,025
Change in insurance and reinsurance contract liabilities		42,888,136	(6,652,910)
Employees' end of service indemnity paid		(596,363)	(642,014)
Net cash (used in) / generated from operating activities		(9,136,586)	1,086,408
Cash flows from investing activities			
Purchase of property and equipment		(179,705)	(124,151)
Proceeds from disposal of property and equipment		-	771,225
Purchase of FVTPL investments		(24,758,832)	(15,205,273)
Purchase of FVOCI investments		(127,426)	(11,919,593)
Proceeds from sale of FVTPL investments		58,449,123	177,660
Proceeds from sale of investment property		37,861,451	-
Net movement in payable to policy holders in unit linked products		(8,416,117)	-
Dividends received		6,460,868	5,396,376
Interest and other income received		4,808,260	3,387,467
Change in bank deposits		(50,665,162)	(11,076,669)
Net cash generated from / (used in) investing activities		23,432,460	(28,592,958)
Cash flows from financing activities			
Directors' remuneration paid		-	(4,875,000)
Net cash used in financing activities		-	(4,875,000)
Net change in cash and cash equivalents		14,295,874	(32,381,550)
Cash and cash equivalents at beginning of the period		84,875,024	126,362,439
Cash and cash equivalents at end of the period	11	99,170,898	93,980,889

The notes from 1 to 24 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 31 March 2024

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.

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.

In 2023, Federal Law No. 48 of 2023 has been issued with effective date of 30 November 2023, repealing Federal Law No. 6 of 2007. In accordance with Article 112 of the Federal Law No. 48 of 2023, the Company has 6 months from this date to apply the provisions of the new Law.

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.

In 2023, Federal Law No. 48 of 2023 has been issued with effective date of 30 November 2023, repealing Federal Law No. 6 of 2007. In accordance with Article 112 of the Federal Law No. 48 of 2023, the Company has 6 months from this date to apply the provisions of the new Law.

2 Basis of preparation

This condensed interim financial information is for the three-month period ended 31 March 2024 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 and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2023. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3 Material accounting policy information

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 2023, except for application of new standards effective as of 1 January 2024 and several amendments and interpretations apply for the first time in 2024.

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

3 Material accounting policy information (continued)

Application of new and revised International Financial Reporting Standards (“IFRS”)

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
IAS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

These standards have been adopted by the Company and did not have a material impact on this financial information.

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

4 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 2023.

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 2023. There have been no changes in any risk management policies since the year end.

5 Property and equipment

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

6 Investments properties

The carrying value of the investment properties as at 31 March 2024 is AED 147.58 million (31 December 2023: AED 186.00 million). This includes a plot of land in Meydan and rented out portion of a commercial building within UAE.

During the period ended 31 March 2024, the Company sold the land located in Wadi Al Safa 3, Majan in the Emirate of Dubai (Plot No. 6457866) for a consideration of AED 37.86 million. Management estimates that there has been no change in the fair value of investment properties. Investment properties are classified as Level 3 in the fair value hierarchy as at 31 March 2024 (31 Dec 2023: Level 3).

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

7 Investment securities

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Fair value through profit or loss (FVTPL) investments	274,333,868	295,337,160
Fair value through other comprehensive income (FVOCI) investments	126,182,915	126,119,923
Less: Provision for expected credit losses (ECL)	(405,638)	(418,037)
	<u>400,111,145</u>	<u>421,039,046</u>

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

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Investment securities	324,064,108	353,408,125
Investments on behalf of policy holders of unit- linked products	76,047,037	67,630,921
	<u>400,111,145</u>	<u>421,039,046</u>

Investments securities – Geographic concentration

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Investments made:		
- Within UAE	148,999,488	169,066,251
- Outside UAE	251,111,657	251,972,795
	<u>400,111,145</u>	<u>421,039,046</u>

Fair value through profit or loss (FVTPL) investments

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Equity investments – quoted	117,542,435	138,159,535
Equity investments – unquoted	10,000,000	10,000,000
Fixed income investments/ bonds – quoted	70,744,396	79,546,704
Investments held on behalf of policyholders' unit linked products linked products	76,047,037	67,630,921
	<u>274,333,868</u>	<u>295,337,160</u>

Fair value through other comprehensive income (FVOCI) investments

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Equity investments – unquoted	51,541,290	52,057,203
Fixed income investments/bonds – quoted	74,641,625	74,062,720
	<u>126,182,915</u>	<u>126,119,923</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 31 March 2024

7 Investment securities (continued)

Movements in provision for ECL are as follows:

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Balance at the beginning of the period / year	418,037	415,523
(Reversal)/charge during the period /year	(12,399)	2,514
Balance at the end of the period /year	405,638	418,037

8 Classes and categories of financial assets and financial liabilities

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

	FVTPL AED	FVTOCI AED	Amortised cost AED	Total AED
31 March 2023 (Unaudited)				
Financial assets:				
Investment securities	198,235,596	125,828,512	-	324,064,108
Investments on behalf of policyholders of unit-linked products	76,047,037	-	-	76,047,037
Other receivables (excluding prepayments)	-	-	52,566,799	52,566,799
Fixed deposits	-	-	412,534,908	412,534,908
Bank balances and cash	-	-	99,170,898	99,170,898
	274,282,633	125,828,512	564,272,605	964,383,750
Financial liabilities:				
Other and income tax payables	-	-	34,366,878	34,366,878
31 December 2023 (Audited)				
Financial assets:				
Investment securities	227,642,606	125,765,519	-	353,408,125
Investments on behalf of policyholders of unit-linked products	67,630,921	-	-	67,630,921
Other receivables (excluding prepayments)	-	-	13,251,022	13,251,022
Fixed deposits	-	-	361,869,747	361,869,747
Bank balances and cash	-	-	84,875,024	84,875,024
	295,273,527	125,765,519	459,995,793	881,034,839
Financial liabilities:				
Other and income tax payables	-	-	22,647,663	22,647,663

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

9 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 2023.

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

The table below 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.

	(Unaudited)	(Audited)			
	31 March 2024	31 December 2023	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	AED	AED			
<u>FVTOCI</u>					
Quoted securities	74,641,625	74,062,720	Level 1	Quoted bid prices in an active market	N/A
Unquoted equity securities	51,541,290	52,057,203	Level 3	Net assets valuation method	Net asset value.
<u>FVTPL</u>					
Quoted equity securities	117,542,435	138,159,535	Level 1	Quoted bid prices in an active market	N/A
Quoted debt securities	70,744,396	79,546,704	Level 1	Quoted bid prices in an active market	N/A
Unit linked products	76,047,037	67,630,921	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 31 March 2024

10 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:

	31 March 2024 (Unaudited)			31 December 2023 (Audited)		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
General and medical	-	577,158,488	577,158,488	-	586,272,053	586,272,053
Life	56,065,516	200,114,930	144,049,414	11,149,272	158,018,627	146,869,355
Total insurance contracts issued	56,065,516	777,273,418	721,207,902	11,149,272	744,290,680	733,141,408
Reinsurance contracts held						
General and medical	227,991,502	13,532,310	214,459,192	234,092,788	1,749,010	232,343,778
Life	13,733,315	397,162	13,336,153	16,010,033	2,275,064	13,734,969
Total reinsurance contracts held	241,724,817	13,929,472	227,795,345	250,102,821	4,024,074	246,078,747

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	
31 March 2024 (Unaudited)					
Insurance contract assets as at 1 January	16,144,532	-	(4,748,196)	(247,064)	11,149,272
Insurance contract liabilities as at 1 January	(142,851,350)	(4,202,586)	(441,718,759)	(9,684,786)	(598,457,481)
Net insurance contract liabilities as at 1 January	(126,706,818)	(4,202,586)	(446,466,955)	(9,931,850)	(587,308,209)
Insurance revenue	214,853,334	-	-	-	214,853,334
Insurance service expenses					
Incurred claims and other expenses	-	-	(135,700,218)	(4,427,145)	(140,127,363)
Amortisation of insurance acquisition cash	(25,203,934)	-	-	-	(25,203,934)
Losses on onerous contracts and reversals	-	(957,864)	-	-	(957,864)
Changes to liabilities for incurred claims			8,295,621	2,187,415	10,483,036
Insurance service result	189,649,400	(957,864)	(127,404,597)	(2,239,730)	59,047,209
Insurance finance expense	-	-	(4,458,257)	-	(4,458,257)
Total changes in the statement of comprehensive income / (loss)	189,649,400	(957,864)	(131,862,854)	(2,239,730)	54,588,952
Cash flows					
Premiums received	(161,405,964)	-	-	-	(161,405,964)
Claims and other expenses paid	-	-	133,536,229	-	133,536,229
Insurance acquisition cash flows	28,556,651	-	-	-	28,556,651
Total cash flows	(132,849,313)	-	133,536,229	-	686,916
Insurance contract assets as at 31 March	61,462,218	-	(5,129,783)	(266,919)	56,065,516
Insurance contract liabilities as at 31 March	(131,368,949)	(5,160,450)	(439,663,797)	(11,904,661)	(588,097,857)
Net insurance contract liabilities as at 31 March	(69,906,731)	(5,160,450)	(444,793,580)	(12,171,580)	(532,032,341)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 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 2023 (Audited)					
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)	(365,587,916)	(9,885,740)	(474,270,741)
Net insurance contract liabilities as at 1 January	(80,286,602)	(13,181,914)	(369,165,061)	(10,156,222)	(472,789,799)
Insurance revenue	735,801,033	-	-	-	735,801,033
Insurance service expenses					
Incurred claims and other expenses	-	-	(509,831,861)	(14,730,726)	(524,562,587)
Amortisation of insurance acquisition cash flows	(88,533,719)	-	-	-	(88,533,719)
Losses on onerous contracts and reversals	-	8,979,328	-	-	8,979,328
Changes to liabilities for incurred claims	-	-	47,145,403	14,955,098	62,100,501
Insurance service result	647,267,314	8,979,328	(462,686,458)	224,372	193,784,556
Insurance finance expenses	-	-	(905,066)	-	(905,066)
Total changes in the statement of comprehensive income	647,267,314	8,979,328	(463,591,524)	224,372	192,879,490
<i>Cash flows</i>					
Premiums received	(789,601,011)	-	-	-	(789,601,011)
Claims and other expenses paid	-	-	349,721,406	-	349,721,406
Insurance acquisition cash flows	95,913,481	-	36,568,224	-	132,481,705
Total cash flows	(693,687,530)	-	386,289,630	-	(307,397,900)
Insurance contract assets as at 31 December	16,144,532	-	(4,748,196)	(247,064)	11,149,272
Insurance contract liabilities as at 31 December	(142,851,350)	(4,202,586)	(441,718,759)	(9,684,786)	(598,457,481)
Net insurance contract liabilities as at 31 December	(126,706,818)	(4,202,586)	(446,466,955)	(9,931,850)	(587,308,209)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 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	Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	
31 March 2024 (Unaudited)				
Insurance contract liabilities as at 1 January	(121,156,024)	(2,320,026)	(22,357,149)	(145,833,199)
Net insurance contract liabilities as at 1 January	(121,156,024)	(2,320,026)	(22,357,149)	(145,833,199)
Insurance revenue	2,754,341	-	-	2,754,341
Insurance service expenses				
Incurred claims and other expenses	-	-	209,803	209,803
Amortisation of insurance acquisition cash flows	(120,711)	-	-	(120,711)
Losses on onerous contracts and reversals	-	(385,433)	-	(385,433)
Insurance service result	2,633,630	(385,433)	209,803	2,458,000
Insurance finance expenses	(7,376,738)	(12,147)	-	(7,388,885)
Investment components	11,522,241	-	(11,522,241)	-
Total changes in the statement of comprehensive income/(loss)	6,779,133	(397,580)	(11,312,438)	(4,930,885)
Cash flows				
Premiums received	(62,446,741)	-	-	(62,446,741)
Claims and other expenses paid	-	-	20,733,066	20,733,066
Insurance acquisition cash flows	2,287,308	-	1,014,890	3,302,198
Total cash flows	(60,159,433)	-	21,747,956	(38,411,477)
Net insurance contract liabilities as at 31 March	(174,536,324)	(2,717,606)	(11,921,631)	(189,175,561)
31 December 2023 (Audited)				
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	9,985,070	-	-	9,985,070
Insurance service expenses				
Incurred claims and other expenses	-	-	(4,316,416)	(4,316,416)
Amortisation of insurance acquisition cash flows	(337,329)	-	-	(337,329)
Losses on onerous contracts and reversals	-	161,718	-	161,718
Insurance service result	9,647,741	161,718	(4,316,416)	5,493,043
Insurance finance expenses	(13,302,978)	(104,287)	-	(13,407,265)
Investment components	21,331,537	-	(21,331,537)	-
Total changes in the statement of comprehensive income/(loss)	17,676,300	57,431	(25,647,953)	(7,914,222)
Cash flows				
Premiums received	(23,448,533)	-	-	(23,448,533)
Claims and other expenses paid	-	-	21,354,360	21,354,360
Insurance acquisition cash flows	2,752,796	-	3,542,198	6,294,994
Total cash flows	(20,695,737)	-	24,896,558	4,200,821
Net insurance contract liabilities as at 31 December	(121,156,024)	(2,320,026)	(22,357,149)	(145,833,199)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 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

	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 March 2024 (Unaudited)					
Insurance contract liabilities as at 1 January	(121,653,464)	(7,764,962)	-	(16,414,773)	(145,833,199)
Changes that relate to current services					
CSM recognised for services provided	-	-	-	860,618	860,618
Change in risk adjustment for non-financial risk for risk expired	-	372,885	-	-	372,885
Experience adjustments	614,091	-	-	-	614,091
Changes that relate to future services					
Contracts initially recognised in the year	1,696,139	(1,585,174)	-	(387,040)	(276,075)
Changes in estimates that adjust the CSM	(401,691)	(322,200)	-	723,891	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(735,069)	396,860	-	-	(338,209)
Changes that relate to past services					
Adjustments to liabilities for incurred claims	1,218,690	6,000	-	-	1,224,690
Insurance service result	2,392,160	(1,131,629)	-	1,197,469	2,458,000
Net finance expenses from insurance contracts	(7,324,612)	-	-	(64,273)	(7,388,885)
Total changes in the statement of profit or loss and OCI	(4,932,452)	(1,131,629)	-	1,133,196	(4,930,885)
Cash flows					
Premiums received	(62,446,743)	-	-	-	(62,446,743)
Claims and other directly attributable expenses paid	21,747,958	-	-	-	21,747,958
Insurance acquisition cash flows paid	2,287,308	-	-	-	2,287,308
Total cash flows	(38,411,477)	-	-	-	(38,411,477)
Insurance contract liabilities as at 31 March	(164,997,393)	(8,896,591)	-	(15,281,577)	(189,175,561)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 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 2023 (Audited)					
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	-	-	-	3,622,095	3,622,095
Change in risk adjustment for non-financial risk for risk expired	-	823,298	-	-	823,298
Experience adjustments	1,566,340	-	-	-	1,566,340
Changes that relate to future services					
Contracts initially recognised in the year	394,172	(1,629,304)	-	(1,000,290)	(2,235,422)
Changes in estimates that adjust the CSM	11,024,535	(50,232)	-	(10,974,303)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	726,524	341,538	-	-	1,068,062
Changes that relate to past services					
Adjustments to liabilities for incurred claims	575,752	72,918	-	-	648,670
Insurance service result	14,287,323	(441,782)	-	(8,352,498)	5,493,043
Net finance expenses from insurance contracts	(13,227,324)	-	-	(179,941)	(13,407,265)
Total changes in the statement of profit or loss and OCI	1,059,999	(441,782)	-	(8,532,439)	(7,914,222)
Cash flows					
Premiums received	(23,448,533)	-	-	-	(23,448,533)
Claims and other directly attributable expenses paid	24,896,558	-	-	-	24,896,558
Insurance acquisition cash flows paid	2,752,796	-	-	-	2,752,796
Total cash flows	4,200,821	-	-	-	4,200,821
Insurance contract liabilities as at 31 December	(121,653,464)	(7,764,962)	-	(16,414,773)	(145,833,199)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 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		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
31 March 2024 (Unaudited)					
Reinsurance contract assets as at 1 January	(25,953,461)	1,698,952	263,379,143	3,869,832	242,994,466
Reinsurance contract liabilities as at 1 January	(11,797,408)	-	7,825,142	200,666	(3,771,600)
Net reinsurance contract (liabilities)/assets	(37,750,869)	1,698,952	271,204,285	4,070,498	239,222,866
An allocation of reinsurance premiums	(95,093,815)	-	-	-	(95,093,815)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	56,673,186	2,236,810	58,909,996
Loss-recovery on onerous underlying contracts and adjustments	-	-	1,266,738	(1,610,621)	(343,883)
Changes to amounts recoverable for incurred claims	-	(613,723)	-	-	(613,723)
Net income or expense from reinsurance contracts held	(95,093,815)	(613,723)	57,939,924	626,189	(37,141,425)
Reinsurance finance income	-	-	2,920,575	-	2,920,575
Total changes in the statement of comprehensive income	(95,093,815)	(613,723)	60,860,499	626,189	(34,220,850)
Cash flows					
Premiums paid	88,643,088	-	-	-	88,643,088
Amounts received	-	-	(70,521,483)	-	(70,521,483)
Total cash flows	88,643,088	-	(70,521,483)	-	18,121,605
Reinsurance contract assets as at 31 March	(7,293,671)	1,085,229	239,454,712	3,409,661	236,655,931
Reinsurance contract liabilities as at 31 March	(36,907,925)	-	22,088,589	1,287,026	(13,532,310)
Net reinsurance contract (liabilities)/assets as at 31 March	(44,201,596)	1,085,229	261,543,301	4,696,687	223,123,621

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 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		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
31 December 2023 (Audited)					
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	(350,097,873)	-	-	-	(350,097,873)
Amounts recoverable from reinsurers for incurred					
Amounts recoverable for incurred claims and other expenses	-	-	236,696,198	7,705,974	244,402,172
Loss-recovery on onerous underlying contracts and adjustments	-	-	(29,924,933)	(9,002,705)	(38,927,638)
Changes to amounts recoverable for incurred	-	(3,591,304)	-	-	(3,591,304)
Net income or expense from reinsurance contracts held	(350,097,873)	(3,591,304)	206,771,265	(1,296,731)	(148,214,643)
Reinsurance finance income	-	-	1,601,073	-	1,601,073
Total changes in the statement of comprehensive income	(350,097,873)	(3,591,304)	208,372,338	(1,296,731)	(146,613,570)
<i>Cash flows</i>					
Premiums paid	330,161,280	-	-	-	330,161,280
Amounts received	-	-	(169,346,006)	-	(169,346,006)
Total cash flows	330,161,280	-	(169,346,006)	-	160,815,274
Reinsurance contract assets as at 31 December	(25,953,461)	1,698,952	263,379,143	3,869,832	242,994,466
Reinsurance contract liabilities as at 31 December	(11,797,408)	-	7,825,142	200,666	(3,771,600)
Net reinsurance contract (liabilities)/assets as at 31 December	(37,750,869)	1,698,952	271,204,285	4,070,498	239,222,866

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 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	Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	
31 March 2024 (unaudited)				
Reinsurance contract assets as at 1 January	5,434,620	138,000	1,535,735	7,108,355
Reinsurance contract liabilities as at 1 January	(360,218)	-	107,744	(252,474)
Net reinsurance contract assets as at 1 January	5,074,402	138,000	1,643,479	6,855,881
An allocation of reinsurance premiums	(575,243)	-	-	(575,243)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	-	-	-
Changes to amounts recoverable for incurred claims	-	-	(1,391,189)	(1,391,189)
Changes in fulfilment cash flows that do not adjust CSM	-	(138,000)	-	(138,000)
Net income or expense from reinsurance contracts held	(575,243)	(138,000)	(1,391,189)	(2,104,432)
Reinsurance finance income	39,802	-	-	39,802
Total changes in the statement of comprehensive loss	(535,441)	(138,000)	(1,391,189)	(2,064,630)
Cash flows				
Premiums paid	(119,527)	-	-	(119,527)
Amounts received	-	-	-	-
Total cash flows	(119,527)	-	-	(119,527)
Net reinsurance contract assets as at 31 March				
Reinsurance contract assets as at 31 March	4,924,340	-	144,546	5,068,886
Reinsurance contract liabilities as at 31 March	(504,906)	-	107,744	(397,162)
Net reinsurance contract assets as at 31 March	4,419,434	-	252,290	4,671,724
31 December 2023 (Audited)				
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	(4,698,201)	-	-	(4,698,201)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	-	1,321,021	1,321,021
Changes to amounts recoverable for incurred claims	-	-	(2,535,501)	(2,535,501)
Changes in fulfilment cash flows that do not adjust CSM	-	(402,002)	-	(402,002)
Net income or expense from reinsurance contracts held	(4,698,201)	(402,002)	(1,214,480)	(6,314,683)
Reinsurance finance income	238,666	-	-	238,666
Total changes in the statement of comprehensive loss	(4,459,535)	(402,002)	(1,214,480)	(6,076,017)
Cash flows				
Premiums paid	485,431	-	-	485,431
Amounts received	-	-	(1,321,021)	(1,321,021)
Total cash flows	485,431	-	(1,321,021)	(835,590)
Net reinsurance contract assets as at 31 December				
Reinsurance contract assets as at 31 December	5,434,620	138,000	1,535,735	7,108,355
Reinsurance contract liabilities as at 31 December	(360,218)	-	107,744	(252,474)
Net reinsurance contract assets as at 31 December	5,074,402	138,000	1,643,479	6,855,881

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 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

31 March 2024 (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	2,795,690	120,745	-	4,191,920	7,108,355
Reinsurance contract liabilities as at 1 January	(490,549)	126,621	-	111,454	(252,474)
Net reinsurance contract assets	2,305,141	247,366	-	4,303,374	6,855,881
Changes that relate to current services					
CSM recognised for services provided	-	-	-	(396,216)	(396,216)
Change in risk adjustment for non-financial risk for risk expired	-	6	-	-	6
Experience adjustments	(179,033)	-	-	-	(179,033)
Changes that relate to future services					
Contracts initially recognised in the year	(33,353)	16,073	-	17,280	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	-	-
Changes in estimates that adjust the CSM	(215,299)	22,532	-	192,767	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	-	(138,000)	(138,000)
Changes that relate to past services					
Adjustments to assets for incurred claims	(1,337,683)	(53,506)	-	-	(1,391,189)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net expenses from reinsurance contracts	(1,765,368)	(14,895)	-	(324,169)	(2,104,432)
Net finance income from reinsurance contracts	9,803	-	-	29,999	39,802
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	(1,755,565)	(14,895)	-	(294,170)	(2,064,630)
Cash flows					
Premiums received	(119,527)	-	-	-	(119,527)
Claims and other directly attributable expenses paid	-	-	-	-	-
Insurance acquisition cash flows paid	-	-	-	-	-
Total cash flows	(119,527)	-	-	-	(119,527)
Reinsurance contract assets as at 31 March	1,325,214	65,642	-	3,678,030	5,068,886
Reinsurance contract liabilities as at 31 March	(895,165)	166,829	-	331,174	(397,162)
Net reinsurance contract assets as at 31 March	430,049	232,471	-	4,009,204	4,671,724

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 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)

	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 2023 (Audited)					
Reinsurance contract assets as at 1 January	7,593,151	210,364	-	6,388,648	14,192,163
Reinsurance contract liabilities as at 1 January	(875,918)	136,420	-	314,823	(424,675)
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	-	-	-	(2,653,791)	(2,653,791)
Change in risk adjustment for non-financial risk for risk expired	-	(38,229)	-	-	(38,229)
Experience adjustments	(685,161)	-	-	-	(685,161)
Changes that relate to future services					
Contracts initially recognised in the year	(52,099)	33,787	-	18,312	-
Changes in estimates that adjust the CSM	(449,547)	2,543	-	447,004	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	-	(402,002)	(402,002)
Changes that relate to past services	(2,437,982)	(97,519)	-	-	(2,535,501)
Adjustments to assets for incurred claims	-	-	-	-	-
Net expenses from reinsurance contracts	(3,624,789)	(99,418)	-	(2,590,477)	(6,314,684)
Net finance income from reinsurance contracts	48,287	-	-	190,380	238,667
Total changes in the statement of profit or loss and OCI	(3,576,502)	(99,418)	-	(2,400,097)	(6,076,017)
Cash flows					
Premiums received	485,431	-	-	-	485,431
Claims and other directly attributable expenses paid	(1,321,021)	-	-	-	(1,321,021)
Total cash flows	(835,590)	-	-	-	(835,590)
Reinsurance contract assets as at 31 December	2,795,690	120,745	-	4,191,920	7,108,355
Reinsurance contract liabilities as at 31 December	(490,549)	126,621	-	111,454	(252,474)
Net reinsurance contract assets as at 31 December	2,305,141	247,366	-	4,303,374	6,855,881

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

10 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
31 March 2024 (unaudited)							
Total CSM for insurance contracts issued	(1,878,084)	(1,603,196)	(1,225,916)	(1,120,505)	(1,037,328)	(8,416,548)	(15,281,577)
Total CSM for reinsurance contracts held	1,094,495	660,446	370,586	317,019	276,660	1,289,998	4,009,204
31 December 2023 (Audited)							
Total CSM for insurance contracts issued	(2,467,452)	(1,526,025)	(1,175,162)	(1,072,940)	(991,538)	(9,181,656)	(16,414,773)
Total CSM for reinsurance contracts held	1,543,309	636,890	330,314	277,155	240,565	1,275,141	4,303,374

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
31 March 2024 (unaudited)			
Insurance contract assets	56,065,516	-	56,065,516
Insurance contract liabilities	(588,097,857)	(189,175,561)	(777,273,418)
Reinsurance contract assets	236,655,931	5,068,886	241,724,817
Reinsurance contract liabilities	(13,532,310)	(397,162)	(13,929,472)
	<u>(308,908,720)</u>	<u>(184,503,837)</u>	<u>(493,412,557)</u>
31 December 2023 (Audited)			
Insurance contract assets	11,149,272	-	11,149,272
Insurance contract liabilities	(598,457,481)	(145,833,199)	(744,290,680)
Reinsurance contract assets	242,994,466	7,108,355	250,102,821
Reinsurance contract liabilities	(3,771,600)	(252,474)	(4,024,074)
	<u>(348,085,343)</u>	<u>(138,977,318)</u>	<u>(487,062,661)</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 31 March 2024

11 Bank balances and cash

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

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Cash on hand	17,454	17,454
Cash with banks	99,214,991	84,919,117
Statutory deposits	10,000,000	10,000,000
Fixed deposits	402,534,908	351,869,747
Less: ECL provision	(61,547)	(61,547)
Total bank balances and cash	511,705,806	446,744,771
Less: Deposits with maturities greater than three months	(412,534,908)	(361,869,747)
Cash and cash equivalents	99,170,898	84,875,024

Fixed deposits amounting to AED 18.6 million (31 December 2023: AED 17.7 million) under lien are against letters of guarantee. In accordance with Article (42) of the Federal Law No. 48 of 2023, the Company maintains a bank deposit of AED 10.9 million (31 December 2023: AED 10.9 million) as a statutory deposit. This deposit has been pledged to the bank as security against a guarantee issued by the bank in favour of the Central Bank of the United Arab Emirates (“CB UAE”) for the same amount. This deposit cannot be withdrawn without the prior approval of the Central Bank of the United Arab Emirates.

Movements in provision for ECL are as follows:

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Balance at the beginning of the period/year	61,547	45,031
Reversal made during the period/year	-	16,516
Balance at the end of the period/year	61,547	61,547

12 Share capital

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Issued and fully paid 149,954,112 shares of AED 1 each (31 December 2023: 149,954,112 shares of AED 1 each)	149,954,112	149,954,112

13 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. There is no transfer made during the three-months period ended 31 March 2024, as the Company's legal reserve already reads 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 31 March 2024

13 Reserves (continued)

General reserve

General reserve can be created upon a recommendation of the Board of Directors and this reserve cannot be utilised for any other purpose unless approved by the Ordinary General Assembly. No transfer to voluntary reserve is made during the period ended 31 March 2024.

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 Central Bank of the UAE.

14 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) 31 March 2024 AED	(Audited) 31 December 2023 AED
<i>Affiliates of major shareholders:</i>		
Due from policyholders	<u>6,341,562</u>	<u>17,075,348</u>
Due to related parties - affiliates	<u>233,430</u>	<u>235,022</u>
	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Cash and cash equivalent:		
Cash at bank	46,564,475	41,190,426
Short term deposits	<u>162,152,302</u>	<u>126,178,302</u>
During the period, the Company entered into the following transactions with related parties:		
	Three-months end 31 March (unaudited) 2024 AED	2023 AED
Key management personnel compensation		
Remuneration and short term benefits	1,768,757	1,566,413
End of service benefit	<u>75,754</u>	<u>134,607</u>
Other related parties		
Premiums	288,349	1,061,997
Claims paid	6,731,277	6,232,058
Dividend paid	-	25,045,011
Interest income	<u>1,780,352</u>	<u>261,780</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 31 March 2024

14 Related party balances and transactions (continued)

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

15 Contingent liabilities

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Letters of guarantee	<u>10,873,000</u>	<u>10,866,857</u>

Fixed deposits amounting to AED 18.6 million (31 December 2023: AED 17.7 million) are under lien as collateral in respect of above guarantees. Guarantees include an amount of AED 10.9 million (31 December 2023: AED 10.9 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.

16 Insurance revenue

31 March 2024 (Unaudited)	General AED	Life AED	Total AED
Contracts not measured under the PAA			
Expected incurred claims and other insurance service expenses	-	1,287,044	1,287,044
Recovery of insurance acquisition cash flows	-	120,709	120,709
CSM recognised for services provided	-	860,618	860,618
Change in risk adjustment for non-financial risk for risk expired	-	485,970	485,970
	<u>201,580,670</u>	<u>13,272,664</u>	<u>214,853,334</u>
Contracts measured under the PAA	<u>201,580,670</u>	<u>16,027,005</u>	<u>217,607,675</u>

31 March 2023 (Unaudited)

Contracts not measured under the PAA			
Expected incurred claims and other insurance service expenses	-	1,467,196	1,467,196
Recovery of insurance acquisition cash flows	-	81,909	81,909
CSM recognised for services provided	-	697,334	697,334
Change in risk adjustment for non-financial risk for risk expired	-	935,799	935,799
	-	3,182,238	3,182,238
Contracts measured under the PAA	<u>157,985,451</u>	<u>13,776,630</u>	<u>171,762,081</u>
Total insurance revenue	<u>157,985,451</u>	<u>16,958,868</u>	<u>174,944,319</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 31 March 2024

17 Insurance service expense

	General AED	Life AED	Total AED
For the three-month period ended 31 March 2024 (Unaudited)			
Incurring claims and other expenses	134,403,450	6,738,803	141,142,253
Losses on onerous contracts and reversals of those losses	957,864	385,434	1,343,298
Changes to liabilities for incurred claims	(11,744,307)	36,579	(11,707,728)
Acquisition cash flows recognised when incurred	23,702,878	1,621,765	25,324,643
	<u>147,319,885</u>	<u>8,782,581</u>	<u>156,102,466</u>
For the three-month period ended 31 March 2023 (Unaudited)			
Incurring claims and other expenses	132,241,173	7,323,010	139,564,183
Losses on onerous contracts and reversals of those losses	(2,763,231)	(265,151)	(3,028,382)
Changes to liabilities for incurred claims	(21,837,440)	(6,606,958)	(28,444,398)
Acquisition cash flows recognised when incurred	25,324,619	1,140,411	26,465,030
	<u>132,965,121</u>	<u>1,591,312</u>	<u>134,556,433</u>

18 Total investment income and net insurance financial result

	General AED	Life AED	Total AED
For the three-month period ended 31 March 2024 (Unaudited)			
Insurance finance expenses from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(3,114,944)	(6,350,511)	(9,465,455)
Due to changes in interest rates and other financial assumptions	(1,186,523)	(1,195,165)	(2,381,688)
Total insurance finance expenses from insurance contracts issued	<u>(4,301,467)</u>	<u>(7,545,676)</u>	<u>(11,847,143)</u>
Represented by:			
Amounts recognised in income statement	(4,301,467)	(7,524,439)	(11,825,906)
Amounts recognised in OCI	-	(21,237)	(21,237)

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

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

For the three-month period ended 31 March 2024 (Unaudited)	General AED	Life AED	Total AED
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	2,108,582	129,709	2,238,291
Changes in non-performance risk of reinsurer	-	-	-
Due to changes in interest rates and other financial assumptions	710,623	11,464	722,087
Reinsurance finance income from reinsurance contracts held	2,819,205	141,173	2,960,378
Represented by:			
Amounts recognised in income statement	2,819,205	129,111	2,948,316
Amounts recognised in OCI	-	12,062	12,062
Total net investment expense, insurance finance expenses and reinsurance finance income	(1,482,262)	(7,404,503)	(8,886,765)
Represented by:			
Amounts recognised in income statement	(1,482,262)	(7,395,328)	(8,877,590)
Amounts recognised in OCI	-	(9,175)	(9,175)
For the three-month period ended 31 March 2023			
Insurance finance (expenses) / income from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(1,669,249)	(2,906,983)	(4,576,232)
Due to changes in interest rates and other financial assumptions	4,346,370	5,956,793	10,303,163
Total insurance finance expenses from insurance contracts issued	2,677,121	3,049,810	5,726,931
Represented by:			
Amounts recognised in income statement	2,677,121	2,968,148	5,645,269
Amounts recognised in OCI	-	81,662	81,662
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	1,211,093	137,057	1,348,150
Changes in non-performance risk of reinsurer			
Due to changes in interest rates and other financial assumptions	(3,249,462)	(121,319)	(3,370,781)
Reinsurance finance (expense) / income from reinsurance contracts held	(2,038,369)	15,738	(2,022,631)
Represented by:			
Amounts recognised in income statement	(2,038,369)	84,399	(1,953,970)
Amounts recognised in OCI	-	(68,661)	(68,661)
Total net investment income, insurance finance expenses and reinsurance finance income	638,752	3,065,548	3,704,300
Represented by:			
Amounts recognised in income statement	638,752	3,052,547	3,691,299
Amounts recognised in OCI	-	13,001	13,001

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

19 Basic and diluted earnings per share

	For the three-month period ended 31 March (Unaudited)	
	2024	2023
Profit for the period (in AED)	30,317,075	4,339,282
Number of shares	149,954,112	149,954,112
Basic and diluted earnings per share (in AED)	0.20	0.03

Basic 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.

20 Income tax expense

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax (“CT”) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Company’s accounting period ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The table below show the details of the provision for current tax expense:

	(Unaudited) 31 March 2024 AED	(Unaudited) 31 March 2023 AED
	Condensed interim statement of comprehensive income	
Current tax	2,598,000	-

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

21 Segment information

For management purposes the Company is organised 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 income statement classified by major segments:

	For the three-month period ended 31 March 2024 (Unaudited)		
	Insurance AED	Investments AED	Total AED
Insurance revenue	217,607,675	-	217,607,675
Insurance service expenses	(156,102,466)	-	(156,102,466)
Insurance service result before reinsurance contracts held	61,505,209	-	61,505,209
Net expense from reinsurance contracts held	(39,245,857)	-	(39,245,857)
Insurance service result	22,259,352	-	22,259,352
Income from financial investments	5,366,700	16,716,678	22,083,378
Income from investment properties - net	-	1,102,928	1,102,928
Total investment income	5,366,700	17,819,606	23,186,306
Insurance finance expense	(6,459,206)	(5,366,700)	(11,825,906)
Reinsurance finance income	2,948,316	-	2,948,316
Financial insurance result	(3,510,890)	(5,366,700)	(8,877,590)
Other income	806,050	-	806,050
Unattributable expenses	(4,459,043)	-	(4,459,043)
Profit before tax	20,462,169	12,452,906	32,915,075

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

21 Segment information (continued)

	For the three-month period ended 31 March 2023 (Unaudited)		
	Insurance AED	Investments AED	Total AED
Insurance revenue	174,944,319	-	174,944,319
Insurance service expenses	(134,556,433)	-	(134,556,433)
Insurance service result before reinsurance contracts held	40,387,886	-	40,387,886
Net expense from reinsurance contracts held	(38,963,873)	-	(38,963,873)
Insurance service result	1,424,013	-	1,424,013
Income from financial investments	2,213,553	(1,097,303)	1,116,250
Income from investment properties – net	-	946,070	946,070
Total investment income	2,213,553	(151,233)	2,062,320
Insurance finance income	7,858,822	(2,213,553)	5,645,269
Reinsurance finance expense	(1,953,970)	-	(1,953,970)
Financial insurance result	5,904,852	(2,213,553)	3,691,299
Other income	684,999	-	684,999
Unattributable expenses	(3,523,349)	-	(3,523,349)
Profit before tax	6,704,068	(2,364,786)	4,339,282

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

	Insurance AED	Investments AED	Total AED
As at 31 March 2024 (Unaudited)			
Total assets	896,335,640	547,694,617	1,444,030,257
Total equity	603,704,368	-	603,704,368
Total liabilities	840,325,889	-	840,325,889
As at 31 December 2023 (Audited)			
Total assets	752,074,361	607,042,028	1,359,116,389
Total equity	573,460,902	-	573,460,902
Total liabilities	785,655,487	-	785,655,487

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

Notes to the condensed interim financial information
For the period ended 31 March 2024

22 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. In accordance with Circular No. CBUAE/BSD/N/2022/923 of CBUAE dated 28 February 2022, the Company has disclosed the solvency position for the immediately preceding period as the current period solvency position is not yet finalised.

	(Audited)
	31 December
	2023
	AED
Minimum Capital Requirement (MCR)	100,000,000
Solvency Capital Requirement (SCR)	192,390,454
Minimum Guarantee Fund (MGF)	108,311,795
Basic Own Funds	454,491,992
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	354,491,992
SCR Solvency Margin - Solvency Capital Requirement (Surplus)	262,101,538
MGF Solvency Margin - Minimum Guarantee Fund (Surplus)	346,180,196

23 Subsequent events

Subsequent to the period end, UAE experienced an unprecedented rain or flood event on April 2024. The Company is being adequately protected by Quota Share and Excess of Loss treaties and hence NGI's maximum net exposure to this event is considerably limited and is being continuously monitored.

24 Approval of the condensed interim financial information

The condensed interim financial information was approved by the Board of Directors and authorised for issue on 14 May 2024.