NGI

الشركة الوطنية للتأمينات العامة (ش.م.ع.)

NATIONAL GENERAL INSURANCE CO. (PJSC)

Annual Integrated Report

2023

COP28 UAE

الشركة الوطنية للتأمينات العامة (ش.م.ع.)
NATIONAL GENERAL INSURANCE CO. (PJSC)

Table of Contents

NGI

الشركة الـوطنيـة للتـأمينـات العامـة (ش.م.ع.)

NATIONAL GENERAL INSURANCE CO. (PJSC)

Report of the Board of Directors

2023

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Report of the Board of Directors

Dear Shareholders,

The Board of Directors has the pleasure to welcome you to the twenty-third Annual General Meeting and present their report together with the audited financial statements of National General Insurance Co. (P.J.S.C.) ('the Company') for the year ended 31 December 2023.

Overview

The Company continues to be a technically strong and dominant player in the market backed by a solid base of professionals within the Company and the support of reinsurers.

FINANCIAL RESULTS

1. The Company reported a net profit of AED 74.8 million for the year 2023 against AED 60.5 million for 2022 an increase of 24%.

2. Insurance revenue is AED 745.7 million in 2023 compared to AED 621.4 million in 2022 an increase of 20%.

3. Insurance service result is AED 44.7 million in 2023 compared to AED 56.0 million in 2022 a decrease of 20%.

4. Gross income from the investment portfolio was AED 57.8 million in 2023 compared to AED 12.6 million in 2022 an increase of 359%.

5. Total assets are AED 1.36 billion in 2023 as compared to Total assets of AED 1.19 billion in 2022, an increase of 14%.

6. Shareholder Equity is AED 573.5 million in 2023, marking a 6% increase compared to the total shareholders' equity of AED 538.7 million in 2022.

RECOMMENDATIONS OF THE BOARD OF DIRECTORS

The Board of Directors has the pleasure in presenting the following recommendations to the shareholders:

1. Consider, discuss, and approve the Board of Directors' report.

2. Consider, discuss, and approve the Auditors' report.

3. Consider, discuss, and approve the Financial Statements for the year ended 31 December 2023.

4. Absolve the Chairman and Members of the Board from all responsibilities for acts and decisions made by them in fulfilling their functions during the year ended 31 December 2023.

5. Approve the proposed appropriation of the profits as follows:

	AED
Profit brought forward	**196,298,450**
Add comprehensive profit for the year 2023	**77,096,049**
Total available for distribution	**273,394,499**
Less	
a) Director's remuneration	**5,250,000**
b) Proposed Dividend - 35%	**52,483,939**
Profit carried forward	**215,660,560**

6. Appoint Auditors for the financial year 2024 and determine their fees.

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, financial performance, and cash flows of the Company as of, and for, the periods presented in the periodic report.

The Board of Directors takes pleasure in extending, on your behalf, their sincere thanks and appreciation to H.H Sheikh Mohammed Bin Zayed A1 Nahyan, the President of the United Arab Emirates, and H.H Sheikh Mohammed Bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, for their kind support to the national companies and institutions, which benefited immensely from their wise economic and social policies.

The Directors also appreciate the fruitful cooperation of all customers who had a major role in the progress of the company.

The Directors take this opportunity to express their sincere appreciation and thanks to the Company's executive administration and staff for their loyalty, diligence, and hard work, and to our treaty leaders and all the Reinsurers for their continued support to the Company.

On behalf of the Board

Dr. Hamad Mubarak Buamim
Chairman

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الشركة الوطنية للتأمينات العامة (ش.م.ع.)

NATIONAL GENERAL INSURANCE CO. (PJSC)

The Auditor's Report

2023

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Grant Thornton

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Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National General Insurance Co. (P.J.S.C) (the "Company"), which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements together with the ethical requirements that are relevant to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C.)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of (Re)Insurance Contract Assets and Liabilities	
As at 31 December 2023, The Company's reinsurance contract assets, insurance contract assets, insurance contract liabilities and reinsurance contract liabilities are valued at AED 250 million, AED 11 million, AED 744 million and AED 4 million respectively. (Refer to note 11 to the financial statements). The Valuation of (Re)Insurance contract assets and liabilities involves significant judgements and estimates particularly with respect to, estimation of the present value of future cash flows, the eligibility of the PAA model and estimation of the liabilities for incurred claims. These cashflows and liabilities primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries. The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows.	We performed the following procedures in conjunction with our actuarial specialists: • Understood and evaluated the process, the design and implementation of controls in place to determine valuation of (Re)Insurance contract assets and liabilities; • Assessed the competence, capabilities and objectivity of the management appointed actuary; • Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; • Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; • We independently reperformed the calculation to assess the mathematical accuracy of the (Re)Insurance contract assets and liabilities on selected classes of business, particularly focusing on largest and most uncertain reserves; • Evaluated and tested the data used in the impairment model calculations for insurance receivables; and • Evaluated and tested the calculation of the expected credit loss allowance and the key assumption and judgements used.

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Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	**How our audit addressed the key audit matter**
Disclosure of transition impact of adopting IFRS 17	
We determined the disclosure of the impact of adopting IFRS 17 to be a key audit matter because of the significant changes introduced by the standard, which includes significant estimates and judgements. These impacts will be of particular importance to the readers of these financial statements. (Refer to note 4 to the financial statements). In particular, we have focused on the following key judgements that management have taken on implementing IFRS 17. - The determination of the transition approach adopted for each group of insurance contracts. - The methodology adopted and key assumptions used to determine the impact and restatement of previously reported numbers in accordance with IFRS 17. - Disclosure of the impact of restatement, in accordance with IFRS 17.	Our audit procedures, among others, include: • Assessed whether the judgements applied by management in determining their accounting policies are in accordance with IFRS 17; • Using our actuarial specialist team members, evaluated the appropriateness of the methodology used to determine discount rates as at the transition date; • Evaluated the appropriateness of significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows; • Evaluated the completeness, and on sample basis, the accuracy and relevance of the data used to determine the impact of IFRS 17 adoption and restatement; and • Evaluated the reasonableness of the quantitative and qualitative disclosures included in the financial statements in accordance with IFRS 17.
Valuation of investment properties	
The Company holds investment properties under the fair value model as at 31 December 2023 amounting to AED 186 million (2022: AED 185 million. (Refer to note 8 to the financial statements). The fair value requires significant judgement and estimates by management and independent valuers. The Company has involved two external valuers in order to value their investments properties for the purpose of determining the fair value for inclusion in the financial statements. The existence of significant judgement and estimation could result in material change. Therefore, the valuation of these investment properties were significant to our audit.	Our audit procedures, among others, included: • Assessed the competence, capabilities, and objectivity of external valuers; • Evaluated the accuracy and completeness of the source data used in the calculation of fair values; • Assessed the appropriateness of the key assumptions and methodologies used; and • Performed an independent calculation after carrying out enquiries with management and independent valuer, including performing reasonableness computation by using publicly available sources of information to independently corroborate the valuation performed by management experts.

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Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C)

Report on the Audit of the Financial Statements (continued)

Other Matter

The financial statements for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements in their audit report dated 21 February 2023.

Other Information

The Board of Directors and management is responsible for the other information. The other information comprises the information included in the *Board of Directors' report* but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that are obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the applicable provisions of the UAE Federal Law No. 32 of 2021 and UAE Federal Law No. 48 of 2023 (previously Federal Law No. 6 of 2007, as amended), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C)

Report on the Audit of the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Law No. 32 of 2021, we report that:

i) We have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 32 of 2021;

iii) The Company has maintained proper books of account;

iv) The financial information included in Board of Directors' report is consistent with the books of accounts of the Company;

Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C)

Report on Other Legal and Regulatory Requirements (continued)

v) As disclosed in note 9 to the financial statements, the Company has purchased or invested in securities during the year ended 31 December 2023;

vi) Note 17 to the financial statements discloses material related party transactions, and the terms under which they were conducted;

vii) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the Federal Law No. 32 of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2023; and

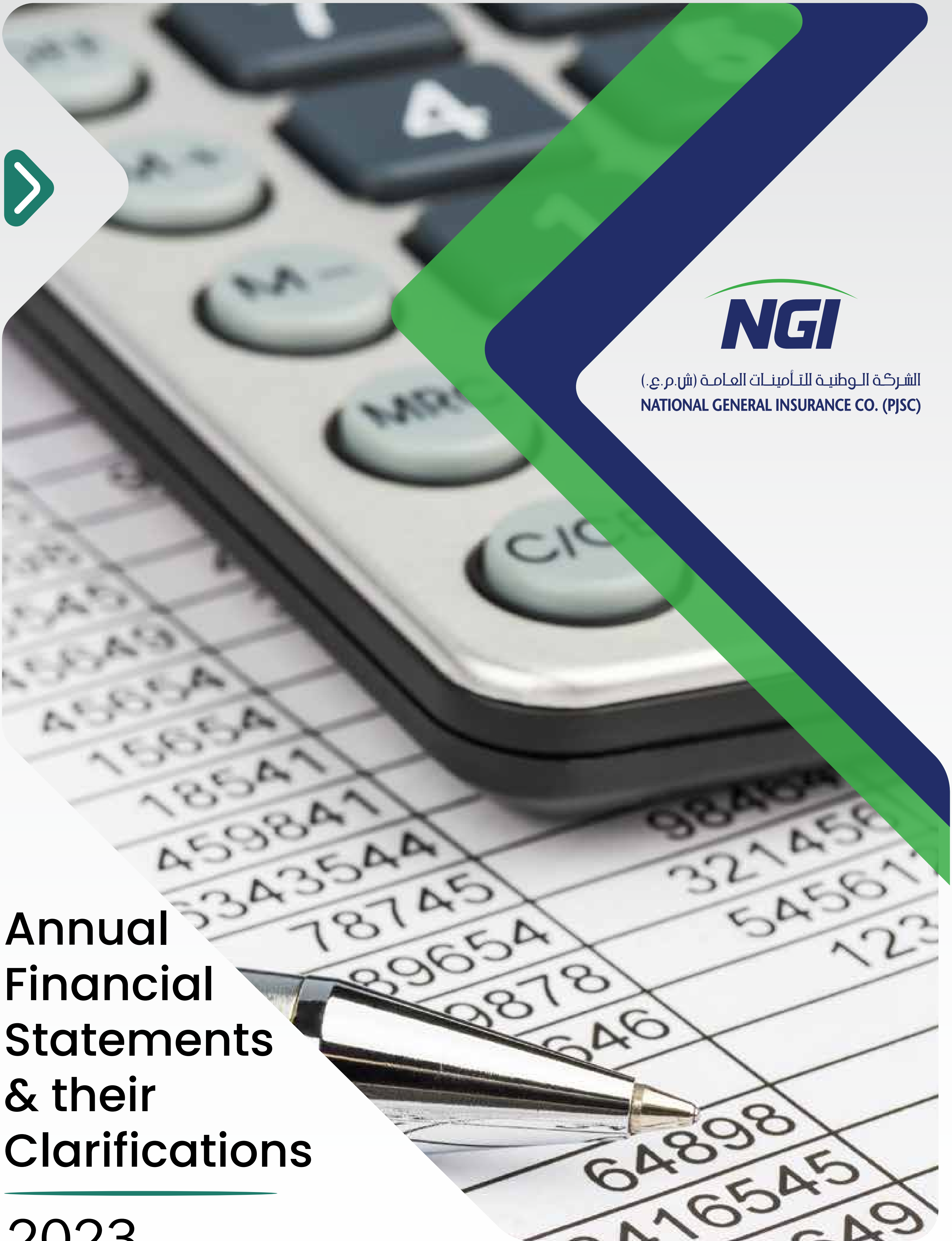
viii) The Company has not made any social contributions during the year.

Further, as required by the UAE Federal Law No. 48 of 2023 (previously Federal Law No. 6 of 2007, as amended), we report that we have obtained all the information and explanation we considered necessary for the purpose of our audit.

GRANT THORNTON UAE

Farouk Mohamed
Registration No: 86
Dubai, United Arab Emirates

8 March 2024



الشركة الـوطنية للتـأمينـات العامة (ش.م.ع.)
NATIONAL GENERAL INSURANCE CO. (PJSC)

Annual Financial Statements & their Clarifications

2023

COP28 UAE

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

Financial Statements
For the year ended 31 December 2023

National General Insurance Co. (P.J.S.C.)
Statement of financial position
As at 31 December 2023

	Notes	2023 AED	Restated 2022 AED	Restated 2021 AED
Assets				
Property and equipment	6	**25,546,512**	26,874,482	27,227,665
Intangible assets	7	**3,161,554**	5,405,607	3,706,450
Investment properties	8	**186,002,982**	185,150,000	184,704,150
Investment securities	9	**353,408,125**	317,559,937	356,419,319
Investments on behalf of policy holders of unit-linked products	9	**67,630,921**	47,879,920	51,535,535
Reinsurance contract assets	11	**250,102,821**	242,100,252	239,317,684
Insurance contract assets	11	**11,149,272**	2,324,952	1,895,815
Prepayments and other receivables		**15,369,431**	16,403,345	14,401,336
Fixed deposits	12	**361,869,747**	219,027,755	247,944,812
Bank balances and cash	12	**84,875,024**	126,362,439	64.397.757
Total assets		**1,359,116,389**	1,189,088,689	1,191,550,523
Equity and liabilities				
Equity				
Share capital	13	**149,954,112**	149,954,112	149,954,112
Legal reserve	14	**74,977,056**	74,977,056	74,977,056
General reserve	14	**74,977,056**	74,977,056	74,977,056
Reinsurance reserves	14	**5,770,295**	3,572,440	1,846,431
Cumulative change in fair value of FVTOCI investments		**(3,423,304)**	(5,637,987)	1,930,661
Retained earnings		**271,177,441**	240,859,833	232,160,016
Insurance finance reserve through OCI		**28,246**	25,871	-
Total equity		**573,460,902**	538,728,381	535,845,332
Liabilities				
Provision for end of service indemnity	15	**14,693,070**	13,290,777	11,651,763
Other payables	16	**22,647,663**	16,523,380	28,696,564
Insurance contract liabilities	11	**744,290,680**	617,234,549	595,705,630
Reinsurance contract liabilities	11	**4,024,074**	3,311,602	12,848,784
Bank borrowings		**-**	-	6,802,450
Total liabilities		**785,655,487**	650,360,308	655,705,191
Total equity and liabilities		**1,359,116,389**	1,189,088,689	1,191,550,523

These financial statements were authorised for issue on 8th March 2024 by the Board of Directors and signed on their behalf by:

HE Hamad Mubarak Buamim
Chairman

Dr. Abdul Zahra A. Ali
Chief Executive Officer

The notes from 1 to 29 form an integral part of these financial statements

National General Insurance Co. (P.J.S.C.)
Statement of profit or loss
For the year ended 31 December 2023

	Notes	2023 AED	Restated 2022 AED
Insurance revenue	19	**745,786,103**	621,424,193
Insurance service expenses	20	**(546,508,504)**	(459,257,605)
Insurance service result before reinsurance contracts held		**199,277,599**	162,166,588
Allocation of reinsurance premiums		**(354,796,074)**	(293,800,438)
Amounts recoverable from reinsurance for incurred claims		**200,266,746**	187,650,605
Net expenses from reinsurance contracts held		**(154,529,328)**	(106,149,833)
Insurance service result		**44,748,271**	56,016,755
Unrealised gains /(losses) on financial assets at FVTPL		**3,852,418**	(12,051,350)
Income from investment properties - net	8	**4,157,541**	3,531,091
Other investment income		**49,806,989**	21,185,130
Total investment income		**57,816,948**	12,664,871
Insurance finance (expense) / income	21	**(14,299,959)**	352,792
Reinsurance finance income	21	**1,824,992**	4,156,221
Net insurance financial result		**(12,474,967)**	4,509,013
Other operating income		**806,466**	995,229
Other operating expenses		**(16,017,727)**	(13,648,812)
Profit for the year		**74,878,991**	60,537,056
Basic and diluted earnings per share		**0.50**	0.40

The notes from 1 to 29 form an integral part of these financial statements.

National General Insurance Co. (P.J.S.C.)
Statement of comprehensive income
For the year ended 31 December 2023

	2023 AED	Restated 2022 AED
Profit for the year	**74,878,991**	60,537,056
Other comprehensive income:		
Items that will be reclassified subsequently to profit or loss:		
Net change in fair value of fixed income investments / bonds designated at FVTOCI	**1,983,320**	(4,860,711)
Items that will not be reclassified subsequently to profit or loss:		
Net gain on insurance finance reserve through OCI	**2,375**	25,871
Net change in fair value of equity instruments designated at FVTOCI	**231,363**	(2,707,937)
Total other comprehensive income / (loss) for the year	**2,217,058**	(7,542,777)
Total comprehensive income for the year	**77,096,049**	52,994,279

The notes from 1 to 29 form an integral part of these financial statements.

National General Insurance Co. (P.J.S.C.)
Statement of changes in equity
For the year ended 31 December 2023

	Share capital AED	Legal reserve AED	General reserve AED	Reinsurance reserve AED	Cumulative change in fair value of FVTOCI 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 year (restated)	-	-	-	-	-	-	60,537,056	60,537,056
Other comprehensive (loss)/income for the year	-	-	-	-	(7,568,648)	25,871	-	(7,542,777)
Total comprehensive (loss)/income for the year	-	-	-	-	(7,568,648)	25,871	60,537,056	52,994,279
Transfer to reinsurance reserve	-	-	-	1,726,009	-	-	(1,726,009)	-
Directors' remuneration (note 23)	-	-	-	-	-	-	(5,125,000)	(5,125,000)
Dividend declared (note 23)	-	-	-	-	-	-	(44,986,230)	(44,986,230)
Balance at 31 December 2022	149,954,112	74,977,056	74,977,056	3,572,440	(5,637,987)	25,871	240,859,833	538,728,381
Balance at 1 January 2023 (Restated)	**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 year	-	-	-	-	-	-	**74,878,991**	**74,878,991**
Other comprehensive income for the year	-	-	-	-	**2,214,683**	**2,375**	-	**2,217,058**
Total comprehensive income for the year	-	-	-	-	**2,214,683**	**2,375**	**74,878,991**	**77,096,049**
Transfer to reinsurance reserve	-	-	-	**2,197,855**	-	-	**(2,197,855)**	-
Directors' remuneration (note 23)	-	-	-	-	-	-	**(4,875,000)**	**(4,875,000)**
Dividend declared (note 23)	-	-	-	-	-	-	**(37,488,528**	**(37,488,528**
Balance at 31 December 2023	**149,954,112**	**74,977,056**	**74,977,056**	**5,770,295**	**(3,423,304)**	**28,246**	**271,177,441**	**573,460,902**

The notes from 1 to 29 form an integral part of these financial statements.

National General Insurance Co. (P.J.S.C.)
Statement of cash flows
For the year ended 31 December 2023

	Notes	2023 AED	Restated 2022 AED
Cash flows from operating activities			
Profit for the year		**74,878,991**	60,537,056
Adjustments for:			
Depreciation and amortisation		**3,006,900**	2,426,687
Dividend income		**(7,948,872)**	(6,210,907)
Realised gain on FVTPL investments		**(9,995,212)**	(15,226,188)
Fair value gain on investment properties		**(852,982)**	(445,850)
Unrealised (gain) / loss on FVTPL investments		**(2,999,435)**	12,497,199
Other investment income		**(15,647,825)**	(9,591,766)
Provision for employees' end of service indemnity	15	**2,265,200**	2,124,036
Operating cash flows before changes in working capital		**42,706,765**	46,110,267
Changes in working capital:			
Change in insurance and reinsurance contract assets		**(16,826,890)**	(3,211,705)
Change in prepaid expenses and other assets		**1,033,914**	(2,002,013)
Change in insurance and reinsurance contract liabilities		**127,768,604**	11,991,736
Change in accrued expenses and other liabilities		**6,124,285**	(12,173,179)
Change in insurance finance reserve through OCI		**2,375**	25,871
Employees' end of service indemnity paid	15	**(862,907)**	(485,022)
Net cash generated from operating activities		**159,946,146**	40,255,955
Cash flows from investing activities			
Purchase of property and equipment		**(3,107,828)**	(3,772,661)
Proceeds from disposal of property and equipment		**3,672,950**	-
Purchase of FVTPL investments		**(70,336,054)**	(93,393,325)
Purchase of FVTOCI investments		**(16,275,733)**	(15,049,140)
Proceeds from sale of FVTPL investments		**65,972,928**	127,462,188
Net movement in payable to policyholder's unit linked products		**(19,751,001)**	3,655,615
Proceeds from maturity of investments		**-**	15,000,000
Dividends received		**7,948,872**	6,210,907
Interest and other income received		**15,647,825**	9,591,766
Net (investment) / withdrawal in bank deposits		**(142,841,992)**	28,917,057
Repayment of bank borrowings		**-**	(6,802,450)
Net cash (used in)/generated from investing activities		**(159,070,033)**	71,819,957
Cash flows from financing activities			
Dividend paid	23	**(37,488,528)**	(44,986,230)
Directors' remuneration paid	23	**(4,875,000)**	(5,125,000)
Net cash used in financing activities		**(42,363,528)**	(50,111,230)
Net (decrease) / increase in cash and cash equivalents		**(41,487,415)**	61,964,682
Cash and cash equivalents at beginning of the year		**126,362,439**	64,397,757
Cash and cash equivalents at end of the year	12	**84,875,024**	126,362,439

The notes from 1 to 29 form an integral part of these financial statements.

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. 48 of 2023 (previously UAE Federal Law No. 6 of 2007, as amended) 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"). 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 financial statement has been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. 32 of 2021.

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

2 Statement of compliance with IFRS

This financial statement is for the year ended 31 December 2023 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") promulgated by International Accounting Standard Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee ("IFRS IC") and in compliance with the applicable requirements of the United Arab Emirates (UAE) Federal Decree Law No. 32 of 2021 ("Companies Law"), relating to commercial companies and United Arab Emirates (UAE) Federal Law No. 48 of 2023 (previously Federal Law No. 6 of 2007, as amended) concerning Financial Regulations for Insurance Companies issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations.

Basis of preparation

These financial statements have been prepared on the historical cost basis, except for financial assets carried at fair value through other comprehensive income and financial assets carried at fair value through profit and loss which are carried at fair value and the provision for employees' end of service indemnity which is calculated in line with UAE labour laws.

The Company's statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: bank balances and cash, financial assets at fair value through profit and loss, other receivables and other payables. The following balances would generally be classified as non-current: property and equipment, intangible assets, investment properties, statutory deposit and provision for employees' end of service indemnity. 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 assets, insurance contract liabilities, reinsurance contract liabilities, bank balances and fixed deposits.

3 Standard, interpretations and amendments to standards

New and revised IFRSs and interpretations applied on the financial statements

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

Standard number	Title	Effective date
IAS 1	Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
IAS 8	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023

These standards have been adopted by the Company and did not have a material impact on these financial statements, except for the adoption of "IFRS 17 Insurance contracts".

Standards issued but not yet effective

The impact of the new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

4 Material accounting policy information

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:

4 Material accounting policy information (continued)

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

IFRS 17 Insurance contracts (continued)

Changes to preparation and disclosures (continued)

- 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.

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.

4 Material accounting policy information (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 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.

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.

4 Material accounting policy information (continued)

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

IFRS 17 Insurance contracts (continued)

Unit of account (continued)

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.

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.

4 Material accounting policy information (continued)

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

IFRS 17 Insurance contracts (continued)

Recognition and derecognition (continued)

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 bythe 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.

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 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.

4 Material accounting policy information (continued)

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

IFRS 17 Insurance contracts (continued)

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.

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.

4 Material accounting policy information (continued)

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

IFRS 17 Insurance contracts (continued)

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.

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.

4 Material accounting policy information (continued)

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

IFRS 17 Insurance contracts (continued)

Measurement of expenses (continued)

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.

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.

4 Material accounting policy information (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)

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.

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 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:

4 Material accounting policy information (continued)

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

IFRS 17 Insurance contracts (continued)

CSM at initial recognition (continued)

- 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.

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:

4 Material accounting policy information (continued)

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

IFRS 17 Insurance contracts (continued)

CSM at subsequent measurement (continued)

- 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;
- 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.

4 Material accounting policy information (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:

- Expected incurred claims and other directly attributable expenses for the period;
- Changes in the RA for the risk expired; and
- 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;

4 Material accounting policy information (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 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.

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.

4 Material accounting policy information (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 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 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.

The table on the next page summarises the impact of initial application of IFRS 17 as at 1 January 2022:

4 Material accounting policy information (continued)

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

IFRS 17 Insurance contracts (continued)

Transition (continued)

	As previously reported AED	Effect of application of IFRS 17 AED	Restated AED
ASSETS			
Insurance and reinsurance receivables	166,424,636	(166,424,636)	-
Insurance contract asset	-	1,895,815	1,895,815
Reinsurance contract asset	-	239,317,684	239,317,684
Other receivables and prepayments	41,547,848	(27,146,512)	14,401,336
LIABILITIES			
Insurance contract liabilities	-	595,705,630	595,705,630
Reinsurance contract liabilities	-	12,848,784	12,848,784
Insurance and reinsurance payables	196,619,021	(196,619,021)	-
Other liabilities and provision	57,006,185	(9,855,409)	47,150,776
EQUITY			
Retained earnings and reserve	229,388,855	2,771,161	232,160,016

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.

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.

4 Material accounting policy information (continued)

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

IFRS 17 Insurance contracts (continued)

Best estimate cash flows (continued)

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 expect 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.

Life assurance fund

The fund is determined by the independent actuarial valuation of future policy benefits. Actuarial assumptions include a margin for adverse deviation and generally vary by type of policy, year of issue and policy duration. Mortality and withdrawal rate assumptions are based on experience. Adjustments to the balance of fund are affected by charges or credits to income. Certain generated returns are accrued and provided for in the life fund.

Unit linked liabilities

For unit linked policies, liability is equal to the policy account values. The account value is the number of units times the bid price.

4 Material accounting policy information (continued)

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

Insurance contract liabilities and reinsurance assets

Insurance contract liabilities towards outstanding claims are made for all claims intimated to the Company and still unpaid at the statement of financial position date, in addition for claims incurred but not reported and Life assurance fund. Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the end of the reporting period after reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of claims cannot be known with certainty at the end of the reporting period. The liability is not discounted for the time value of money.

No provision for equalisation or catastrophic reserves is recognised. The liability is derecognised when it is expired, discharged or cancelled.

The reinsurers' portion towards the above outstanding claims, claims incurred but not reported and unearned premium is classified as reinsurance contract assets in the financial statements.

Salvage and subrogation reimbursements

Estimates of salvage and subrogation reimbursements are considered as an allowance in the measurement of the insurance liability for claims.

Revenue (other than insurance revenue)

Revenue (other than insurance revenue) comprises the following:

Fee and commission income
Fee and commissions received or receivable which do not require the Company to render further service are recognised as revenue by the Company on the effective commencement or renewal dates of the related policies.

Dividend income
Dividend income is recognised when the Company's right to receive the payment has been established.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income
Rental income from investment property which are leased under operating leases are recognised on a straight-line basis over the term of the relevant lease.

Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and identified impairment losses. Land is not depreciated.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Where parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

4 Material accounting policy information (continued)

Property and equipment (continued)

Recognition and measurement (continued)

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property and equipment and is recognised net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in statement of profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in statement of profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate. No depreciation is charged on freehold land and capital-work-in-progress. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit or loss.

The estimated useful lives with their capabilities for various categories of property and equipment is as follows:

Office building	30 years
Other property and equipment	4 years

Intangible assets (software)

Software acquired by the Company is measured at cost less accumulated amortisation and any identified impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis in the statement of profit or loss over its estimated useful life, from the date that it is available for use. The estimated useful life of software for the current and comparative periods are four years. Amortisation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

Investment properties

Investment properties are properties are held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in providing services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of profit or loss.

The Company determines fair value on the basis of valuations provided by two independent valuers who hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment properties being valued.

4 Material accounting policy information (continued)

Investment properties (continued)

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self- constructed investment properties include the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs.

Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash- generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Non-derivative financial assets and liabilities

Recognition

The Company initially recognises insurance receivables and insurance payables on the date at which they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Company becomes party to the contractual provision of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. All recognised financial assets and financial liabilities are subsequently measured in their entirety at either amortised cost or fair value.

Classification

Financial assets measured at amortised cost

At inception a financial asset is classified as measured at amortised cost or fair value.

A financial asset qualifies for amortised cost measurement only if it meets both of the following two conditions:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cashflows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principle and interest on the principal amount outstanding.

If a financial asset does not meet both of these conditions, then it is measured at fair value.

The Company makes an assessment of a business model at portfolio level as this reflect the best way the business is managed and information is provided to the management.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Classification (continued)

Financial assets measured at amortised cost (continued)

In making an assessment of whether an asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, the Company considers:

- management's stated policies and objectives for the portfolio and the operation of those policies in practice;
- how management evaluates the performance of the portfolio;
- whether management's strategy focus on earning contractual interest revenue;
- the degree of frequency of any expected asset sales;
- the reason of any asset sales; and
- whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

Insurance and other receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these are measured at amoritised cost using the effective interest method.

Financial assets measured at fair value through profit or loss

Financial assets at FVTPL are:
(i) assets with contractual cash flows that are not SPPI; or/and
(ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
(iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

Equity instruments at FVTOCI

Investments in equity instruments/funds at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the cumulative changes in fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments in equity instruments/funds, but reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Debt instruments at amortised cost or at FVTOCI

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Classification (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with the banks and fixed deposits with original maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value and are used by the Company in the management of short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

Ordinary shares of the Company are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Insurance and other payables are classified as 'other financial liabilities' and are initially measured at fair value, net of transaction costs. Other financial liabilities (except for deferred reinsurance commission) are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis except for short term payable when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Impairment

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, cash and bank balances, insurance receivables and reinsurance receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL (expected credit losses) for insurance receivables and reinsurance receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Impairment (continued)

The Company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade' 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD);
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information.

The Company has adopted simplified approach in case of insurance and other receivables. In case of financial assets for which simplified approach is adopted lifetime expected credit loss is recognised.

Details of these statistical parameters/inputs are as follows:

PD - The probability of default is an estimate of the likelihood of default over a given time horizon.

LGD - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

EAD - The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

Forward-looking information

The measurement of expected credit losses considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors

In its models, the company relies on a broad range of forward looking information as economic inputs, such as: GDP, GDP annual growth rate, unemployment rates, inflation rates, interest rates, etc. Various macroeconomic variables considered are Brent, CPI, Stock, Inflation and Loans to private sector.

The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

Definition of default

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of an amount due to the Company on terms that the Company would not otherwise consider, indication that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse change in the payment status of borrowers or issuers, or economic conditions that correlate with defaults in the Company.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Impairment (continued)

Definition of default (continued)

In assessing whether a borrower is in default, the Company considers indicators that are:

- Qualitative - e.g. breaches of covenant,
- Quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Company; and
- Based on data developed internally and obtained from external sources.

Derecognition of financial assets and financial liabilities

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risk and rewards of the ownership are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control on the financial asset. Any interest in transferred financial assets that qualify for derecognition that is carried or retained by the Company is recognised as separate asset or liability in the statement of financial position. On derecognition of financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the financial assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Company retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the services. The Company derecognises a financial liability when its contractual obligation are discharged or cancelled or expire.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividend is approved by the Company's shareholders.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4 Material accounting policy information (continued)

Foreign currency transactions

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams ("AED"), which is the functional currency of the Company and the presentation currency for the financial statements.

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams ("AED"), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise.

Employee terminal benefits

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' length of service and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment and are not less than the liability arising under UAE Labour Law.

The Company contributes to the pension scheme for UAE nationals under the UAE pension and social security law. This is a defined contribution pension plan and the Company's contributions are charged tothe statement of profit or loss in the year to which they relate. In respect of this scheme, the Company has a legal and constructive obligation to pay the fixed contributions as they fall due and no obligations exist to pay the future benefits.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the recognised amounts audit intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or of gains and losses arising from a group of similar transactions such as in the Company's trading activity.

Directors' remuneration

Pursuant to Article 171 of Federal Decree Law No. (32) of 2021 and in accordance with the Articles of Association of the Company, the Directors are entitled for remuneration which shall not exceed 10% of the net profits after deducting depreciation and reserves.

5 Critical accounting judgements and key sources of estimation uncertainty

The preparation of this financial statements 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 these financial statements, 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.

Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. 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.

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.

5 Critical accounting judgements and key sources of estimation uncertainty (continued)

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.

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
Measured under PAA and GMM								
Insurance contracts								
	5.59%	3.36%	**4.57%**	2.63%	**4.34%**	2.54%	**4.33%**	2.84%
Reinsurance contracts held								
	5.59%	3.36%	**4.57%**	2.63%	**4.34%**	2.54%	**4.33%**	2.84%
Measured under VFA								
Insurance contracts								
	3.50%	3.50%	**2.47%**	2.78%	**2.25%**	2.68%	**2.23%**	2.98%

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.

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.

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.

5 Critical accounting judgements and key sources of estimation uncertainty (continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the years presented.

Measurement of expected credit loss ("ECL") allowance

The measurement of ECL is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on the credit loss allowance for debt instruments carried at amortised cost, FVTOCI investments, bank balances and fixed deposits: definition of default, significant increase in credit risk, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD") and the historical loss experience per ageing bucket has the major impact on the credit loss allowance for Insurance and other receivables. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

6 Property and equipment

	Land and office building	Furniture and fixtures	Computer & office equipment	Motor vehicles	Total
	AED	AED	AED	AED	AED
Cost:					
At 1 January 2022	36,600,711	9,645,860	9,720,444	402,050	56,369,065
Additions during the year	-	1,150	1,292,501	-	1,293,651
Disposals during the year	-	-	-	(6,600)	(6,600)
At 31 December 2022	36,600,711	9,647,010	11,012,945	395,450	57,656,116
Addition during the year	-	**5,720**	**445,651**	-	**451,371**
At 31 December 2023	**36,600,711**	**9,652,730**	**11,458,596**	**395,450**	**58,107,487**
Accumulated Depreciation:					
At 1 January 2022	10,296,532	9,374,938	9,115,128	354,802	29,141,400
Charge for the year	1,105,853	87,912	420,323	32,746	1,646,834
Disposals during the year	-	-	-	(6,600)	(6,600)
At 31 December 2022	11,402,385	9,462,850	9,535,451	380,948	30,781,634
Charge for the year	**1,105,853**	**78,377**	**580,610**	**14,501**	**1,779,341**
At 31 December 2023	**12,508,238**	**9,541,227**	**10,116,061**	**395,449**	**32,560,975**
Net carrying amount:					
At 31 December 2022	25,198,326	184,160	1,477,494	14,502	26,874,482
At 31 December 2023	**24,092,473**	**111,503**	**1,342,535**	**1**	**25,546,512**

7 Intangible assets

	Computer software
	AED
Cost:	
At 1 January 2022	14,058,631
Additions during the year	2,479,010
At 31 December 2022	16,537,641
Additions during the year	**269,232**
Transfers during the year	**(1,285,726)**
At 31 December 2023	**15,521,147**
Accumulated amortisation:	
At 1 January 2022	10,352,181
Charge for the year	779,853
At 31 December 2022	11,132,034
Charge for the year	**1,227,559**
At 31 December 2023	**12,359,593**
Net carrying amount:	
At 31 December 2022	5,405,607
At 31 December 2023	**3,161,554**

8 Investment properties

	2023 AED	2022 AED
At 1 January	**185,150,000**	184,704,150
Change in fair value	**852,982**	445,850
At 31 December	**186,002,982**	185,150,000

	2023 AED		2022 AED	
	Cost	**Fair value**	Cost	Fair value
Land	**119,627,060**	**114,679,037**	119,627,060	113,700,000
Office building	**63,156,439**	**71,323,945**	63,156,439	71,450,000
At 31 December	**182,783,499**	**186,002,982**	182,783,499	185,150,000

Investment properties include two plots of land and rented out portion of a commercial building. All investment properties are located in the U.A.E.

The carrying amount of investment properties are the fair value of the properties as determined by two independent appraisers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued and is reviewed by the Board of Directors on a yearly basis. Fair values were determined based on income valuation approach, sales comparative approach and open market value basis.

The properties have been categorised as Level 3 based on the inputs to the valuation technique used; and in estimating the fair value, the highest and best use of the properties is their current use.

The rental income and operating expenses relating to these properties are as follows:

	2023 AED	2022 AED
Rental income	**5,600,453**	5,350,940
Operating expenses	**(1,442,912)**	(1,819,849)
Net rental income	**4,157,541**	3,531,091

9 Investment securities

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

	2023 AED	2022 AED
Financial assets at fair value through profit or loss (FVTPL)	**295,337,160**	258,032,545
Financial assets at fair value through other comprehensive income (FVTOCI)	**126,119,923**	107,822,835
Less: Provision for expected credit losses (ECL)	**(418,037)**	(415,523)
	421,039,046	365,439,857

9 Investment securities (continued)

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

	2023 AED	2022 AED
Investment securities	**353,408,125**	317,559,937
Investments on behalf of policy holders of unit- linked products	**67,630,921**	47,879,920
	421,039,046	365,439,857

Investments securities – Geographic concentration

	2023 AED	2022 AED
Investments made:		
- Within UAE	**169,066,251**	148,859,027
- Outside UAE	**251,972,795**	216,580,830
	421,039,046	365,439,857

Fair value through profit or loss (FVTPL) investments

	2023 AED	2022 AED
Equity investments – quoted	**138,159,535**	119,776,698
Equity investments – unquoted	**10,000,000**	10,000,000
Fixed income investments/ bonds – quoted	**79,546,704**	80,375,927
Investments held on behalf of policyholders' unit linked products linked products	**67,630,921**	47,879,920
	295,337,160	258,032,545

Fair value through other comprehensive income (FVTOCI) investments

	2023 AED	2022 AED
Equity investments – unquoted	**52,057,203**	53,091,043
Fixed income investments/bonds – quoted	**74,062,720**	54,731,792
	126,119,923	107,822,835

Movements in provision for ECL are as follows:

	2023 AED	2022 AED
At 1 January	**415,523**	465,401
Charge / (reversal) during the year	**2,514**	(49,878)
At 31 December	**418,037**	415,523

Investment concentration

The Central Bank of UAE has set a maximum limit for aggregate exposure in various categories of investments. As at 31 December 2023, the Company has investments more than the limit in some categories particularly equity instruments within and outside UAE, and deposits and other debt instruments.

10 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.

	2023	2022	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	AED	AED			
FVTOCI					
Quoted securities	**74,062,720**	54,731,792	Level 1	Quoted bid prices in an active market	N/A
Unquoted equity securities	**52,057,203**	53,091,043	Level 3	Net assets valuation method	Net asset value
FVTPL					
Quoted equity securities	**138,159,535**	119,776,698	Level 1	Quoted bid prices in an active market	N/A
Quoted debt securities	**79,546,704**	80,375,927	Level 1	Quoted bid prices in an active market	N/A
Unit linked products	**67,630,921**	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 year. There are no financial liabilities, which should be measured at fair value, and accordingly no disclosure is made in the above table.

11 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			2022 (Restated)		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
General and medical	-	586,272,053	586,272,053	-	460,030,208	460,030,208
Life	11,149,272	158,018,627	146,869,355	2,324,952	157,204,341	154,879,389
Total insurance contracts issued	11,149,272	744,290,680	733,141,408	2,324,952	617,234,549	614,909,597
Reinsurance contracts held						
General and medical	234,092,788	1,749,010	232,343,778	213,517,198	2,821,144	210,696,054
Life	16,010,033	2,275,064	13,734,969	28,583,054	490,458	28,092,596
Total reinsurance contracts held	250,102,821	4,024,074	246,078,747	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		
31 December 2023	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
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	(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 expense	-	-	(905,066)	-	(905,066)
Total changes in the statement of comprehensive income / (loss)	647,267,314	8,979,328	(463,591,524)	224,372	192,879,490
Cash flows					
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)

11 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 (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		
31 December 2022 (Restated)	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
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	-	-	52,354,236	14,940,720	67,294,956
Insurance service result	527,687,453	(2,790,472)	(369,956,096)	567,313	155,508,198
Insurance finance expenses	-	-	(5,257,352)	-	(5,257,352)
Total changes in the statement of comprehensive income / (loss)	527,687,453	(2,790,472)	(375,213,448)	567,313	150,250,846
Cash flows					
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	-	29,286,830	-	112,502,706
Total cash flows	(530,035,142)	-	341,458,379	-	(188,576,763)
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)

11 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 not measured under the PAA

	Liabilities for remaining coverage		Liabilities for incurred claims	
31 December 2023	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Total AED
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	17,676300	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)
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	-	-	(3,696,783)	(3,696,783)
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)	(3,696,783)	6,658,390
Insurance finance income / (expenses)	5,733,155	(25,441)	-	5,707,714
Investment component	22,110,942	-	(22,110,942)	-
Total changes in the statement of comprehensive income	40,551,286	(2,377,457)	(25,807,725)	12,366,104
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)

11 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

31 December 2023	Estimates of present value of future cash flows AED	Risk adjustment for non-financial risk AED	CSM: Contracts under modified retrospective transition approach AED	CSM: Other contracts AED	Total AED
Net 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)

11 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)

			CSM		
31 December 2022 (Restated)	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
Net 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	6,000,218	-	-	-	6,000,218
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	(4,213,243)	56,088	-	10,815,545	6,658,390
Net finance income /(expenses) from insurance contracts	6,046,756	-	-	(339,042)	5,707,714
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
Net insurance contract liabilities as at 31 December	(126,914,284)	(7,323,180)	-	(7,882,334)	(142,119,798)

11 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		
31 December 2023	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
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 claims					
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 claims	-	(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)
Cash flows					
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
Net reinsurance contract (liabilities) /assets as at 31 December	(37,750,869)	1,698,952	271,204,285	4,070,498	239,222,866
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

11 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		
31 December 2022 (Restated)	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
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	(283,335,196)	-	-	-	(283,335,196)
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	(283,335,196)	230,883	176,910,843	811,030	(105,382,440)
Reinsurance finance income	-	-	3,641,210	-	3,641,210
Total changes in the statement of comprehensive income	(283,335,196)	230,883	180,552,053	811,030	(101,741,230)
Cash flows					
Premiums paid	289,753,741	-	-	-	289,753,741
Amounts received	-	-	(171,933,807)	-	(171,933,807)
Total cash flows	289,753,741	-	(171,933,807)	-	117,819,934
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

11 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
31 December 2023				
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 income	(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)
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
31 December 2022 (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)
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

11 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

			CSM		
31 December 2023	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
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

11 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)

31 December 2022 (Restated)	Estimates of present value of future cash flows AED	Risk adjustment for non-financial risk AED	CSM: Contracts under modified retrospective transition approach AED	CSM: Other contracts AED	Total AED
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

11 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 year 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 December 2023							
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**
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
31 December 2023			
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)**
	(348,085,343)	**(138,977,318)**	**(487,062,661)**
31 December 2022 (Restated)			
Insurance contract assets	1,480,942	844,010	2,324,952
Insurance contract liabilities	(474,270,741)	(142,963,808)	(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)
	(247,768,637)	(128,352,310)	(376,120,947)

11 Insurance and reinsurance contracts (continued)

In addition to scenario testing, the development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The top half of each table illustrates how the Company's estimate of liability for incurred claims for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the statement of financial position. The following tables illustrate the Company's estimate of total liability for incurred claims for the years up to 2023.

Gross Insurance contract liabilities at 31 December 2023

Restated	2020 and prior AED	2021 AED	2022 AED	**2023 AED**	**Total AED**
At the end of each reporting year	192,601,387	215,236,705	230,187,459	**459,829,031**	**1,097,854,582**
One year later	251,833,136	274,772,598	347,973,544	**-**	**874,579,278**
Two years later	278,073,736	309,411,737	-	**-**	**587,485,473**
Three years later	357,055,461	-	-	**-**	**357,055,461**
Estimate of cumulative claims	357,055,461	309,411,737	347,973,544	**459,829,031**	**1,474,269,773**
Cumulative payments to date	(280,915,624)	(282,179,442)	(283,881,700)	**(311,336,488)**	**(1,158,313,254)**
Unallocated loss adjustment expense reserve	1,114,801	391,404	929,048	**2,139,589**	**4,574,842**
Claims payable	-	-	43,045,600	**66,424,957**	**109,470,557**
Total gross undiscounted liabilities for incurred claims	130,899,569	26,975,041	64,028,690	**145,457,492**	**369,360,792**
Attributable expenses	-	-	-	**-**	**-**
Mathematical reserves	-	-	-	**-**	**-**
Effect of discounting	-	-	-	**(10,131,724)**	**(10,131,724)**
Total discounted gross reserves included in the statement of financial position	114,213,092	40,099,974	95,182,386	**219,204,172**	**468,699,624**
Risk Adjustments	2,450,535	860,377	2,042,215	**4,703,203**	**10,056,330**

11 Insurance and reinsurance contracts (continued)

Net Insurance contract liabilities at 31 December 2023

	2020 and prior AED	2021 AED	2022 AED	**2023 AED**	**Total AED**
At the end of each reporting year	98,957,806	115,349,483	129,226,595	**218,551,332**	**562,085,216**
One year later	122,917,014	142,394,228	175,733,630	-	**441,044,872**
Two years later	128,498,398	157,475,922	-	-	**285,974,320**
Three years later	137,228,371	-	-	-	**137,228,371**
Estimate of cumulative claims	137,228,371	157,475,922	175,733,630	**218,551,332**	**688,989,255**
Cumulative payments to date	(7,717,570)	(11,734,667)	(20,645,198)	**(42,825,753)**	**(82,923,188)**
Unallocated loss adjustment expense reserve	1,114,801	391,404	929,048	**2,139,589**	**4,574,842**
Claim receivable – net	-	-	40,908,800	**38,953,549**	**79,862,349**
Total net undiscounted liabilities for incurred claims	46,411,975	11,477,414	20,582,044	**41,790,702**	**120,262,135**
Attributable expenses	-	-	-	-	-
Mathematical reserves	-	-	-	-	-
Effect of discounting	-	-	-	**(4,209,413)**	**(4,209,413)**
Total discounted net reserves included in the statement of financial position	18,393,869	27,958,495	49,564,108	**99,998,599**	**195,915,071**
Net risk adjustments	556,239	845,478	1,498,842	**3,024,005**	**5,924,564**

12 Bank balances and cash

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

	2023 AED	2022 AED
Cash on hand	**17,454**	222,378
Cash with banks	**84,919,117**	126,185,092
Statutory deposits	**10,000,000**	10,000,000
Fixed deposits	**351,869,747**	209,027,755
Less: ECL provision	**(61,547)**	(45,031)
Total bank balances and cash	**446,744,771**	345,390,194
Less: Deposits with maturities greater than three months	**(361,869,747)**	(219,027,755)
	84,875,024	126,362,439

Cash and cash include an amount of AED 17.7 million (2022: AED 1.3 million) as a restricted deposit on unreleased guarantee margin.

Statutory deposits represent bank deposits maintained in accordance with UAE Federal Law No. (48) of 2023 (previously UAE Federal Law No. (6) of 2007, as amended).

Fixed deposits amounting to AED 17.7 million (31 December 2022: AED 17.6 million) under lien are against letters of guarantee (note 18). In accordance with Article (42) of the Federal Law No. 48 of 2023 (previously Federal Law No. 6 of 2007, as amended), 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 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:

	2023 AED	2022 AED
At 1 January	**45,031**	41,475
Charge during the year	**16,516**	3,556
At 31 December	**61,547**	45,031

13 Share capital

	2023 AED	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

14 Reserves

Legal and general reserve

In accordance with the Company's Articles of Association and UAE Federal Decree 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. Also, in accordance with its Articles of Association, 10% of annual net profits, if any, may be transferred to a general reserve until it is suspended by an Ordinary General Meeting upon a proposal by the Board of Directors or if this reserve amounts to 50% of the paid capital of the Company.

General reserve can be utilised for the purposes determined by the Ordinary General Meeting upon recommendations of the Board of Directors. The legal reserve and general reserve reached 50% of share capital during 2017.

14 Reserves (continued)

Investment revaluation reserve

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

Reinsurance reserve

In accordance with Article 34 issued by the Central Bank of the United Arab Emirates ("CB UAE"), 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 United Arab Emirates ("CB UAE").

15 Provision for end of service benefits

	2023 AED	2022 AED
At 1 January	**13,290,777**	11,651,763
Charge for the year	**2,265,200**	2,124,036
Amount paid during the year	**(862,907)**	(485,022)
At 31 December	**14,693,070**	13,290,777

16 Other payables

	2023 AED	2022 AED
Accrued expenses	**20,106,795**	11,065,077
Other payables	**2,540,868**	5,458,303
	22,647,663	16,523,380

17 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:

	2023 AED	2022 AED
Affiliates of major shareholders:		
Due from policyholders – affiliates	**17,075,348**	12,361,853
Due to related parties – affiliates	**235,022**	354,516

	2023 AED	2022 AED
Cash and cash equivalent:		
Cash at bank	**41,190,426**	18,441,772
Short term deposits	**126,178,302**	48,730,172

17 Related party balances and transactions (continued)

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

	2023 AED	2022 AED
Key management personnel compensation		
Directors' remuneration	**4,875,000**	5,125,000
Remuneration and short term benefits	**6,743,763**	6,734,552
End of service benefit	**362,272**	702,350
Other related parties		
Insurance income	**49,311,014**	53,437,955
Insurance expense	**25,791,340**	26,076,707
Dividend paid	**30,015,867**	30,015,867
Interest income	**5,319,454**	1,526,253

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

18 Contingent liabilities

	2023 AED	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.

19 Insurance revenue

	General AED	Life AED	Total AED
For the year ended 31 December 2023			
Contracts not measured under the PAA			
Expected incurred claims and other insurance service expenses	-	**5,280,419**	**5,280,419**
CSM recognised for services provided	-	**337,329**	**337,329**
Recovery of insurance acquisition cash flows	-	**3,622,095**	**3,622,095**
Experience adjustment	-	**36,206**	**36,206**
Change in risk adjustment for non-financial risk for risk expired	-	**709,021**	**709,021**
	-	**9,985,070**	**9,985,070**
Contracts measured under the PAA	**681,052,460**	**54,748,573**	**735,801,033**
Total insurance revenue	**681,052,460**	**64,733,643**	**745,786,103**
For the year ended 31 December 2022 (Restated)			
Contracts not measured under the PAA			
Expected incurred claims and other insurance service expenses	-	9,306,023	9,306,023
CSM recognised for services provided	-	229,958	229,958
Recovery of insurance acquisition cash flows	-	3,544,994	3,544,994
Experience adjustment	-	(508,407)	(508,407)
Change in risk adjustment for non-financial risk for risk expired	-	364,579	364,579
		12,937,147	12,937,147
Contracts measured under the PAA	559,570,189	48,916,857	608,487,046
Total insurance revenue	559,570,189	61,854,004	621,424,193

20 Insurance service expense

	General AED	Life AED	Total AED
For the year ended 31 December 2023			
Incurred claims and other expenses	**505,144,008**	**24,383,665**	**529,527,673**
Reversals of losses on onerous contracts	**(7,297,836)**	**(1,843,210)**	**(9,141,046)**
Changes to liabilities for incurred claims	**(54,261,071)**	**(8,488,100)**	**(62,749,171)**
Acquisition cash flows recognised when incurred	**79,860,461**	**9,010,587**	**88,871,048**
	523,445,562	**23,062,942**	**546,508,504**
For the year ended 31 December 2022 (Restated)			
Incurred claims and other expenses	413,045,939	28,635,001	441,680,940
Losses on onerous contracts	1,573,445	3,569,043	5,142,488
Changes to liabilities for incurred claims	(60,879,830)	(7,715,544)	(68,595,374)
Acquisition cash flows recognised when incurred	74,606,814	6,422,737	81,029,551
	428,346,368	30,911,237	459,257,605

21 Total investment income and net insurance financial result

For the year ended 31 December 2023	General AED	Life AED	Total AED
Insurance finance income/(expenses) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(5,136,175)	(14,392,630)	(19,528,805)
Due to changes in interest rates and other financial assumptions	4,399,938	816,536	5,216,474
Total insurance finance expenses from insurance contracts issued	(736,237)	(13,576,094)	(14,312,331)
Represented by:			
Amounts recognised in profit or loss	(736,237)	(13,563,722)	(14,299,959)
Amounts recognised in OCI	-	(12,372)	(12,372)
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	4,024,547	401,541	4,426,088
Changes in non-performance risk of reinsurer	-	-	-
Due to changes in interest rates and other financial assumptions	(2,572,678)	(13,671)	(2,586,349)
Reinsurance finance income from reinsurance contracts held	1,451,869	387,870	1,839,739
Represented by:			
Amounts recognised in profit or loss	1,451,869	373,123	1,824,992
Amounts recognised in OCI	-	14,747	14,747
Total net investment income, insurance finance expenses and reinsurance finance income	715,632	(13,188,244)	(12,472,572)
Represented by:			
Amounts recognised in profit or loss	715,632	(13,190,599)	(12,474,967)
Amounts recognised in OCI	-	2,375	2,375

For the year ended 31 December 2022 (Restated)			
Insurance finance (expenses) / income from insurance contracts issued	(4,125,759)	9,086,233	4,960,474
Due to changes in interest rates and other financial assumptions	(1,052,344)	(3,457,769)	(4,510,113)
Total insurance finance expenses from insurance contracts issued	(5,178,103)	5,628,464	450,361
Represented by:			
Amounts recognised in profit or loss	(5,178,103)	5,530,895	352,792
Amounts recognised in OCI	-	97,569	97,569

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

	General insurance AED	Life assurance AED	Total AED
For the year ended 31 December 2022 (Restated)			
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	2,840,056	578,737	3,418,793
Changes in non-performance risk of reinsurer	-	2,860	2,860
Due to changes in interest rates and other financial assumptions	734,568	(71,698)	662,870
Reinsurance finance income /(expense) from reinsurance contracts held	3,574,624	509,899	4,084,523
Represented by:			
Amounts recognised in profit or loss	3,574,624	581,597	4,156,221
Amounts recognised in OCI	-	(71,698)	(71,698)
Total net investment income, insurance finance expenses and reinsurance finance income	(1,603,479)	6,138,363	4,534,884
Represented by:			
Amounts recognised in profit or loss	(1,603,479)	6,112,492	4,509,013
Amounts recognised in OCI	-	25,871	25,871

22 Basic and diluted earnings per share

	2023	2022
Profit for the year (in AED)	**74,878,991**	60,537,056
Number of shares	**149,954,112**	149,954,112
Basic and diluted earnings per share (in AED)	**0.50**	0.40

Basic earnings per share are calculated by dividing the profit for the year by the number of weighted average shares outstanding during the reporting year. 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.

23 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 2023 (AED 44,986,230 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).

24 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 statement of profit or loss classified by major segments:

	For the year ended 31 December 2023		
	Insurance AED	Investments AED	Total AED
Insurance revenue	745,786,103	-	745,786,103
Insurance service expenses	(546,508,504)	-	(546,508,504)
Insurance service result before reinsurance contracts held	199,277,599	-	199,277,599
Net expense from reinsurance contracts held	(154,529,328)	-	(154,529,328)
Insurance service result	44,748,271	-	44,748,271
Income from financial investments	-	53,659,407	53,659,407
Income from investment properties - net	-	4,157,541	4,157,541
Total investment income	-	57,816,948	57,816,948
Insurance finance expense	(2,492,791)	(11,807,168)	(14,299,959)
Reinsurance finance income	1,824,992	-	1,824,992
Financial insurance result	(667,799)	(11,807,168)	(12,474,967)
Other income	806,466	-	806,466
Unattributable expenses	(16,017,727)	-	(16,017,727)
Profit for the year	28,869,211	46,009,780	74,878,991

24 Segment information (continued)

	For the year ended 31 December 2022 (Restated)		
	Insurance AED	Investments AED	Total AED
Insurance revenue	621,424,193	-	621,424,193
Insurance service expenses	(459,257,605)	-	(459,257,605)
Insurance service result before reinsurance contracts held	162,166,588	-	162,166,588
Net income or expense from reinsurance contracts held	(106,149,833)	-	(106,149,833)
Insurance service result	56,016,755	-	56,016,755
Income from financial investments	-	9,133,780	9,133,780
Income from investment properties – net	-	3,531,091	3,531,091
Total investment income	-	12,664,871	12,664,871
Insurance finance income	(11,405,015)	11,757,807	352,792
Reinsurance finance income	4,156,221	-	4,156,221
Financial insurance result	(7,248,794)	11,757,807	4,509,013
Other income	995,229	-	995,229
Unattributable expenses	(13,648,812)	-	(13,648,812)
Profit for the year	36,114,378	24,422,678	60,537,056

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 December 2023			
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**
As at 31 December 2022 (restated)			
Total assets	638,498,832	550,589,857	1,189,088,689
Toal equity	538,728,381	-	538,728,381
Total liabilities	650,360,308	-	650,360,308

24 Segment information (continued)

Gross premium

Details relating to gross premium are disclosed below to comply with the requirements of CBUAE and are not calculated as per the requirements of IFRS-17.

31 December 2023	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property and Liability AED	All types of Business Combined AED
Direct Written Premiums	**66,832,722**	**-**	**393,896,878**	**205,435,836**	**666,165,436**
Assumed Business					
Foreign	**-**	**-**	**-**	**62,633,967**	**62,633,967**
Local	**19,052,250**	**-**	**-**	**117,133,089**	**136,185,339**
Total Assumed Business	**19,052,250**	**-**	**-**	**179,767,056**	**198,819,306**
Gross Written Premiums	**85,884,972**	**-**	**393,896,878**	**385,202,892**	**864,984,742**
31 December 2022					
Direct Written Premiums	27,829,286	-	282,543,652	189,071,827	499,444,765
Assumed Business					
Foreign	-	-	-	43,529,887	43,529,887
Local	41,894,158	-	-	65,364,928	107,259,086
Total Assumed Business	41,894,158	-	-	108,894,815	150,788,973
Gross Written Premiums	69,723,444	-	282,543,652	297,966,642	650,233,738

25 Insurance risk

The Company issues contracts that transfer either insurance risk or both insurance and financial risks. The Company does not issue contracts that transfer only financial risks. This section summarises these risk and the way the Company manages them.

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Management recognises the critical importance of having efficient and effective risk management systems in place.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, toset appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to therisks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results ofwhich are reported to the Audit Committee.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of an insurance contract, this risk is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of claims. The objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

25 Insurance risk (continued)

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims andbenefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability aboutthe expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board bya change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The Company manages risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in termsof type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria, as well as the use of reinsurance arrangements.

Frequency and severity of claims

The Company has the right not to renew individual policies, re-price the risk, impose deductibles and reject the payment of a fraudulent claim. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation).

Property insurance contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. Property insurance contracts are subdivided into four risk categories: fire, business interruption, weather damage and theft. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Company operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Company should not suffer net insurance losses of a set limit of AED 275,000 for motor business in any one policy. The Company has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are reviewed individually at least once a year and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reportedclaims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of thecost of settling claims already notified to the Company, where information about the claim event is available. IBNR claimsmay not be apparent to the insured until many years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initialestimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating theliability for the cost of reported claims not yet paid, the Company considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Apart from internal actuary, theCompany has involved independent external actuarial valuer's as well. Large claims are assessed on a case-by-case basisor projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

25 Insurance risk (continued)

Sources of uncertainty in the estimation of future claim payments (continued)

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The amount of insurance claims is particularly sensitive to the level of court awards and to the development of legalprecedent on matters of contract and tort. Insurance contracts are also subject to the emergence of new types of latentclaims, but no allowance is included for this at the reporting date.

Where possible, the Company adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique isselected taking into account the characteristics of the business class and the extent of the development of each accidentyear.

In calculating the estimated cost of unpaid claims (both reported and not), the Company's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predeterminedformulae where greater weight is given to actual claims experience as time passes.

Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The sources of data used as inputs for the assumptions are internal, using detailed studies that are carried out annually. The assumptions are checked to ensure that they are consistent with observable market practices or other published information.

The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claimand the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to the claim circumstances, information available from loss adjusters and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises.

The provisions are based on information currently available. However, the ultimate liabilities may vary as a result ofsubsequent developments or if catastrophic events occur. The impact of many of the items affecting the ultimate costsof the loss is difficult to estimate.

The provision estimation difficulties also differ by class of business due to differences in the underlying insurance contract, claim complexity, the volume of claims and the individual severity of claims, determining the occurrence date of a claim, and reporting lags.

The method used by the Company for provision of IBNR takes into account historical data, past estimates and detailsof the reinsurance program, to assess the expected size of reinsurance recoveries. Estimates are made for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR) using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin foradverse deviation.

The assumptions that have the greatest effect on the measurement of insurance contract liabilities are the expected loss ratios for the most recent accident years.

An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Company's estimation process. The Company believes that the liability for claims reported in the statement of financial positionis adequate. However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims are finally settled.

The Company has an internal actuary and independent external actuaries are also involved in the valuation of technicalreserves of the Company.

25 Insurance risk (continued)

Concentration of insurance risk

Substantially all of the Company's underwriting activities are carried out in the United Arab Emirates. In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangement with other parties for reinsurance purposes.

To minimise its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activitiesor economic characteristics of the reinsurers. Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders. The Company remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance agreements.

Sensitivity of underwriting profit and losses

The contribution by the insurance operations is a profit of AED 28.87 million for the year ended 31 December 2023 (2022: AED 36.11 million). The Company does not foresee any major impact from insurance operations to the Company's results and expects to increase the contribution by insurance operations to the profitability due to the following reasons:

The Company has an overall retention level of 49% (2022: 47%). The risk is adequately covered by excess of loss reinsurance programs to guard against major financial impact.

Sensitivity

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following sensitivity analysis shows the impact on gross and net liabilities, net profit and equity for reasonably possible movements in key assumptions with all other assumptions held constant.

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous year.

2023	Change in assumptions	Impact on net profit gross of reinsurance AED	Impact on net profit net of reinsurance AED	Impact on equity gross of reinsurance AED	Impact on equity net of reinsurance AED
Loss reserves	+10%	(39,248,094)	(20,431,288)	(39,248,094)	(20,431,288)
Risk adjustment	+10%	1,560,659	1,531,333	1,560,659	1,531,333
Discount rate	+1%	1,001,004	466,160	1,001,004	466,160
Loss reserves	-10%	38,962,814	20,159,208	38,962,814	20,159,208
Risk adjustment	-10%	(611,814)	(525,145)	(611,814)	(525,145)
Discount rate	-1%	(981,500)	(454,024)	(981,500)	(454,024)
2022					
Loss reserves	+10%	(37,791,444)	(20,521,291)	(37,791,444)	(20,521,291)
Risk adjustment	+10%	839,548	781,050	839,548	781,050
Discount rate	+1%	414,431	(173,427)	414,431	(173,427)
Loss reserves	-10%	37,667,506	20,349,775	37,667,506	20,349,775
Risk adjustment	-10%	(393,568)	(433,227)	(393,568)	(433,227)
Discount rate	-1%	(395,524)	188,730	(395,524)	188,730

26 Financial risks

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds arenot sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk.

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis ofmeasurement and the basis on which income and expenses are recognised, in respect of each class of financial asset,financial liability and equity instrument are disclosed in note 4 to the financial statements.

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:

2023	FVTPL AED	FVTOCI AED	Amortised cost AED	Total AED
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 advances and 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 payables	-	-	22,647,663	22,647,663
	295,273,527	125,765,519	437,348,130	858,387,176
2022				
Financial assets				
Investment securities	210,089,566	107,470,371	-	317,559,937
Investments on behalf of policyholders of unit-linked products	47,879,920	-	-	47,879,920
Other receivables (excluding advances and prepayments)	-	-	14,248,351	14,248,351
Fixed deposits	-	-	219,027,755	219,027,755
Bank balances and cash	-	-	126,362,439	126,362,439
	257,969,486	107,470,371	359,638,545	725,078,402
Financial liabilities				
Other payables	-	-	16,523,380	16,523,380
	257,969,486	107,470,371	343,115,165	708,555,022

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

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in local equity and bond markets. In addition, the Company actively monitorsthe key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

26 Financial risks (continued)

Foreign currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams, other G.C.C. currencies or US Dollars to which the Dirham is fixed.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company invests in securities has deposits and has bank borrowings that are subject to interest rate risk. Interest rate risk to the Company is the risk of changes in market interest rates reducing the overall return on its interest-bearing securities.

The Company's interest risk policy requires to manage interest risk by maintaining an appropriate mix of fixed and variable rate instruments. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated and has no significant concentration of interest rate risk.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

Key areas where the Company is exposed to credit risk are:

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries;

The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management annually.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primaryinsurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strengthprior to finalisation of any contract.

The Company maintains records of the payment history for significant contract holders with whom it conducts regularbusiness. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offsetwhere counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for impairment on insurance receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders,a financial analysis equivalent to that conducted for reinsurers is carried out by the Company.

For receivables the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Insurance receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of insurance receivable.

26 Financial risks (continued)

Credit risk (continued)

At the end of the reporting year, the Company's maximum exposure to credit risk, from insurance receivables situated outside the U.A.E. were as follows:

	2023 AED	2022 AED
Europe	-	561,726
Other GCC and Arab countries	**21,099,684**	12,149,843

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Company defines counterparties as having similar characteristics if they are relatedentities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The table below presents an analysis of bank balances and fixed deposits by rating agency designation at the end of the reporting year based on Moody's rating or its equivalent for the main banking relationship:

	2023 AED	2022 AED
A1	**400,181,990**	329,118,573
A2	-	-
Aa3	-	-
Ba1	-	-
Ba2	-	-
Baa1	**46,562,781**	16,271,621
Baa2	-	-
	446,744,771	345,390,194

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriateliquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table on the next page summarises the maturity profile of the Company's financial instruments. The contractual maturitiesof the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

26 Financial risks (continued)

Liquidity risk (continued)

2023	Less than 90 days AED	91-180 days AED	181-365 days AED	Above 365 days AED	Total AED
Financial assets					
FVTOCI investments	-	-	-	125,765,519	125,765,519
FVTPL investments	215,790,456	-	-	79,483,070	295,273,526
Statutory deposits	-	-	-	10,000,000	10,000,000
Other receivables (excluding advances and 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
	675,786,249	-	-	215,248,589	891,034,838
Financial liabilities					
Other payables	22,647,663	-	-	-	22,647,663
	653,138,586	-	-	215,248,589	868,387,175
2022					
Financial assets					
FVTOCI investments	-	-	-	107,470,371	107,470,371
FVTPL investments	177,656,617	-	-	80,312,869	257,969,486
Statutory deposits	-	-	-	10,000,000	10,000,000
Other receivables (excluding advances and prepayments)	14,248,351	-	-	-	14,248,351
Fixed deposits	219,027,755	-	-	-	219,027,755
Bank balances and cash	126,362,439	-	-	-	126,362,439
	537,295,162	-	-	197,783,240	735,078,402
Financial liabilities					
Other payables	16,523,380	-	-	-	16,523,380
	520,771,782	-	-	197,783,240	718,555,022

The breakup for the re(insurance) contract assets and liabilities is given below:

	Less than 1 year AED	1-5 years AED	More than 5 years AED	Total AED
31 December 2023				
Insurance contract assets	617,420	5,705,776	4,826,076	11,149,272
Reinsurance contract assets	237,815,867	5,584,618	6,702,336	250,102,821
	238,433,287	11,290,394	11,528,412	261,252,093
Insurance contract liabilities	617,540,856	68,668,467	58,081,357	744,290,680
Reinsurance contract liabilities	2,278,069	793,588	952,417	4,024,074
	619,818,925	69,462,055	59,033,774	748,314,754

26 Financial risks (continued)

Liquidity risk (continued)

	Less than 1 year AED	1-5 years AED	More than 5 years AED	Total AED
31 December 2022 (Restated)				
Insurance contract assets	128,750	1,189,823	1,006,379	2,324,952
Reinsurance contract assets	220,164,090	9,970,339	11,965,823	242,100,252
	220,292,840	11,160,162	12,972,202	244,425,204
Insurance contract liabilities	491,137,879	68,314,612	57,782,058	617,234,549
Reinsurance contract liabilities	2,935,199	171,081s	205,322	3,311,602
	494,073,078	68,485,693	57,987,380	620,546,151

Equity price risk

Sensitivity analysis

At the end of the reporting year, if the equity prices are 10% higher/lower as per the assumptions mentioned belowand all the other variables were held constant, the Company's other comprehensive income and equity would have increased/decreased by AED 115 thousand (2022: AED 2.7 million).

Method and assumptions for sensitivity analysis

- The sensitivity analysis has been done based on the exposure to equity price risk at the reporting date.
- At the end of the reporting year, if equity prices are 10% higher/lower on the market value uniformly for allequities while all other variables are held constant, the impact on profit or loss and equity has been shown above.
- A 10% change in equity prices has been used to give a realistic assessment as a plausible event.

27 Capital risk management

The Company's objectives when managing capital are:

- To comply with the insurance capital requirements required by UAE Federal Law No. 48 of 2023 (previously UAE Federal Law No. 6 of 2007, as amended). The Company manages its capital on a basis of its minimum regulatory capital position presented in the table below.
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for Head Office and benefits for other stakeholders.

Section 2 of the Financial Regulations for Insurance Companies (the "Regulations") issued by the Central Bank of UAE identifies the required solvency margin to be held in addition to insurance liabilities. The solvency margin must be maintained at all times throughout the year. The Company is subject to the Regulations which has been complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

The table in the next page summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these solvency margins as defined in the Financial Regulations for Insurance Companies issued by the Central Bank of UAE.

27 Capital risk management (continued)

	2023 AED	2022 AED
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**192,390,454**	161,642,056
Minimum Guarantee Fund (MGF)	**108,311,795**	91,667,888
Basic Own Funds	**454,491,992**	412,678,494
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	**354,491,992**	312,678,494
SCR Solvency Margin - Solvency Capital Requirement (Surplus)	**262,101,538**	251,036,437
MGF Solvency Margin - Minimum Guarantee Fund (Surplus)	**346,180,196**	321,010,606

28 Corporate tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 income Taxes, the Company has assessed the deferred tax implications for the year ended 31 December 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not material.

29 Approval of the financial statements

The audited financial statements was approved by the Board of Directors and authorised for issue on 8 March 2024.

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NATIONAL GENERAL INSURANCE CO. (PJSC)

Governance Report

2023

COP28 UAE

National General Insurance Company. (PJSC)

Corporate Governance Report of
The year ended on 31.12.2023.

In order to make this report available to all shareholders of the company, regulatory and supervising bodies in the United Arab Emirates, we have published this report on the company website at: www.ngi.ae

March 2024

Table of Contents

March 2024

4. Statement of the details of the allowances, salaries, or additional fees and their reasons, which were received by the members of the Board of Directors other than the attendance allowances of the committees.
e. Number of Board of Directors' meetings held during the financial year of 2023.
f. Number of the Board Resolutions passed by Circulation during 2023.
g. Duties and powers exercised by the Board of Directors or the Executive Management during 2023.
h. Statement of transactions details done with the related parties and (stakeholders) during 2023.
i. Organizational structure of the company.
j. Detailed statement of senior executive employees in the company.

4. External Auditor:

a. Overview of the auditor of the company to the shareholder.
b. Statement of fees and costs for the audit or service provided by the external auditor.
c. Statement clarifying the reservation included by the external auditor in the interim and annual financial statement for 2023.

5. Audit Committee:

a. The Audit Committee Chairman's acknowledgment of his responsibility for the committee system at the company, review its work mechanism and ensuring its effectiveness.

b. Names of members of Audit Committee and clarifying their competences and tasks assigned.

c. Number of meetings held during 2023 and their date, Statement of member personal attendance.

6. Nomination and Rumination Committee:

a. The BNRC committee chairman's acknowledgment of his responsibility for the committee system at the company, review its work mechanism and ensuring its effectiveness.

b. Names of Nomination and Remuneration Committee's members, clarifying their competences and tasks assigned to them.

c. Number of meetings held during 2023 and their dates, statement of member of personal attendance.

7. The supervision and follow-up committee of insiders' transactions:

a. Acknowledgment by the committee chairman or the authorized person of his responsibility for the committee system at the company, review of its work mechanism and ensuring its effectiveness.

b. Names of members of the supervision and follow-up committee of insiders' transaction and their duties and tasks.

c. Summary of the committee's work report during 2023.

8. Investment Committee:

a. The investment committee chairman's acknowledgment of his responsibility for the committee system at the company, review its work mechanism and ensuring its effectiveness.

b. Names of Investment Committee's members, clarifying their competences and tasks assigned to them.

c. Statement of number and dates of meetings held during 2023 and their dates, and number of personal attendance.

9. Internal Control System:

a. Acknowledgment by the board of its responsibility for the company internal control system, review its work mechanism and ensuring its effectiveness.

b. Name, qualification and appointment date of head of the department.

c. Name of compliance officer, his qualifications and date of appointment.

d. How the Internal Control Department dealt with any major problems at the company or those that were disclosed in the annual reports and accounts.

e. Number of reports issued by the Internal Control Department to the Company's board of Directors.

10. Details of the violations committed during 2023 and their causes, how to address them and avoid their recurrence in the future:

11. Statement of the company's contribution in the development of local community and environment during 2023:

12. General Information:

a. Statement of the company share price in the market.

b. Statement of the comparative performance of the company with the general market index and sector index during 2023.

c. Statement of shareholding distribution as of 31/12/2023.

d. Statement of shareholders owning 5% or more of the company capital as on 31/12/2023.

e. Statement of shareholder distribution according to the ownership volume as of 31/12/2023.

f. Statement of the procedures taken regarding the controls of investor relationships.

g. Statement of special resolutions presented in the Annual General Meeting held during 2023.

h. The name of the Rapporteur of the Board of Director, the date of his/her appointment.

i. Detailed statement of major events and important disclosures that the company encountered during 2023.

j. Statement of the transactions carried out by the company with related parties, during the year 2023 that are equal to 5% or more of the company's capital.

k. Statement of Emiratization percentage in the company at the end of 2021, 2022 and 2023.

l. Statement of innovation projects and initiatives carried out by the company or being developed during 2023.

Corporate Governance Practices:

1) **The method in which the company applies the principles provided for in the Chairman of the Authority's Board of Directors' Decision No. (3 / Chairman) of 2020 concerning Approval of public joint-stock companies Governance Guide and its amendments**: -

The board of directors of National General Insurance Co. (PJSC) gives utmost priority to the practices of executing the governance controls and the Institutional Discipline Standards as a result of it compliance with the provisions of the Chairman of the Authority's Board of Directors' Decision No. (3 / Chairman) of 2020 and its amendments.

The Board of Directors pays also more attention to transparency of the practices of corporate governance controls of the company pursuant to the provisions of the Chairman of the Authority's Board of Directors' Decision No. (3 /Chairman) of 2020 and its amendments. The Board of Directors also adheres to the provisions of the Board of Directors of the Securities and Commodities Authority's Decision No (3) of 2000 on regulations of transparency and disclosure. Therefore, the Board of Directors has continued to adopt the same techniques of approving and publishing the final and provisional accounts in the Dubai Financial Market to enable the shareholders and the concerned parties in reviewing the same as the final and provisional accounts of the company. The same shall be reported to the Board's committee for auditing, discussion and reviewing, then the committee shall provide the recommendations along with the financial statements to the Board of Directors who shall review and discuss and then approve the same before disclosure and publishing in Dubai Financial Market.

The National General Insurance Co. (PJSC), through members of the Board of Directors and members of executive management take responsibility for proper application of corporate governance principles to achieve the required discipline in the company according to international standards in such way achieving the interest of all concerned parties, including shareholders and clients as well.

The members of the Board of Directors have discussed and passed the necessary decisions for supervision and management of the company activities. The following is a brief of activities and practices adopted by the Board of Directors at the meetings of the Board and its committees:

- Supervise activities of the company and review performance of insurance branches.
- Discuss and approve application of policies and procedures and give instructions if necessary.
- Review and approve the estimated budget and financial statement both provisional and financial.
- Review investments and approve necessary investment decisions.
- Supervise the application of policies relating to human resources and verify the suitability of those policies to achieve the work strategy of the company.

- Approve auditing plans of 2023 as provided by the internal control department of the company.
- Abide by the transparency and make the shareholders acquainted with the performance statements of the company within the time schedules approved for this purpose. The Board of Directors shall report its recommendations to the shareholders regarding the profit distribution for the financial year ended on 31.12.2023 during the Annual General Meeting to be held on 04.04.2024.

The company's Board of Director wants to get the confidence of the shareholders, customers, employees of the company and the associated Companies of National General Insurance Company. Therefore, the Board of Directors believes in the importance of stating responsibilities of the company internally and externally to ensure performance of business activities according to the provisions of the applicable laws and performance as per quality standards with the objective of maximizing, maintaining thereby and protecting the interests of the shareholders of the company. The company has been keen on strict compliance with the provisions of the Chairman of the Authority's Board of Directors' Decision No. (3 / Chairman) of 2020 and its amendments by establishing the following practices:

- The Board is keen on holding four meetings during 2023 according to the provisions of the decision.
- The Board ensures that the majority of the Board's members have attended the meetings to assert the validity of the required quorum.

NGI
الشركة الوطنية للتأمينات العامة (ش.م.ع.)
NATIONAL GENERAL INSURANCE CO. (PJSC)

The Board is informed by the Securities and Commodities Authority's Decision issued during 2018 regarding the amendments of transparency and disclosure regulations and amendments of institutional governance system.

The Board's committee for Nomination and Remuneration ensured fulfillment of the requirements of the corporate governance system which requires the number of the independent members must not be less than one-third of the Board's members and the independent member may not be an employee with any parties associated with the company during the last two years.

The Board' committee for auditing held four meeting during 2023 i.e. one meeting per three months. The committee is keen on discussing all reports submitted by the internal control department. In 2023, the committee also discussed the financial statements of 2023 and the report of external auditors for the same year. The committee also discussed the provisional financial statements before submitting them with the recommendations to approve the same by the Board of Directors, thus, making them available to the shareholders through distributing them at Dubai Financial Market.

The Board's committee for Nomination and Remuneration held five meetings during 2023 while the Board's committee for Investment held ten meetings during 2023.

The members of Board of Directors has received the governance report of the company of 2023 and the members knew that the governance report of the company of 2023 is distributed on the website of the company on the internet and on DFM website, in accordance with the requirements of the Chairman of the Authority's Board of Directors' Decision No. (3 /Chairman) of 2020 and its amendments, that the annual report of governance of the company must be available to the shareholders and all concerned parties of the company.

2) Statement of ownership and transactions of Board of Directors' members and their spouses, their children in the securities of the company during 2023: -

The company adopted the approved rules and procedures for regulating the transactions of the Board of Directors' members and employees of the company and all well-informed persons in the securities issued by the company, parent company, associated companies or sister companies in accordance with the provisions of the Chairman of the Authority's Board of Directors' Decision No. (3 / Chairman) of 2020 concerning Approval of public joint-stock companies Governance guide and its amendments.

The Board of Directors' members asserts their full commitment with the rules of regulating the transitions of the well-informed persons by not dealing in the securities issued by the company, parent company, associated companies or sister companies whether by himself or by other during the following periods:

- Before ten days of the announcement of any essential information expected to affect the share price.
- Before fifteen days of the end of the financial period whether annual, semiannual or quarterly till the disclosure of the financial statements.

a) The Board of Director's members shall report the names of persons owning 5% and more of the company shares whether by themselves or with their minor children while ensuring doing this obligation each time the shareholding reaches 1% over the rate of 5% of the company shares.

b) The Internal Control Management shall follow the discussions of the board director members and the informed employees.

c) The company shall report the share number owned by the Board of Director member to the authority during (15) fifteen days after becoming a member and at the end of each financial year and regarding all circulation operations done by the Board of Directors' members and the executive management of the company,

d) Each member shall report if his ownership by himself or in conjunction with his minor children reaches or exceeds 10% of the securities issued by the company.

Sr.	Name	Position/ Kinship	Owned shares as on 31/12/2023	Total Sale	Total Purchase

01	Dr. Hamad Mubarak Buamim	Chairman	Nil	Nil	Nil
02	Mr. Adel M. Saleh Al Zarouni	Vice Chairman	2,162,699	Nil	1,209,782
	Spouse	----	10,000	Nil	Nil
03	Mr. Khalid Jassim Bin Kalban	Member	Nil	Nil	Nil
04	Mr. Jamal Ahmad Al Matari	Member	Nil	Nil	Nil
05	Mr. Ali Fardan Ali Al Fardan	Member	Nil	Nil	Nil
06	Mr. Mohamed Saif Darwish Al Ketbi	Member	Nil	Nil	Nil
07	Mr. Humaid Ahmed Al Tayer	Member	127,154	Nil	Nil
08	Mr. Faisal Abdul Azeez Al Khazraji	Member	Nil	Nil	Nil
09	Mrs. Hind Abdulrahman Al Ali	Member	Nil	Nil	Nil

3) Board of Directors Formation

a. Formation of the current Board of Directors:

As per the corporate governance control requirements, the Board of Directors is formed in a balanced way as it consists of members with technical skills and experience. As per the corporate governance control requirements, the Board of Directors of the National General Insurance Company consists of four independent members and two non-executive members, and one chair is kept empty for a Lady: - members of the Board of Directors for 2023:

NGI
الشركة الوطنية للتأمينات العامة (ش.م.ع.)
NATIONAL GENERAL INSURANCE CO. (PJSC)

Name	Cat	Experience	Qualifications	Period stayed as a member in the company's Board of Directors	Memberships and titles held in any joint stock companies	Titles in any contrail, governmental or commercial bodies
Dr. Hamad Mubarak Buamim – Chairman	Non-executive Director	/	Doctorate in Business Administration from University of Warwick- London 2023. Master's degree in business administration with honors from University of Missouri-Kansas City in 2002. Bachelor of math and electric engineering from California in 1996	Appointment date: 28.03.2011 (13 years)	Board of Director of Dubai Islamic Bank (PJSC) Board of Director of Deyaar Development (PJSC) Chairman of Dubai Multi Commodities Centre Authority	Nil
Mr. Adel Mohammed Saleh Al Zarouni - Deputy Chairman of the Board	Non-executive Director	Managing Director & Partner for Rivoli Group LLC	Bachelor of Commerce	Appointment date: 17.04.2001 (23 years)	Vice Chairman of Taleem Company	Nil

Mr. Khalid Jassim Bin Kalban – Director	Independent Director	35 Years in Investment field: - Real Estate - Financial - Industrial	Bachelor of administration sciences - Metropolitan university – Denver – Colorado – United States of America	Appointment date: 17.04.2001 (23 years)	Chairman of Al Mal Capital Vice Chairman and Chief Executive Officer of Dubai Investment (PSC) Board Director of Al Mal REIT Board Director of Arcapita Group – Bahrain Board Director of Monument Bank - England	Nil
Mr. Jamal Ahmad Al Matari– Director	Non-executive Director	Head of Private Banking & Enterprise Liabilities in Commercial Bank of Dubai	Diploma, Financial Specialist American Academy of Financial Management Diploma, Credit Management American University of Sharjah Higher National Diploma, Business Management and Marketing Dubai University College	Appointment date: 20.08.2018 (5 years & 8 months)	Nil	Nil
Mr. Ali Fardan Ali Al Fardan – Director	Non-executive Director	Chairman of Al Fardan Group LLC and its subsidiary Chairman of ABF Investment LLC and Al Fardan Tourism & Travel	Bachelor of Science in Management and Information System	Appointment date: 12.10.2021 (2 years & 4 months)	Board Member of Dubai Investment Board Member of Al Mal Capital Board Member of CBD	Nil

Mr. Mohamed Saif Darwish Al Ketbi– Director	Independent Director	Director – Investment & Business Development, Darwish Bin Ahmed & Sons LLC	Bachelor's degree in business administration Majoring in Business Management	Appointment date: 12.10.2021 (2 years & 4 months)	Board Member of Dubai Investment Board member of Al Mal Capital PSC Board Member of AHI Carrier FZC	Nil
Mr. Humaid Ahmed Al Tayer - Director	Non-executive Director	Chief Operating Officer – Al Tayer Insignia	Bachelor of Science	Appointment date: 31.03.2022 (2 year)	Nil	Nil
Mr. Faisal Abdulaziz Al Khazraji - Director	Independent Director	More than 20 years of experience in developing and strengthening management teams to maximize company profitability and efficiency	Bachelor's degree of Architectural Engineering - UAE University	Appointment date: 31.03.2022 (2 year)	Member of the AMCREIT Investment and Oversight Committee ("IOC") Board Member in Dubai Investment Co.	Nil
Mrs. Hind Abdulrahman Al Ali - Director	Independent Director	Executive Director at EGA responsible for supply chain management and procurement of basic raw materials for the smelter with over $1.7 billion. She has over 13 years of experience in the metallurgical and mining industry. Prior to working at Mubadala Investment Company, she focused on the company's industrial investments, including asset management and M&A transactions.	Bachelor's degree in finance from Zayed University Passed Level of CFA program Completed multiple executive and management programs from Insead and LSE	Appointment date: 31.03.2022 (2 year)	Board Member of Dubai Investment Co. Board member of Emirates Global Aluminum – Singapore. Board member of Emirates Food Industries.	Nil

b. Statement of woman representation in Board of Directors of 2023:

The Board of Director of National General Insurance Co. has one woman in the Board.

c. **Statement of the reason for the absence of any female candidate for the Board Membership:**

- During the AGM meeting held on 31/03/2022, the women candidate was elected by the shareholders.

d. **Statement of the following:**

1.Total remuneration of Directors paid for 2022: Directors have received AED 5,000,000 as financial reward.

2. Total remuneration of Directors proposed for 2023 and it will be discussed for approval at the Annual General Meeting: According to the article no. 38 of the Article of Association of the company, the remuneration of the company's Board of Directors shall be a percentage of the net profit. The Director shall be compensated from time to time against all expenses incurred during performance the company business, his work in whatsoever committee or exerting any special efforts or doing any additional works to serve the company beyond his normal duties being a director while the Board of Directors shall determine such amounts from time to time. The Board of Directors has not yet proposed the remuneration of Directors for the year 2023.

3- Statement of attendance allowances received by the Board Members for committees of the Board of the Directors for the financial year of 2023 according to the following schedule:

Sr	Name	Attendance allowances for committees of the Board of the Director		
		Audit Committee	Allowance Value	Meetings number
1	Mr. Khalid Bin Kalban	Head of Committee	66000	4
2	Mr. Humaid Ahmed Al Tayer	Member	66000	4
3	Mr. Faisal Abdulaziz Al Khazraji	Member	66000	4
4	Mrs. Hind Abdulrahman Al Ali	Member	66000	4

Sr	Name	Attendance allowances for committees of the Board of the Director		
		Nomination and Remuneration Committee	Allowance Value	Meetings number
1	Mr. Adel Mohammed Saleh Al Zarouni	Head of Committee	70000	5
2	Mr. Ali Fardan Ali Al Fardan	Member	70000	5
3	Mr. Mohamed Saif Darwish Al Ketbi	Member	70000	5

Sr	Name	Attendance allowances for committees of the Board of the Director		
		Risk and Compliance Committee	Allowance Value	Meetings number
1	Mr. Ali Fardan Ali Al Fardan	Head of Committee	28000	2
2	Mr. Jamal Ahmed Al Matari	Member	24000	1
3	Mr. Humaid Ahmed Al Tayer	Member	28000	2

Sr	Name	Attendance allowances for committees of the Board of the Director		
		Investment Committee	Allowance Value	Meetings number
1	Mr. Khalid Bin Kalban	Head of Committee	90000	10
2	Mr. Adel Mohammed Saleh Al Zarouni	Vice Head	90000	10
3	Mr. Jamal Ahmed Al Matari	Member	74000	6
4	Mr. Mohamed Saif Darwish Al Ketbi	Member	86000	9

4- **Statement of the details of the allowances, salaries, or additional fees and their reasons, which were received by the members of the Board of Directors other than the attendance allowances of the committees:**

Members of the Board of Directors did not receive any allowances, salaries, or additional fees other than the attendance allowances of the committees.

e. Number of Board of Directors' meetings held during the financial year of 2023:

- The Board of Directors had held six meetings during 2023 as follows:

Sr	Times of Board of Directors' meetings in 2023	1	2	3	4	5	6	7	8	9
1	20 Feb 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	06 June 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	14 August 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	03 October 2023	✓	✓	✓	✓	✓	✓	×	✓	✓

5	13 Nov 2023	✓	✓	✓	×	✓	✓	✓	✓	✓
6	21 Dec 2023	✓	✓	✓	×	×	✓	✓	✓	✓

Details of Directors		✓	Attend the meeting
1.	Dr. Hamad Mubarak Buamim	×	Apologize for attend
2.	Mr. Adel Mohammed Saleh Al Zarouni		
3.	Mr. Khalid Jassim Bin Kalban		
4.	Mr. Jamal Ahmad Al Matari		
5	Mr. Ali Fardan Ali Al Fardan		
6.	Mr. Mohamed Saif Darwish Al Ketbi		
7.	Mr. Humaid Ahmed Al Tayer		
8.	Mr. Faisal Abdulaziz Al Khazraji		
9.	Mrs. Hind Abdulrahman Al Ali		

The Board of Directors held Six meetings during 2023, while the Audit Committee held Four meetings, the Nomination and Remuneration Committee held Five meetings and the Investment Committee held Ten meetings."

It is resolved that the fees of the Directors against their contribution in meetings of the committees formed by the Board of Directors shall be in a membership fee of AED 50,000 annually per member while the fees of attending the committee meetings shall be AED 4.000 per member for each meeting, he/she participated."

March 2024

f. Number of Board of directors Resolution by Circulation issued during the financial year 2023:

- During the year 2023, the Board of directors did not issue any resolution by circulation.

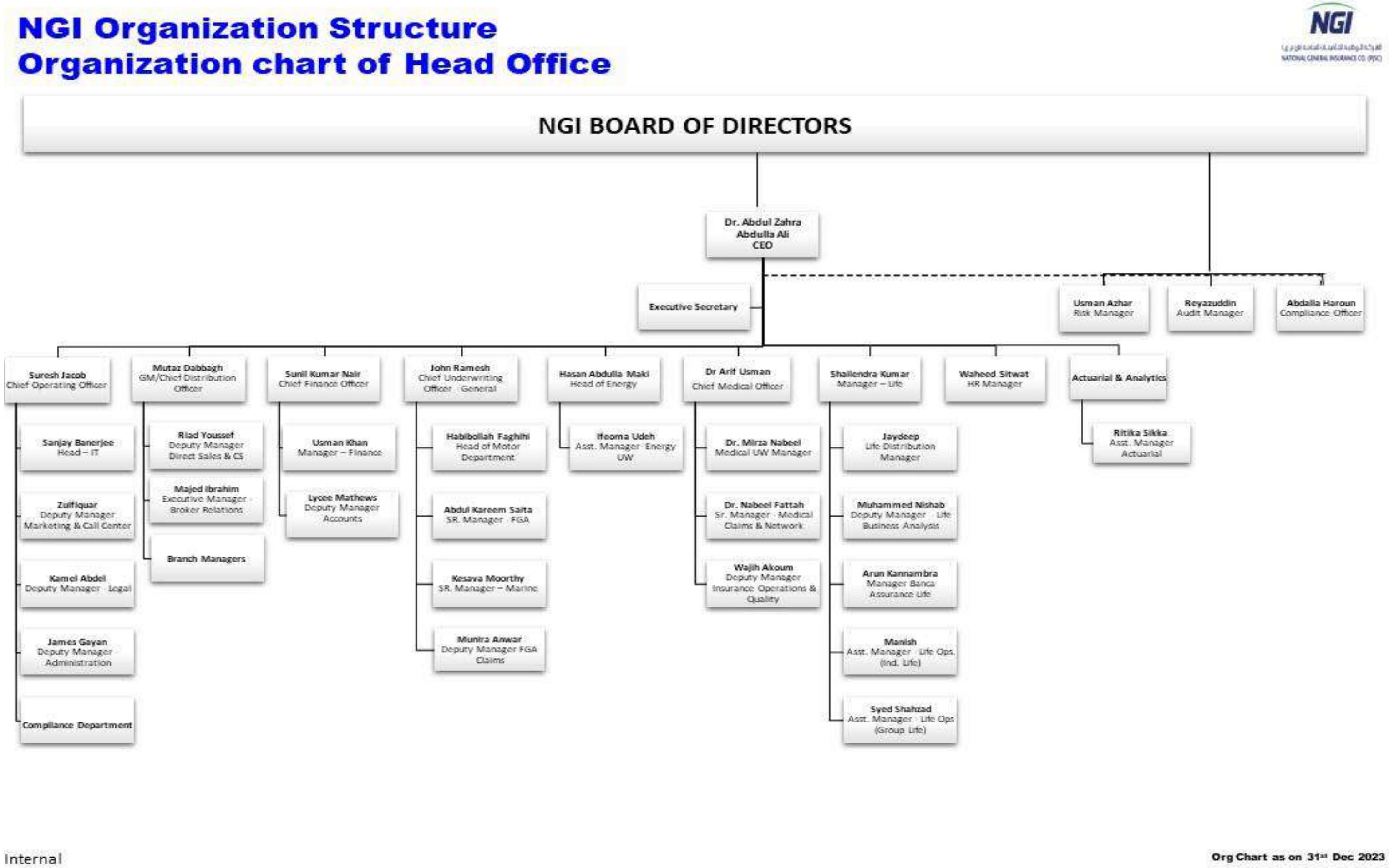
g. Duties and powers executed by the Board of Directors or the Executive Management Members:

Name of the Authorized Person	Power of Authorization	Duration of Authorization
Dr. Abdul Zahra Abdullah Ali Al Turki (CEO of the Company)	All management and supervision work that go into the day-to-day running of the company's affairs, achieving its goals, and monitoring the workflow, including, for example: - Representing the company before all official Authorities, whether federal or local. - Appoint advocates to represent the company before all courts of various degrees and types. - Execute all agreements and transactions within the company's objectives. - Sign and execute the Board resolutions.	Indefinite Authorization.

h. Statement of transactions details done with the related parties and (stakeholders): The related parties are defined according to the definition stated in the International Accounting Standard No. 24 (SAS 24) regarding the related parties. In the light of the definition, the following includes details of all transactions done with the related parties in the financial year ended on 31.12.2023:

Sr.	Statement of Related Parties	Nature of Relationship	Type of Transaction	Value of Transaction	
				Premiums	Claims
01	Dubai investment Group	Shareholder	Insurance Premiums and Claim Settlements	17,124,822	5,708,332
02	Zarouni Group	Shareholder	Insurance Premiums and Claim Settlements	6,750,640	4,628,508
03	Commercial Bank of Dubai	Shareholder	Insurance Premiums and Claim Settlements	25,435,551	15,454,499
Total				**49,311,013**	**25,791,339**

i. Organizational Chart of the company:



m. Detailed statement of senior executive employees in the company:

Title	Appointment date	Annual aggregate allowances and salaries Paid in 2023 (AED)	Aggregate bonuses of 2023 (bonuses) (AED)	Any other cash / in kind bonus for 2023 or due in the future
Chief Executive Officer	07.02.1998	3,491,364	Not yet declared	NA
GM / Chief Distribution officer	07.10.2013	1,548,000	Not yet declared	NA
Chief operating Officer	23.10.2019	622,853	Not yet declared	NA
Chief Finance Officer	16.05.2021	664,065	Not yet declared	NA
Chief Medical Officer	17.05.2022	603,217	Not yet declared	NA
Chief Underwriting Officer - General	30.03.2022	605,072	Not yet declared	NA
Chief Underwriting Officer - Energy	12.06.2023	398,000	Not yet declared	NA
Audit Manager	16.09.2020	451,310	Not yet declared	NA
Life Manager	07.08.2018	459,291	Not yet declared	NA
Risk Manager & Actuary	09.09.2018	421,790	Not yet declared	NA
HR Manager	26.02.2013	427,965	Not yet declared	NA

4) External Auditor:

a. Overview of the company Auditor to the shareholders

Grant Thorton (GT) was appointed as the company's external auditor for the year 2023 by the company's shareholders at the AGM held on 21/03/2023. GT is one of the world's leading investment companies, which incorporates a number of companies that independently provide and manage auditing, accounting and consulting services. The firm has more than 500 offices, including 14 offices in the MENA region, and 30000 employees around the world to support corporate operations. Its clients in UAE include range of entities including Insurance companies, multinational companies, government institutions, non-profit organizations, and social, financial, and industrial development funds, in addition to manufacturing and energy sectors.

b. Statement of the costs and fees relating with auditing and services provided by the external auditor:

Name of Auditing office And Partner Auditor	Grant Thornton (Mr. Darren Yule)
Number of years spent as an external auditor for the company	01 year
The number of years that the partner auditor spent auditing the company's accounts	01 year
Aggregate fees of auditing the financial statements for 2023 (Dirhams)	AED 400,000/- Including All Services
Fees and costs of other special services other than auditing the financial statements for 2023	
Details and nature of other services provided Consultancy for IFRS 9 standard	…..
Statement of other services done by another external auditor	AED 5,000 for audit of unpaid dividend

- The external auditor not only attends the General Meeting, verifies its procedures, and reads the Auditing Report featuring with neutrality and independence but also It answers the inquiries of the shareholders.

c. Statement clarifying the reservations that the company auditor included in the interim and annual financial statement for 2023: There are no reservations by the company's auditor for the year 2023.

4) Audit Committee:

a. The Audit committee chairman's acknowledgment of his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness:

"Mr. Khalid Jassim Bin Kalban, Audit Committee Chairman, acknowledges his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness".

b. Names of members of Audit Committee and clarifying their competence and tasks assigned to them:

The Audit Committee consists of the following:

1- Mr. Khalid Jassim Bin Kalban - Head of Committee (Independent Director)

2- Mr. Humaid Ahmed Al Tayer – Member (Non-executive Director)

3- Mr. Faisal Abdul Azeez Al Khazraji – Member (Independent Director)

4- Mrs. Hind Abdul Rahman Al Ali – Member (Independent Director)

The Competences and Tasks assigned to the Audit Committee:

- Review the quarterly financial statements and the recommendation to hereof for the Board of Directors.
- Follow up the accounting matters which have an essential effect on the financial performance of the company and ensure the transparency of the financial reports.
- Make sure fulfilling the disclosure requirements of financial statements and other legal requirements.
- Assess the independence and efficiency of external auditors and meet with them one time at minimum per year.
- Review and assess the internal control system and verify its efficiency.
- Consider the matters raised by the financial manager, internal control manager or accounts auditor.
- Review polices and accounting and financial procedures of the company.
- Review external auditing report and its work plan as well as essential enquiries raised by the external auditor and the management reply on it.
- Control the company compliance with the code of conduct.
- Submit reports to the Board of Directors on the abovementioned issues.
- Review the annual and quarterly financial statements and ensure their accuracy according to the international accounting standards.
- Ensure fulfilling the disclosure requirements.
- Assess the efficiency and suitability level of operation nature in the company and the framework of performing the company activities.

- The committee holds its meetings four times at minimum annually with the attendance of the majority of its members.

d. **Number and dates of meetings during 2023 and numbers of personal attendance:**

The Audit Committee held Four meetings during 2023, as per the below register of meeting attendance.

Sr	Times of Audit Committee's meetings in 2023	Details of Audit Committee's members			
		1	2	3	4
1	20 Feb 2023	✓	✓	✓	✓
2	06 June 2023	✓	✓	✓	✓
3	14 August 2023	✓	✓	✓	✓
4	13 Nov 2023	✓	✓	✓	✓

6- Nomination and Remuneration Committee:

a. **The Nomination and Remuneration committee chairman's acknowledgment of his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness:**

"Mr. Adel Mohammed Saleh Al Zarouni, Nomination and Remuneration committee Chairman acknowledges his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness".

b. Names of Nomination and Remuneration Committee's and clarifying their competence and assignments:

The Nomination and Remuneration Committee consists of the following:

1- Mr. Adel Al Zarouni - Head of Committee (Non-executive Director)

2- Mr. Al Fardan Ali Al Fardan – Member (Non-executive Director)

3- Mr. Mohamed Saif Darwish Al Ketbi – Member (Independent Director)

The Competences and Tasks assigned to the Nomination and Remuneration Committee:

- Ensure the independence of independent members at all times. If the committee finds a member lacked the independence terms, it must refer the matter to the company's Board of Directors. The Board of Directors must notify the member of the justifications of lacking independence by a registered mail on his address available at the company.
- The member must respond to the Board of Directors within fifteen days of his notification date. And the Board of Directors passes a decision stating the member as independent or dependent in the first subsequent

meeting after the member response or elapsing the period referred to in the previous paragraph without response.

- If the independence loss does not violate the minimum limit of the number of independent members in the Board of Directors, it must consider this fact in the committee formation.
- Without prejudice to the provision of the company’s commercial law, if the Board of Directors' decision states losing the reasons or justifications of the member's independence and affects the minimum limit of percentage of independent members to be achieved inside the Board of Directors, the company's Board of Directors will appoint an independent member instead of such member provided that the new member appointment will be discussed in the first general meeting of the company in order to consider the approval of the Board of Directors' decision.
- Periodically review the decisions and instructions issued from time to time on governance controls and submit the recommendations to the Board of Directors regarding changes it deems fit.
- Supervise the process of preparing and approving the governance procedures directory in the company.

- Raise the awareness level of the directors and executive management with governance rules and principles and the importance of its application.
- Make recommendation for nomination or re-nomination to the membership of the Board of Directors and its committees as well as the senior administrative offices taking the applicable laws and decisions into consideration.
- Approve the conditions and standards of appointing executive mangers, reports of performance assessment and deputation plans.
- Review the policies of bonuses and salaries of directors and employees of the company and submit recommendations hereof to the Board of Directors.
- Define the company's competencies needs at the level of executive management.
- Review the human resource policy.
- Submit performance reports to the Board of Directors on the abovementioned issues.

c. **Number and dates of meetings during 2023, and numbers of personal attendance:**

- The Nomination and Remuneration Committee held Five meetings during 2023 as per the below register of meeting attendance.

Sr	Times of Nomination and Remuneration Committee's meetings in 2023	Details of Nomination and Remuneration Committee's members		
		1	2	3
1	10 February 2023	✓	✓	✓
2	06 June 2023	✓	✓	✓
3	14 August 2023	✓	✓	✓
4	13 November 2023	✓	✓	✓
5	11 December 2023	✓	✓	✓

7 – The Supervision and follow-up Committee of Insider' Transactions:

a. The Insider committee chairman's acknowledgment of his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness:

"Dr. Abdul zahra Abdullah Ali Al Turki, Insiders' committee Chairman acknowledges his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness".

b. Names of members of insider Committee and clarifying their duties and tasks

The company has an Insider Committee, and it consists of the following persons:

1- Chief Executive Officer

2- Chief Financial Officer

3- Chief Operation Officer

4- Audit Manager

5- Finance Manager

The company also provided the policy of the insider committee on the internal website in order to enable all employees to review and abiding by the policy.

- The rules and procedures set forth herein shall apply to all the natural persons and legal entities having access to the Company information, and to all their trading transactions in the securities issued by the Company, the parent company, the affiliates, sister companies or associates. Every natural person or legal entity that can have access to the inside information shall be deemed as interested party and shall be subject to the rules and procedures stated herein.
- All the persons having access to the Company inside information shall not trade in the securities issued by the Company, the parent company, the affiliates, sister companies or associates whether in person or through others during the following periods:

1-Ten days prior to the disclosure of any essential information that may affect the share price- Fifteen days prior to the end of the quarterly, biannual, or annual fiscal period and till the disclosure of financial statements.
2- The Company board members and employees shall not disclose any information that may affect the market value of securities and the investor's decision. Neither the board members nor the Company employees may exploit their

positions for trading in securities through undisclosed information that they might be aware of due to their positions.

3- The Company board members and employees shall not use the Company inside information for the purchase or sale of shares. The Interested Parties shall not cooperate with any third party to exploit the investors' inside information to achieve private interests.

4- The Company shall inform the Authority of the names of those holding, or those whose contribution with minor children reaches, (5%) or more of the Company shares. Such a requirement shall be met every time the contribution percentage reaches (1%) of the Company shares in addition to the (5%) percentage.

5- The Company shall inform the Authority of the number of shares held by the Company board members within (15) fifteen days as of their membership date and at the end of every fiscal year, and of all the trading operations executed by the Company board members and executive management.

6- Each board member or employee shall notify the Company if his / her ownership of shares, or his / her shares plus the shares held by his / her minor children, reaches or exceeds 10% of the securities issued by the Company, the parent company, the affiliates, sister companies or associates. The interested parties shall disclose the shares they, or their relatives to the first degree, hold in the Company, the parent company, the affiliates, sister companies or associates.

7- The Company uses its website to enhance the disclosure and transparency of the interested parties' transactions.

c. Summary of the committee's work report during 2023: The committee did not note any transaction that violates the insider trading policy by the well-informed persons during 2023.

8. Investment Committee:

a. The Investment committee chairman's acknowledgment of his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness:

"Mr. Khalid Jassim Bin Kalban, Investment committee Chairman acknowledges his responsibility for the Committee system at the company, review of its work mechanism and ensuring its effectiveness".

b. Names of Investments Committee's members: The investment Committee consists of the following:

1- Mr. Khalid Jassim Bin Kalban - Head of Committee (Independent Director)

2- Mr. Adel Mohammed Saleh Al Zarouni – Member (Non-Executive Director)

3- Mr. Jamal Ahmad Al Matari – Member (Non-Executive Director)

4- Mr. Mohamed Saif Darwish Al Ketbi – Member (Independent Director)

The Competences and Tasks assigned to the Investment Committee:

The Board Investment Committee (BIC) shall comprise of four members from the BOD. The BIC will act as a central agency and shall be responsible for:

1. Establishing the investment policy and strategy for approval from the BOD. Setting the investment guidelines in line with regulatory limits and restrictions. Periodical review of policies and guidelines and recommend improvisation/changes according to the changing market condition.
2. Recommend and/or authorize the acquisition and/or disposition of investments whilst ensuring that investment decisions achieve and maintain investment objectives of the Company.

3. Approve the appointment of asset managers to manage assets and/or provide investment advice regarding such assets or funds.
4. Reviewing/monitoring the investment performance to ensure investment returns are optimized and risks are minimized.
5. In conjunction with the Audit Committee, determine the scope of rigorous audit procedures including full coverage of investment activities to ensure timely identification of internal control weaknesses and operating system deficiencies.
6. Assisting BOD in its evaluation of the adequacy and efficiency of the investment policies, procedures and controls applied in the day-to-day management of its business through an audit report (either independent internal or external) that is to be submitted to the Audit Committee.
7. Review and approve the quarterly and annual regulatory reports on investment allocation and risk analysis.

c. Number and dates of meetings and numbers of personal attendance:

The investment Committee held Ten meetings during 2023, as per the below register of meeting attendance.

Sr	Times of Investment Committee's meetings in 2023	Details of Investment Committee's members			
		1	2	3	4
1	16 February 2023	✓	✓	✓	X
2	17 March 2023	✓	✓	✓	✓
3	30 March 2023	✓	✓	X	✓

4	17 April 2023	✓	✓	X	✓
5	11 May 2023	✓	✓	✓	✓
6	16 June 2023	✓	✓	✓	✓
7	05 September 2023	✓	✓	✓	✓
8	18 October 2023	✓	✓	✓	✓
9	15 November 2023	✓	✓	X	✓
10	20 December 2023	✓	✓	X	✓

9- Internal Control Department:

a. **Responsibility declaration of the Board of Directors for the Internal Control Department of the company and reviewing its effectiveness:**

- The National General Insurance Company's Board of Directors recognizes its responsibility for enforcing the Internal Control System of the company and its regular periodic review and efficiency checking through the Audit Committee formed by the Board of Directors in consistence with the Chairman of the Authority's Board of Directors' Decision No. (3 / Chairman) of 2020 and its amendments.

- In this context, NGI is keen on keeping the accurate Internal Control System which is approved by the Board of Directors in 2010. The approved system of the Internal Control Department takes the following points into consideration:

1- The company shall enforce an accurate system for internal control which is approved by the Board of Directors aiming at developing and assess procedures of the risk management in the company and apply the governance rules in the company.

2- The application of the Internal Control System is assigned to a specialized department of internal control after the Board of Directors had approved the rules, powers, and tasks of the management with asserting the following:

a. Independence of the Internal Control Department in the company.
b. Integrity and neutrality of the Internal Control Department in the company.
c. Professional competence and defining the fields of auditing processes.
d. The internal control procedures
e. Responsibilities of The Internal Control Department manager
f. The possibility of outsourcing to assess the Risk Department procedures in the company.

3- The Internal Control Department reviews the company activities over the year as the annual review will be based on the following:

a. Key control elements, including financial control, operations, and risk management.
b. Changes occurred from the date of the previous review and the company ability of dealing with these changes in works.
c. Define the range and kind of the current review process.
d. Revise the efficiency of the company operations on preparing the financial reports and compliance with the disclosure and inclusion rules.

4- The Internal Control Department approved the following work mechanism to ensure achieving objectives and plans of internal auditing works in the company.

-Prepare the annual plan of internal control and discuss it with the Audit Committee.

-Perform the internal control processes which cover the key insurance operations and back operations as per the approved annual plan.

-Submit the auditing reports to the department officials responsible for each auditing operation and commenting on the auditing remarks, thus, submit the final auditing reports to the Audit Committee.

-The Audit Committee discusses and reviews the auditing reports in association with the company management and the Internal Control Department's head. The Audit Committee is also responsible for following up application and enforcement of suitable procedures for risk management and keeping compliance with the applicable conditions and laws.

-The Board of Directors is provided with the minutes of meetings of Audit Committee and notified with the high potential risk cases if any.

-The Internal Control is involved in assessing the compliance internal procedures and corporate governance principles and submitting reports hereof provided that the compliance procedures aim at the following:

-Check the company commitment with the applicable regulations and laws, especially the decisions relating with money laundering and decision of Central Bank -Insurance Sector-.

-Fully ensure the commitment with the compliance policy approved by the company and submit reports to the Audit Committee regarding violations, defaults and adopted remedy procedures.

a. **Name, qualification, and appointment date of department manager:**

Mr. Reyazuddin Ahmad, Internal Audit Manager, is in charge for overseeing the Internal Control function. He is Chartered Accountant (ICAI, India) and Certified Internal Auditor (Institute of Internal Auditor, USA). Additionally, he holds certifications in insurance (cert. CII from UK) and fraud examination (ACFE, USA). Reyazuddin was appointed in September 2020. Mr. Reyazuddin holds over 15 years of experience in financial services having worked in management roles across reputable organizations in the advisory and insurance sector.

b. **Name, qualification, and appointment date of compliance officer:** The department in charge by Ms. Sarah Jaafar, Emirati National, as Compliance officer since November 2016. She holds a bachelor in E-Business administration and Certificate of Anti Money Laundering in Insurance Laws and Best practices from Emirates Institute for banking and Financial Studies.

c. **Method of dealing the Internal Control Department with any major issues in the company:**

The Internal Control Department performs its reviews in line with the 'Annual Audit Plan' approved by the Board Audit Committee. The Manager of Internal Control submits the internal audit reports to the Board Audit Committee on a quarterly basis. In line with the Board Audit Committee approved 'Annual Audit Plan', the Internal Control department reviews the adherence to the approved policies and procedures. In light of the intensive operations of reviewing, auditing and control, the Internal Control Department confirms that there are no forgery cases, material violations or high potential risk cases during 2023.

d. Number of reports issued by the Internal Control Department to the Company's board of directors:

The Internal control Department issued Eleven (11) reports.

10- Details of Violations: National General Insurance Company, through the Board of Directors and the members of executive management commits to abide by all applicable regulations and acts. In such context, there is no violation noted during the financial year ended on 31.12.2023.

11- Statement of the company's contribution in the development of local community and environment during 2023:

In addition to staying true to the core objectives and goals of the company, NGI is progressively taking initiatives to support their commitment towards a sustainable and inclusive economy year on year. Our contribution during 2023 includes the following:

- Ramdan Iftar (Labor Camps)
- Participated in the Insurance Premier league cricket tournament.
- Participated in Football tournaments.
- Conducted bowling tournament for employees.
- Conducted a breast cancer awareness campaign in collaboration with DHA for its key clients.
- The company organized awareness sessions for Hepatitis and Cancer
- The company organized the flu vaccination campaign for its employees.
- The company organized a Health Check for employees in collaboration with Dr. Nutrition.
- Participated in Clean UAE campaign in Dubai and Umm Al Quwain.
- The company organized an extravagant event celebrating the 52nd National Day across Head office and all branches.
- UAE flag day celebration.
- Contribution to the Turkey Earthquake.
- Contribution to 1 billion meals campaign.
- Sponsored health policies as part of CSR initiatives.

12- General Information

a. Statement of the company's share price in the market (closing price, highest price, lowest price):

Month	Highest price of share	Lowest price of share	Closing price
January 2023	3.26	2.72	3.26
February 2023	3.24	2.94	3.22
March 2023	2.92	2.92	2.92
April 2023	No Trading	No Trading	2.92
May 2023	No Trading	No Trading	2.92
June 2023	No Trading	No Trading	2.92
July 2023	No Trading	No Trading	2.92
August 2023	2.92	2.71	2.71
September 2023	3	2.81	2.95
October 2023	3.2	2.7	2.76
November 2023	4	3	4
December 2023	4.7	4	4.7

b. Statement of the performance of the company share in comparison with the market index and sector index during 2023:

Trading date	NGI	DFM Index	Insurance
January 2023	3.26	3303.27	2336.18

February 2023	3.22	3437.76	2489.72
March 2023	2.92	3406.72	2330.57
April 2023	2.92	3544.79	2486.88
May 2023	2.92	3576.63	2498.11
June 2023	2.92	3791.99	2623.58
July 2023	2.92	4059.27	2830.14
August 2023	2.71	4082.87	2806.39
September 2023	2.95	4163.58	2873.74
October 2023	2.76	3877.08	2725.04
November 2023	4	3992.36	2793.62
December 2023	4.7	4059.8	2823.68

c. **Statement of shareholding as of 31.12.2023 (individuals, companies, governments) classified as follows: (local, Arabic, foreign):**

Shareholder classification	**Percentage of owned shares**			
	individuals	**companies**	**governments**	**total**
Local	26.85%	72.70%	---	100%
Arabic	0.24%	0.15%	---	0.39%
Foreign	0.06%	0.00%	---	0.06%

Total	**27.15%**	**72.85%**	**--%**	**100%**

d. Statement of shareholders holding 5% or more of the company capital as of 31.12.2023 according to the following table:

Name	Number of owned shares	Percentage of owned shares in the company capital
Dubai Investments PJSC	72,486,941	48.34%
Commercial Bank of Dubai PJSC	26,613,032	17.75%
Malika Ahmed Merdas Al Zarouni	16,416,877	10.95%
Sheikh/ Mana Khalifa Al Maktoum	7,497,705	5.00%

e. Statement of shareholder distribution according to the ownership volume as of 31.12.2023 as per the following table:

Sr	Shareholding (share)	Shareholder number	Owned share number	Share percentage of capital
1	Less than 50.000	117	1,293,356	0.863 %
2	From 50.000 to 500.000	26	4,742,638	3.163 %
3	From 500.000 to 5.000.000	9	13,697,063	9.134 %
4	More than 5.000.000	5	130,221,055	86.841 %
	Total	157	149,954,112	100 %

f. Statement of the procedures taken regarding the investor relation controls:

Mrs. Khawla Khalifa Jumaa is the responsible official for investor relations in the company and her contact details are email: mkhalwa@ngiuae.com, Tel No: 042115865. The following is the electronic link to investor relation page on the company website: Investor Relations - National General Insurance (ngi.ae)

g. Statement of special resolutions issued in the Annual General Meeting held during 2023:

During the AGM meeting held on 21/03/2023, there is No special resolution adopted during the AGM.

h. The name of the Rapporteur of the Board of Director, and the date of his/her appointment:

Mr. Kamal Abdel Hamid was appointed as a secretary of the board of directors on 26/9/2016, holding a bachelor's degree in law and administrative sciences, with experience in legal and administrative affairs, and during 2023 the Board Secretary organized and attended all the meetings of the Board of Directors and its committees, he also prepared the AGM Meeting held in 21/03/2023, and was appointed as the secretary of the meeting.

i. Essential events faced by the company during 2023:

- AM Best re-confirmed their financial strength rating of the company with rating (A- Excellent).
- Signed a partnership agreement with Shory to sell and promote Non-GCC spec car insurance.

j. **Statement of the transactions carried out by the company with related parties, during the year 2022 that are equal to 5% or more of the company's capital:** - Please refer to item (4/h) above.

k. **Statement of Emiratization percentage in the company by the end of 2023:**

The company has sought to follow the Emiratization policy by providing all facilities and privileges to the Emirati Nationals of whatsoever ages whether male or female. Therefore, the company has managed to achieve Emiratization percentage as below:

Year	Emiratization Percentage
2021	7.56%
2022	8.24%
2023	13.22%

l. Statement of innovative projects and initiatives done by the company or still under process during 2023:

- **IFRS 17 standard Implementation**: The project started in 2021 by constituting a committee of 5 senior personnel and NGI has already invested close to 300+ hours into this project. NGI has been successful in releasing its financials based on IFRS 17 standards from Q1 2023. NGI had to switch its IFRS 17 tool to M/s Second Floor. We would look at 2024 to streamline and make the tool fully functional.
- **IT security enhancements**: Based on the cyber experience in 2022, NGI has invested into a full-fledged security management tool with M/s SecureWorks. The tool is titled “Taegis Managed XDR Elite”.
- **NGI Life Core System change:** With increasing demands on the business front and changes demanded by IFRS 17, it was felt necessary to change the Life IT system from Centegy to KGISL (ISF) solution. We are at the final stage of this project completion.
- **HRMS**: NGI’s HRMS had operational glitches which the providers were unable to fix. NGI initiated a change in the solution during 2022 and the solution was procured from M/s Gulf HR. Phase 1 of this project was completed and delivered. Phase 2 is under development. Expected completion by Q1 2024.

- **NGI KPI Review**: M/s SHMA was appointed during 2022 to undertake review of NGI management and staff KPI's. We have completed this exercise. We are in the process of automation of the KPI management system. Expected completion by Q1 2024.
- **Motor Offering**: The whole UAE market is bleeding under the lower prices practiced on the Motor LOB. Losses with NGI was minimal as proactive early steps were initiated. Quick correction measures were undertaken based on actuarial pricing. We expect results to break even by the end of 2024.
- **Digitalization of NGI offerings**: Close to 8 -10 new offerings were made available on the digital front through portals to various LOB's during 2023. The LOBs benefitted includes Motor, Marine and FGA. The best value proposition was on medical and hence NGI medical offering to individuals is under an overhaul.
- **Compliance Dept. Changes**: NGI Life core system integration with risk tool from M/s Smart Infotech has been completed. We are in the process of automating the transaction monitoring too. We expect to role this out to non-life in 2024. Expected completion Q2 2024.
- **Process flow automation and Paperless Environment**: NGI launched and successfully implemented ADHOC solution to permit consolidation and dissemination of large quantum documents without printing it. NGI is upgrading this facility again to even facilitate data capture from submitted documentation.
- **Chatbot update**: Project initiated during 2023 to enable chatbot facility for NGI clients – first as a facility for handling medical claims and later extending to all client bases.
- **Genesys call Centre Solution**: This solution needed an upgrade followed by an increase in the call Centre agents count and service. Project completed.
- **NGI medical claims and Healthnet services**: One of the best in-house TPA's in the market with service and cost metrics beating the market expectations.
- **NGI RI arrangements**: Robust arrangement with leading reinsurers with consistency of relationship and return.

- **NGI cloud Management**: NGI signed up with M/s Phoenix Digital Tech to manage its cloud operations. Periodic meetings at the management and operational level have been conducted to optimize performance and cost. NGI Life also moved to cloud during 2023.
- **B2C Call Centre:** Was initiated during 2021 and has witnessed modest start during 2022. Motor LOB market conditions have impacted on the numbers. We expect the team to complete AED 15M GWP by Dec 2023.
- **Develop in house capabilities and efficient use of BI tools**: Observing the extensive data requirements for various internal and regulatory tasks, the actuarial team has developed in-house capabilities to utilize BI tools, Alteryx and Qlik view, for data consolidation, data analysis and data validation.
- **ERM**: NGI has developed risk management policy and procedures and capital management tools to up-scale the monitoring capabilities. NGI Management is constantly reviewing and improving internal controls, processes, and risk management capabilities. We are in discussion with GRC solution provider to automate the Legal, Risk, Audit and Compliance Monitoring.
- **Internal Audit**: Comprehensive coverage ensured yearly audit of all classes of business, increased focus on compliance with policies & procedures, focus on improvements in business processes. Furthermore, assisted the company in completing the first ICFoR review and report, conducted follow-up on ICFR gaps during the year 2023. Periodic ICFR reviews to improve controls over financial reporting.
- **NGI's legal and corporate governance** function would aim at 100% compliance of the new corporate governance requirements.
- **GRC Solution:** NGI's compliance function is centralized in its offering on the AML solutions while the rest of the entity wide compliance function is pre-dominantly decentralized. NGI's efforts would be to compile the activities of compliance, risk management, audit, and corporate governance activity into a centralized GRC solution.

NGI
الشركة الوطنية للتأمينات العامة (ش.م.ع)
NATIONAL GENERAL INSURANCE CO. (PJSC)

The Chairman	The Chairman of Audit Committee	The Chairman of BRNC Committee	Head of Internal Control Dept.
Date:04/03/2024	Date:04/03/2024	Date:04/03/2024	Date:04/03/2024
....	....	....	R. Ahmed ....

NGI

الشركة الوطنية للتأمينات العامة (ش.م.ع.)

NATIONAL GENERAL INSURANCE CO. (PJSC)

Sustainability Report

2023

COP28 UAE

Sustainability Report

Year 2023

National General Insurance Company PJSC

Table of Contents

About this report

At NGI, we commit ourselves to highest standards of governance and ethics. We are delighted to present our Sustainability Report for the year 2023. This document outlines the progress we have made in Environmental, Social, and Governance (ESG) aspects, focusing on key areas such as integrity, economic impact, accountable operations, workforce, stakeholder relationships, and the communities we impact. The report covers the period of the year 2023. In addition to outlining our future commitments, we provide updates on our strategy, management, policy implementation, and initiatives concerning various Environmental, Social, and Governance (ESG) issues that we have identified as significant for both our business and stakeholders.

This report emphasizes NGI's accomplishments to embrace sustainable operations across all activities within the insurance sector. NGI is dedicated to showcasing exemplary levels of integrity and competency through the insights provided in this report.

Disclaimer: NGI's ESG report provides an overview of long term company goals and efforts to be undertaken to achieve them. The report contains goals, commitments, our aspirations and forward looking statements and hence actual results may differ in short or long term horizon. This report should not be construed as an invitation or recommendation to transact in NGI's shares. NGI assumes no responsibility for any loss or damage of whatever nature that arises due to use of this report.

Reporting guidelines: The Global Reporting Initiative (GRI) is a widely accepted guideline for sustainability reporting. This report is prepared in line with the 'core option' of the GRI standards. Reference to GRI standard is made where applicable. The contents of this report are reviewed internally within the organization.

For comments or queries on this report, kindly contact us at the following:

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02 Sustainability Overview

CEO's Message

I am delighted to publish the 2023 edition of NGI's Environmental, Social, and Governance report. Year 2023 has been another successful year for NGI with strong financial performance and sustainable results.

This report highlights our sustainability approach, efforts, accomplishments and way forward.

For over four decades, our dedication to social good, making environmentally conscious choices, and maintaining the highest standards of corporate governance has been at the core of our identity.

Sustainability is at the core of UAE's agenda. UAE successfully hosted COP 28 and now driving the agenda to transform the sustainability landscape.

The UAE has long embraced United Nations Sustainable development Goals (SDGs) and is at the forefront of driving sustainability in the region. Frameworks such as the UAE Centennial 2071 Plan, the UAE Green Agenda 2015-2030, and the UAE Net Zero by 2050 strategic initiative, among others, are designed to lay the groundwork for a decisive shift in this direction.

We are committed to reducing carbon emissions to a minimum in our operations and integrating Sustainability into every step of our offerings. NGI has moved to paperless operations by investing in new technologies.

Robust corporate governance policies and effective risk management controls are paramount to NGI's long-term success.

In line with our gender diversity goals, NGI has achieved 43% participation of females which is one of the best in the insurance sector.

To conclude, I wish to express my gratitude to all our stakeholders, particularly our clients, employees, and investors, for their trust in us over the years. Our vision, purpose, and values at NGI guide and inspire our sustainability efforts. By upholding the highest standards of governance, behaving responsibly, and providing a safe and rewarding workplace for all our employees, we are committed to continuing our positive influence on all stakeholders and the environments we are part of.

NGI in a nutshell

One of the strong and stable insurance companies in the UAE, NGI is committed to create and sustain long term value for our respective stakeholders.

NGI is a composite insurance company, which offers a multitude of insurance solutions catering to the requirements of retail customers to corporates.

Total Assets	Shareholders Equity	Investments
AED 1.3 Bn	AED 573 Mn	AED 636 Mn

NGI Shareholders

- 48.34% Dubai Investments
- 17.75% Commercial Bank of Dubai (بنك دبي التجاري)
- 17.97% Others
- 10.95% Mallika A AlZarouni
- 5% Sheikh Mana Bin Khalifa Al Maktoum

Strong Credit Rating of A-
By AM Best

Backed by A Rated Reinsurers

Strong Solvency Margin of 236%

11 Rank in Premium, # 8th rank in profitability

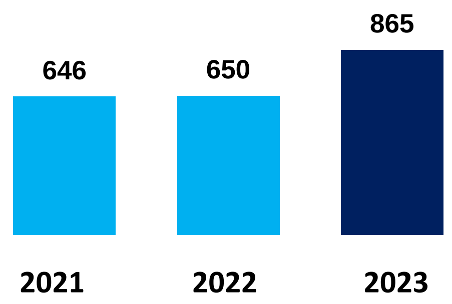
Wide range of products: Medical, Life, Fire, Gen Accidents, Engineering, Marine, Motor & Energy

NGI Financial Proposition

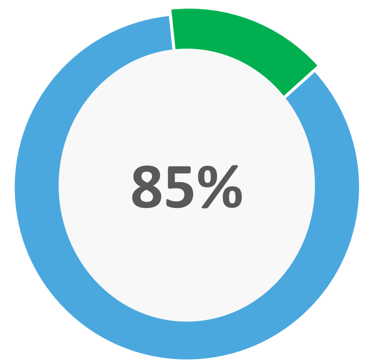
NGI's financial performance has been consistent throughout the years, constantly added value for shareholders and its customers:

Consistent Revenue growth (amount in AED Mn)

Continuous premium growth

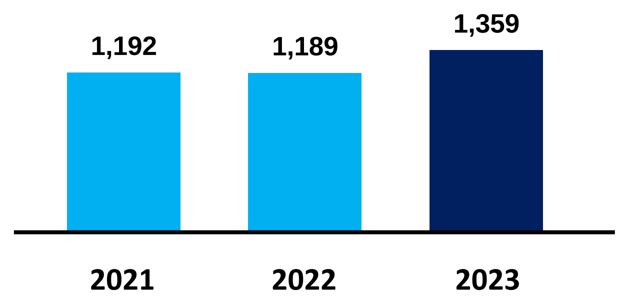


Optimum Combined Op Ratio



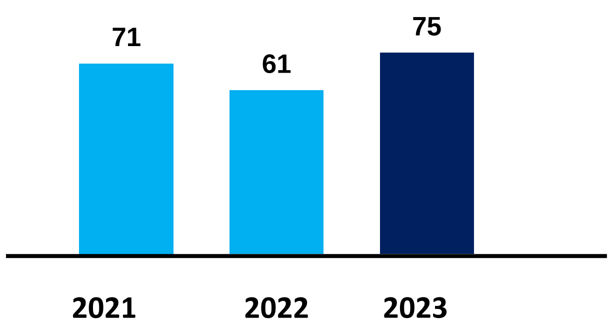
Strong Balance Sheet

Total Assets



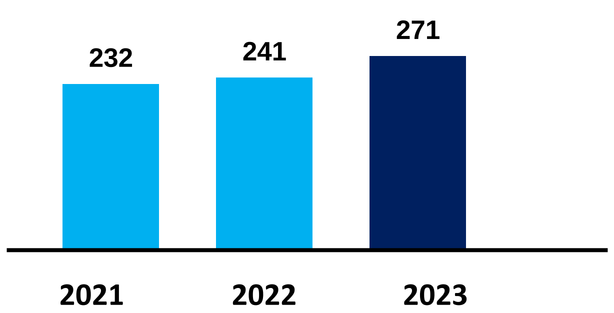
Stable Profitability (amount in AED Mn)

Net Profit



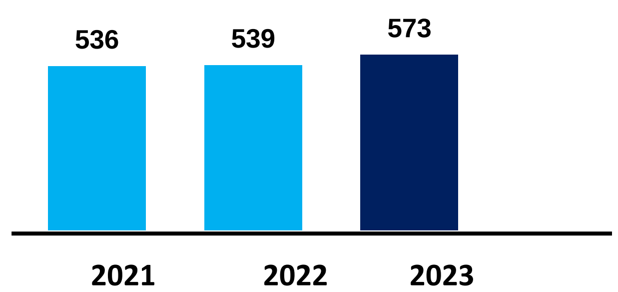
** Net profit is calculated in accordance with IFRS 17 for Years 2022 and 2023*

Retained Earnings



Dividend Pay-outs

Shareholders equity



Earning Per Share

AED 0.47	AED 0.40	AED 0.50
2021	2022	2023

Our Sustainability Approach

Governance and Integration

The ESG Committee plays a pivotal role in governing ESG matters and ensuring their effective assimilation into our business operations

Formation of ESG Committee

NGI has established a dedicated committee comprised of leaders from Executive and Operational functions to strategize and oversee ESG initiatives

Oversight and Review

Responsible for monitoring project progress, the Committee ensures the company stays on track to achieve its ESG objectives and reviews the strategy's alignment with progress.

Alignment with Business Strategy

ESG is an important element of our Business plan and Strategy

Budget-Driven Sustainability

NGI's ESG strategy is budget-driven, focusing on pillars such as the overall health of stakeholders, green operations, environment-friendly investments, people, and sustainable governance

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Key Focus - 2024

Green Investments
Investment Policy Under Review for ESG Integration

ESG Risk Factoring
Proposed Inclusion in Risk Register

Underwriting Policies
Planning ESG Integration

Our Sustainability Pillars

Robust Governance Structure

NGI has committed to follow leading governance standards. In line with our ESG strategy, ESG committee monitors the sustainability activities and initiatives.

We aim to align and link ESG to the following:

- Governance framework
- Risk framework
- Key Performance Indicators
- Compliance policy
- Underwriting policy
- ESG Policy, ESG Committee

Delivering on our Social Responsibility

Being a responsible insurer, we are delivering on our societal and internal commitments.

We recognize the efforts of our employees in the sustainable growth of our entity. Our key focus areas are:

- CSR initiatives
- Emiratization
- Gender diversity goals
- Equality & inclusion
- Fair claim settlements

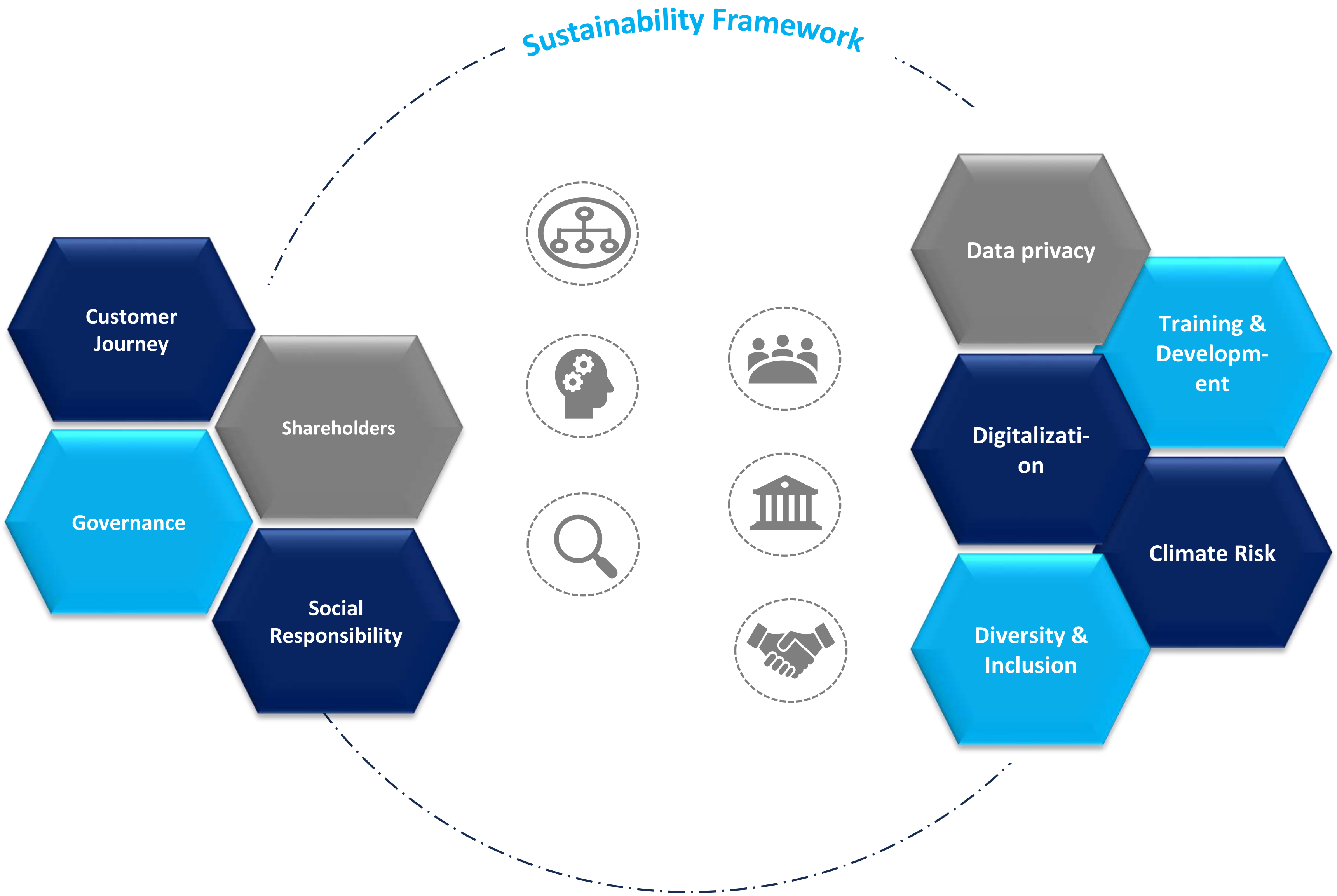
Contribute to Our Environment

NGI's business practices are directed to ensure environmentally sound practices for all our stakeholders. We are focused on integrating ESG into our business and investment strategies.

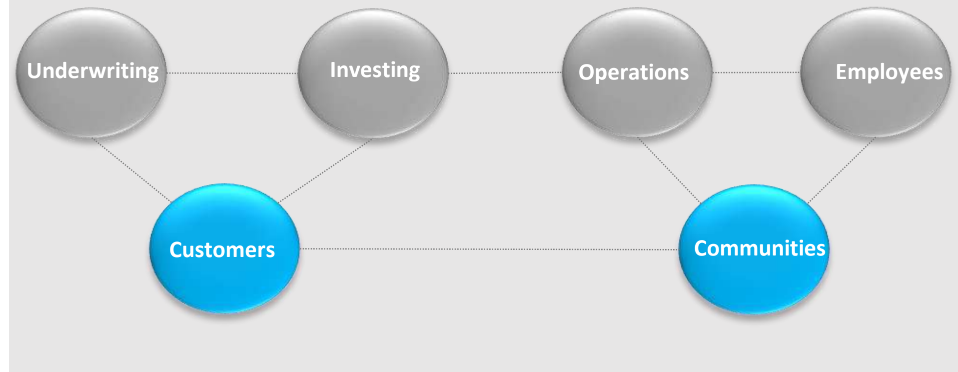
- Monitor/reduce our carbon footprint
- Compliance with environmental regulations
- Embed sustainability in Underwriting & Operations
- Contribute to environmental activities
- Sustainable procurements

NGI's Sustainability Framework

NGI is guided toward its Sustainability framework by the following factors related to sustainability.:



At NGI, sustainability is not merely a goal but a guiding principle, driving our commitment to responsible business practices, ecological well-being, and positive societal impact. Sustainability is integrated in every aspect of our operations.



ESG Considerations

- Key Risks
- Materiality Assessment
- Sustainability Goals
- Stakeholders Engagement
- ESG Roadmap

Stakeholder Map & Engagement

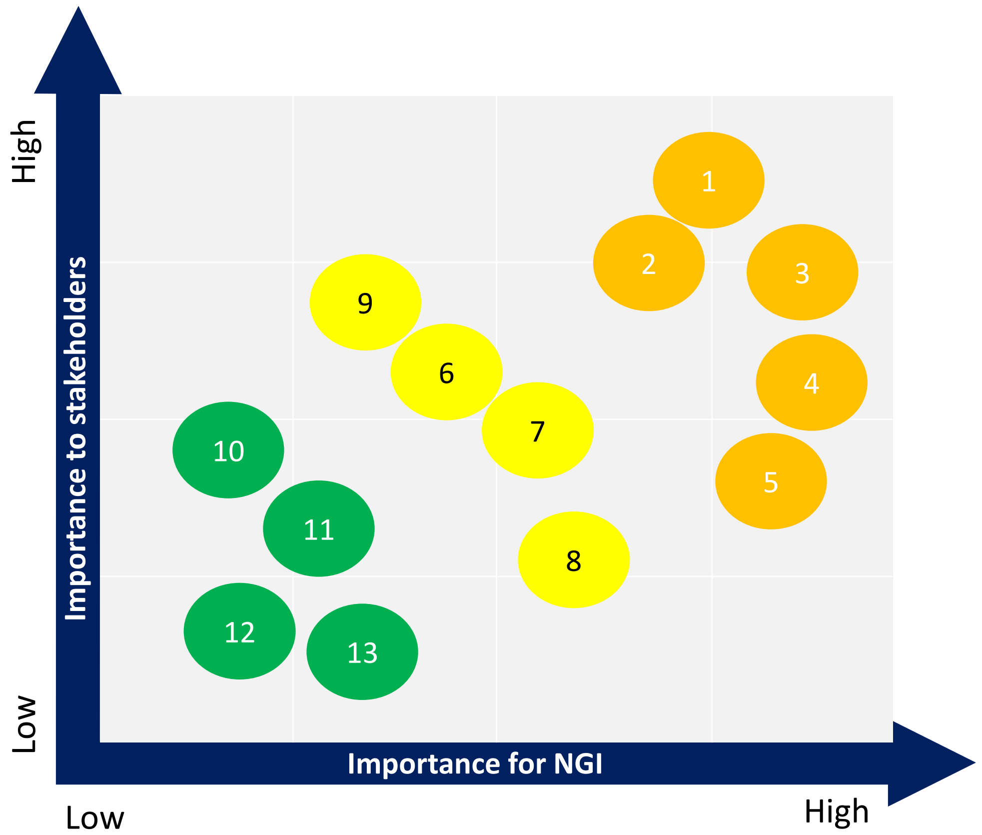
As part of our sustainability strategy, NGI intends to conduct a comprehensive stakeholder engagement exercise to comprehensively apprehend the expectations, interests, and concerns of the stakeholders. The following details the list of stakeholders and their expectations:

Stakeholder	Customers	Employees	Communities	Regulator	Shareholder	Partners & Suppliers
Expectations/Concerns	▪ Innovative and convenient products ▪ Quality service ▪ Data Privacy ▪ Seamless Customer service	▪ Sound Compensation ▪ Fair Treatment ▪ Diversity & Inclusion ▪ Growth & Learning	▪ Contribution to community's development ▪ Financial support ▪ Transparent & Ethical operations	▪ Compliance ▪ Contribute to industry/nation's growth ▪ Fair & transparent operations	▪ Performance & sustainable growth ▪ Increase in shareholder wealth ▪ Dividends ▪ Transparency & disclosures	▪ Clean sourcing ▪ Timely payments ▪ Ethical dealings ▪ Ease of communication ▪ Reputation
Engagement Approach	▪ Customer Happiness Center ▪ Call Center ▪ Chat-bot ▪ Website ▪ Social Media interactions ▪ Emails	▪ Periodic performance reviews ▪ Trainings ▪ Educational support ▪ Employee welfare and fair treatment ▪ Employee grievance mechanism	▪ CSR activities ▪ Contributions to respective causes ▪ Community interactions ▪ Volunteering ▪ Disclosures ▪ Health awareness campaigns	▪ Internal control mechanism ▪ CG manual ▪ Code of Conduct ▪ Anti-fraud policy	▪ Investor Relations office ▪ Annual General Meeting of Shareholders ▪ Timely disclosures on DFM ▪ Publish Financials & Integrated reports ▪ Rating Exercise	▪ Online portals ▪ Fair on-boarding process ▪ Timely payments ▪ Service level standards
Our Efforts	▪ Ensuing NGI's best attention to servicing customers	▪ KPIs defined & Evaluated ▪ HR Automation ▪ Skill based trainings ▪ Employee engagements ▪ Events	▪ Contributed for various CSR activities ▪ Staff volunteering for environmental causes ▪ Monitoring of our carbon footprint	▪ Compliance with regulations ▪ Regular interaction with regulators ▪ AML, CFT and Proliferation risk management	▪ Integrated report ▪ Financials ▪ Annual General Meeting ▪ Timely disclosures on DFM	▪ Regular communication ▪ Timely payments

Materiality Assessment

At NGI, we place a strong emphasis on considering our stakeholders at various stages of materiality assessment. In 2023, we conducted a materiality assessment to understand stakeholders' expectations and identify key environmental, social, and governance (ESG) risks.

Our commitment extends to ongoing engagement with key stakeholders to evaluate the significance of these material aspects. To reevaluate the material aspects and priorities, we analysed information and exchanges with internal and external stakeholders, considered customer feedback, incorporated employees' inputs, and considered interactions with investors.



High Priority

1. GHG Emissions and Climate change
2. Data privacy and Information Security
3. Corporate Governance
4. Digitalization and Innovation
5. Customer Experience

Moderate Priority

6. Diversity and inclusion
7. Pandemic, well being and health
8. Ethics, Fraud and professional conduct
9. Talent Retention and employee development

Low Priority

10. Green operations
11. Training & development
12. Sustainable procurements
13. ESG Investing

Sustainable Development Goals

The United Nations has formulated 17 sustainability goals and 169 targets to achieve key goals and objectives aimed at enhancing the global well-being and health.

To enhance sustainability performance, NGI is proactively incorporating ESG principles across our business. This integration extends to core operations such as underwriting and claims, corporate governance, risk management, strategies, and reporting.

NGI is strategically aligning with the United Nations' Sustainable Development Goals (SDGs) to make a meaningful impact through our service offerings, business operations, and investments. The report references applicable and relevant SDGs in various sections.

Sustainable Efforts & Progress

NGI is steadily advancing in the integration of sustainability across our governance and operations. In 2023, we marked a significant milestone by venturing into our inaugural green investment, aligning with our ESG responsibilities. Furthermore, most of our bond investments now carry ESG ratings.

ESG Committee

- ESG committee formed
- Representatives across the Company
- Quarterly update on ESG progress

ESG Governance documentation

- Sustainability policy approved by BoD
- Investment policy under review for incorporation of ESG factors
- Four Annual Reports submitted to the Board/SCA, published
- Budget allocation for Community cause
- Approved CSR policy in place for years

Initiatives, Impact on Operations

- Contributed to CSR activities & relief work
- Communities outreach, charities
- Ex-gratia claims, health awareness efforts
- Employee health awareness campaigns
- Planning to incorporate ESG factors in Underwriting policies
- Participation in environmental campaigns

Risk Management

- Proposed ESG risk factoring in Risk Register
- Planned internal audit over ESG initiatives
- Governance functions

03 Governance

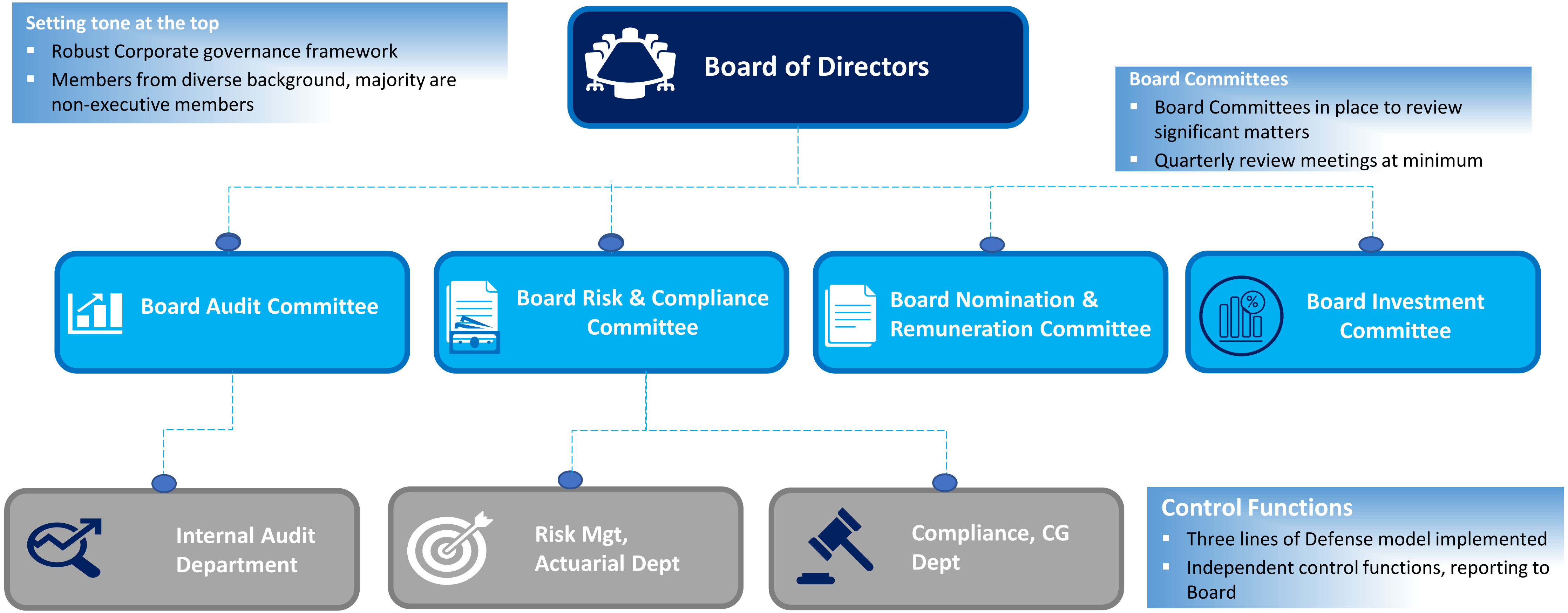
Governance – Tone at the Top

Corporate governance and regulatory compliance are at the forefront of our priorities. NGI ensures strict compliance with application regulations.

NGI follows and believes in 'three lines of defense' Governance model formulated by the Institute of Internal Auditors.

NGI has established key control functions to monitor, consult and report on key governance and operational risks**. Clear charters and reporting lines are defined to ensure transparency and independence.**

NGI's Governance Framework



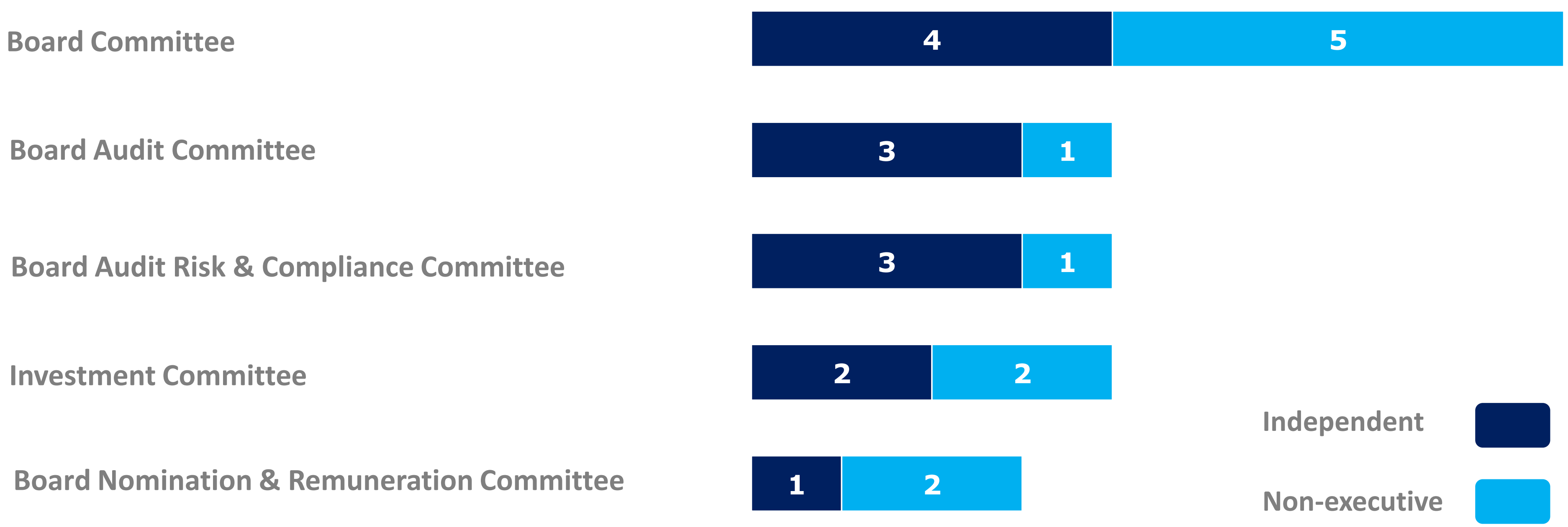
NGI considers corporate governance as a critical element in creating a sound working environment for our stakeholders. Governance and ERM policies are defined and implemented to ensure utmost transparency. NGI adopted 'CoSo framework' and long implemented 'three lines of defense' model for ensuring seamless governance.

NGI Board of Directors consists of nine members, of whom four are independent.

Board Committees and Composition

The Board has put in place committees such as Board Audit, Board Risk & Compliance Committee, Investment Committee and Nomination & Remuneration Committee. These committees meet at least on a quarterly basis. There are defined 'Terms of References' for the smooth functioning of these committees.

NGI's Board Composition



Number of Board Meetings in Year 2023

Board Committee	Board Audit Committee	Board Risk & Compliance Committee	Investment Committee	Nomination & Remuneration
6	4	4	10	5

NGI Board of Directors

NGI's current Board consists of 9 members, 4 of them are independent members and 5 are non-executive members. Members of the Board are highly qualified and come from diverse sectors such as banking, private equity firm, real estate developers.

Dr. Hamad Mubarak Buamim

Chairman

Mr. Adel Mohammed Saleh Al Zarouni

Vice Chairman

- Independent Members
- Highly qualified & Experienced
- Diversity
- Periodic meetings
- Consistent attendance

Mr. Khalid Jassim Bin Kalban

Board Member

Mr. Mohamed Saif Darwish Al Ketbi

Board Member

Mr. Al Fardan Ali Al Fardan

Board Member

Mr. Humaid Ahmed Al Tayer

Board Member

Mr. Jamal Ahmad Al Matari

Board Member

Mr. Faisal Abdulaziz Al Khazraji

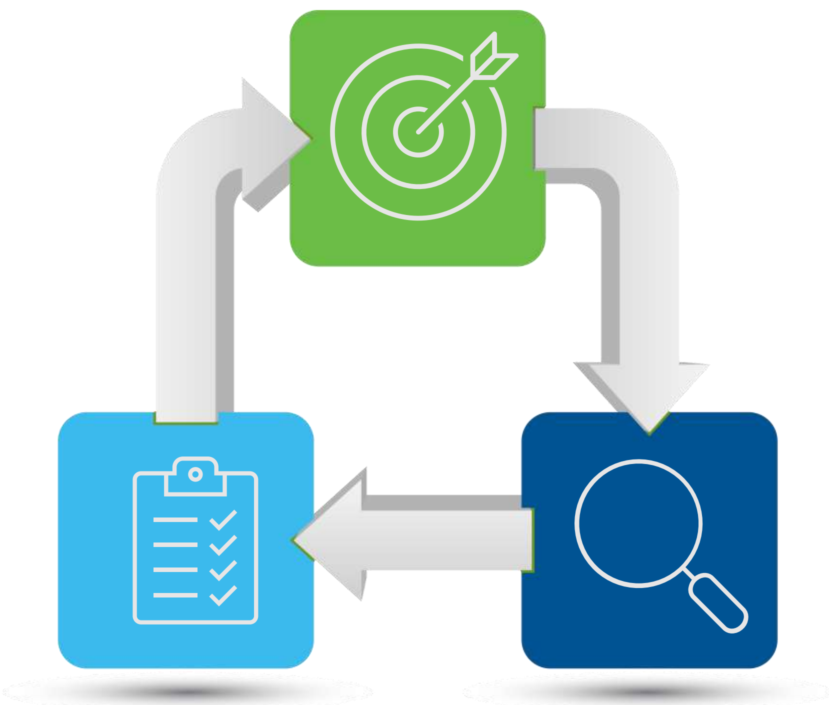
Board Member

Mrs. Hind Abdulrahman Al Ali

Board Member

GRC in NGI

NGI has ensured a structured framework to align business objectives with stakeholder expectations and ensure effective decision-making. We have all the components of GRC such as Risk Management, Compliance and Internal audit.



Risk Management

NGI has embraced a prudent, responsible and futuristic approach to manage risks. A Risk Management function is in place to assess key business and regulatory risks including the ESG risks. The department periodically assesses the status of actions undertaken to mitigate and report. NGI intends to identify and integrate ESG concerns into risk management and underwriting practices.

Internal Audit

An independent audit function is set-up and resourced with skilled employees to undertake critical reviews of business operations, risk management and overall compliance environment. ESG being a key element under the business plan of 2023, internal audit reviews would be focused on compliance specific to ESG initiatives.

Compliance

Compliance function reviews the regulatory compliances and assesses the Compliance status to achieve complete adherence. Based on the ESG policy and reporting requirements, Compliance function will ensure review of ESG compliance requirements. Risk based compliance for AML initiated and deployed latest tech for monitoring of AML violations.

ERM Process

Effective Enterprise Risk Management (ERM) is the cornerstone of NGI's commitment to ESG principles. Our ERM process integrates sustainability considerations into decision-making, ensuring proactive management of risks and opportunities across all facets of our operations.

01. Establish the Content
Incorporating ESG considerations into risk assessment criteria, ensuring alignment with sustainability objectives

02. Risk Identification
Systematic identification of environmental, social, and governance risks

03. Risk Assessment and Evaluation
Thorough assessment of the likelihood and impact of ESG risks

04. Risk Response
Integrating proactive measures to mitigate environmental impacts, promote social inclusion, and enhance governance practices

05. Risk Monitoring and Review
Ongoing monitoring of ESG risk indicators.

06. Risk Communication and Reporting
Improving concise risk communication and reporting on ESG concerns for stakeholders' transparency and accountability

07. Continuous improvement
Continual enhancement of ERM processes to adapt to evolving ESG standards and optimize risk management practices

ERM Process Highlights

- Pricing Risk Review and Business Monitoring
- Investment Risk Review
- Underwriting Risk Comprehensive Review
- Data Flow and Management Plan
- Automation & Monitoring Dashboards
- Investment in Cyber Security

Internal Audit Overview

Internal Audit Overview

As part of the third line of defence, Internal Audit provides independent and objective assurance on controls to both the Board and management.

The department maintains a Board-approved 'charter' and 'manual' to reinforce our commitment to excellence in auditing practices

Internal Audit ensures compliance with leading internal audit practices and the UAE Central Bank's requirements.

Deployed Skilled In-house resources to ensure comprehensive reviews

Contributing to Enhancing Governance and Control Effectiveness

NGI has implemented the COSO-based internal control framework and fulfilled the required reviews mandated by the CB UAE.

The company maintains well-documented policies and procedures, serving as guidance for business operations and ensuring effective control measures.

- Detailed process understanding, Risk assessment and Audit planning
- Annual Audit planning process, review & approval by Board Audit Committee
- Conducting process and compliance testing to check efficacy of documented controls
- Reviews conducted to identify policy & compliance breaches
- Liaising with control functions, such as the compliance & Risk Management
- Staying up to date with developments in compliance laws, rules, and regulations

Data Privacy & Security

Data Privacy & Security

Data privacy and information security is one of key materiality topics for NGI. NGI's Risk Management committee is responsible for the oversight of the IT Security and Data privacy risk and initiative.

NGI's Disaster Recovery & Continuity plans are designed and tested to ensure seamless support to our key stakeholders.

Comprehensive Data privacy policy & controls, periodic trainings

Implemented IT controls in line with NESA standards

Comprehensive IT review by external IT auditors/ in-house Internal Audits.

Dedicated IT Security Officer, implemented data loss prevention solutions

Abu Dhabi Health Information & Cyber Security


AAMEN
DEPARTMENT OF HEALTH

Certificate of Achievement

It Is Hereby Certified That

A025 National General Insurance

Has successfully completed the audit and found to be compliant with the requirements of

Abu Dhabi Healthcare Information and Cyber Security [ADHICS] Standard

The use and validity of this certificate are subject to compliance with the relevant rules and regulations and continual maintenance of the compliance achieved as established by the certification rules of Department of Health - Abu Dhabi

Issue Date : 28 Apr 2022
Expiry Date: 27 Apr 2025

04 Society, Stakeholders

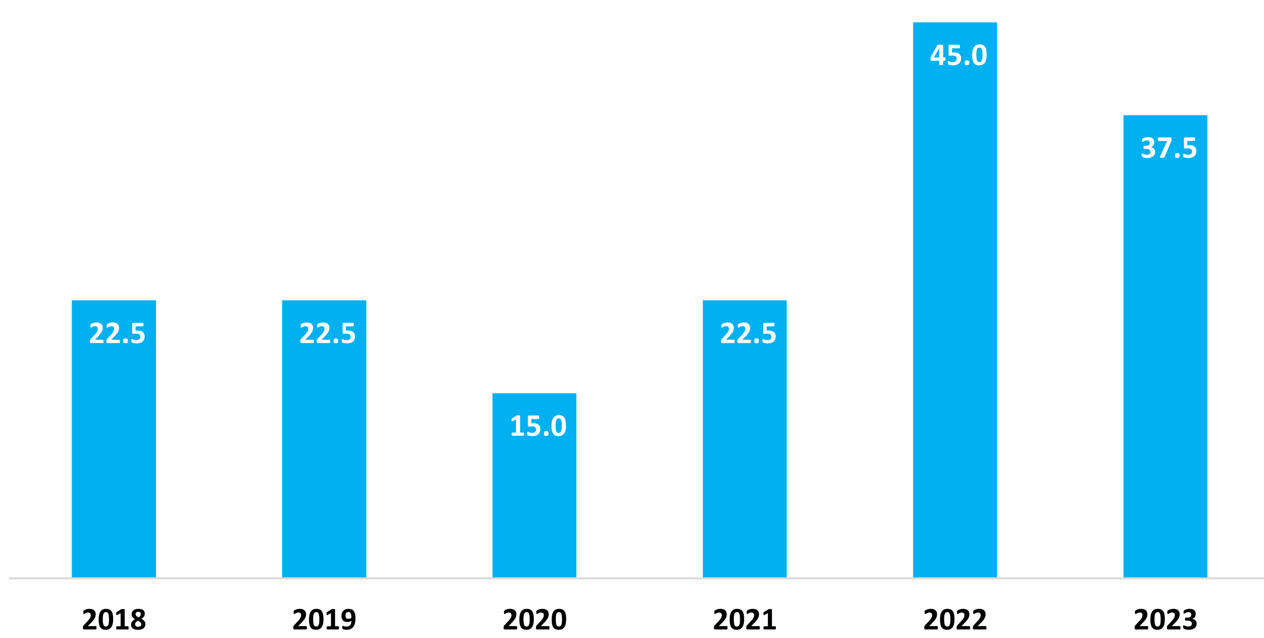
Shareholders – Wealth & Value Creation

NGI's shareholders constitute of corporate entities owning 77.89% of the company's overall share capital, the remaining is owned by individuals. NGI strongly believes in creating sustainable value for its stakeholders including shareholders.

Value creation for Shareholders

- Strong balance sheet supported by consistent profitability & controlled growth
- **13% Return on Equity** for the year 2023.
- Sustaining strong Solvency Margins.
- 35% dividend proposed for the year 2023, AED 52.5 Mn.
- Transparency in dealing with shareholders and adequate disclosure
- Board election process in line with SCA Mandate

Dividend payout over last 6 Years



Figures in AED Million

Note: Dividend FY paid in subsequent years

Enhancing Our Customer Journey

Placing our customers at the forefront of our priorities, NGI consistently allocates resources and implements tools to enhance the overall customer experience.

Our intensified commitment to digitalization brings us a step closer to achieving the utmost satisfaction of our customers.

For those seeking to communicate with us for service improvements, our Call Centre, email support, and dedicated Customer Service Executives serve as the primary points of contact.

NGI's Work Environment

The success of NGI is intricately tied to the unwavering performance and tireless efforts of our valuable workforce.

NGI is committed to fostering a work environment that not only supports employees but also ensures they acquire and enhance essential skills to effectively serve our stakeholders.

At the core of NGI's Human Resource strategy are key objectives: attracting and retaining the best talents, promoting diversity and equality.

While prioritizing employee well-being, NGI actively cultivates a sustainable work culture, emphasizes work-life balance, and prioritizes the overall health of our staff. This commitment aligns with the principles of ESG, reflecting NGI's dedication to responsible and holistic business practices.

Diversity & Inclusion

NGI is dedicated to fostering diversity and upholding equal opportunities for all. With a workforce representing approximately **32 nationalities**, NGI's workplace culture and hiring policies actively promote equal opportunities, drawing inspiration from the UAE's vision of fostering tolerance and diversity. While adhering to Emiratization requirements, NGI continually elevates its standards each year, aiming for continuous improvement

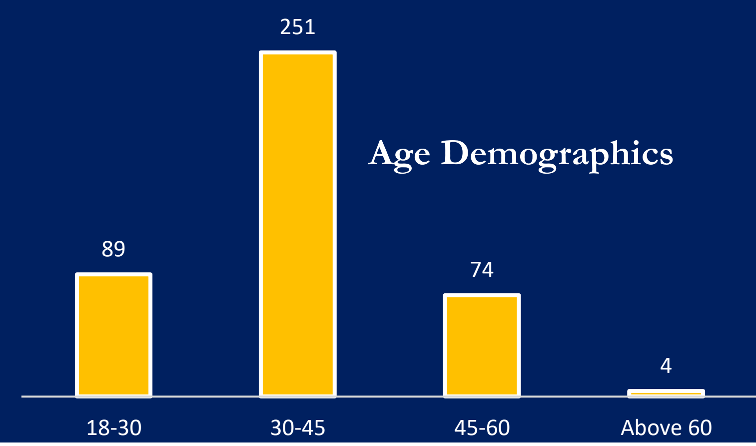
- Strong commitment to fostering a diverse and inclusive workplace
- Alignment with the UAE's vision reflects our dedication to local values
- Transparent compliance with Emiratization

Gender Representation

57% (2022: 63%)

43% (2022: 37%)

Total number of employees #418



Training, Development & Rewards

Employee Training (Hours)

Product & Technical trainings

Conducted in-house product and technical trainings for employees

Professional Certifications

Financial assistance to employees to attain certifications relevant to their area of operation

Training for UAE Nationals

Delivered training sessions to UAE nationals covering topics such as Leading with excellence and Effective Leadership Skills

EIFS Trainings

Enrolled with Emirates Institute of Finance portal for staff trainings

Ongoing Skill Development

NGI places a strong emphasis on perpetual learning and striving for excellence. The Human Resource department provides a yearly training calendar that encompasses a variety of training opportunities available to employees.

Constructive Feedback and Mentoring

Apart from formal training sessions, NGI advocates for self-directed learning and urges our employees to identify and choose professional certifications aligned with their future aspirations. The expenses incurred for these certifications are reimbursed.

Performance Enhancement

NGI is dedicated to meeting the learning needs of its employees, and it has established a systematic process to identify and execute performance improvement plans as well as provide onboarding training for new team members.

Rewards and Recognition

NGI has implemented a rewards and compensation policy to appropriately recognize eligible employees. Additionally, there is a board-level committee responsible for overseeing the compensation process.

Employee Engagement

- The employee engagement initiatives at NGI have been dynamic and diverse, fostering a sense of unity and camaraderie among our team members.

- Staff activities such as bowling, football, and cricket further strengthened team bonds, providing a platform for fun and friendly competition across various interests.

- Our dedication to social responsibility was evident in the Clean UAE Campaign, spanning two events in Umm Al Quwain and Dubai, where employees actively participated in initiatives to contribute to a cleaner environment.

- Finally, the National Day Celebrations, held at both the Head Office and branches, served as a patriotic and joyous occasion, highlighting our collective pride and celebration of our nation's achievements.

- These events have not only contributed to employee satisfaction but have also solidified a sense of community within NGI.
- Furthermore, we recognized top sales talent through rewarding initiatives and the awarding of certificates, acknowledging and celebrating excellence in our sales team.

Health Awareness Efforts in 2023

As a prominent health insurer, NGI has undertaken numerous initiatives to enhance awareness, encompassing activities such as vaccination drives and health check-ups for our employees. NGI actively promotes employee engagement in voluntary participation in social campaigns, fostering awareness about healthcare facilities and various diseases within the community.

Breast Cancer Awareness:

The core objective of our Breast Cancer Awareness initiative was to heighten awareness about breast cancer and underscore the critical importance of early detection. This mission was achieved through educational sessions on self-examinations and the impactful inclusion of employee testimonies sharing insights on cancer awareness

Free Health Check-up by Dr. Nutrition

We collaborated with Dr. Nutrition to provide comprehensive health check-ups, offering a range of services including BMI assessments, blood pressure checks, nutritional consultations, and personalized health tips.

Flu Vaccination Drive

The Flu Vaccination Drive was designed with the objective of promoting the well-being of employees during the flu season. Key features of this initiative included on-site vaccination clinics, providing convenient access to flu vaccines

Our Communities Outreach

ECONOMIC AND SOCIAL CONTRIBUTION

During Ramadan, we organized a heartwarming Iftar event for labour camps, fostering community spirit and inclusivity. These initiatives underscore our commitment to making a meaningful difference in the lives of those we serve and the communities we are a part of.

A significant contribution of AED 25,000 was directed towards the Turkey earthquake relief, specifically for the purchase of blankets, aiding those affected by the calamity.

As part of our Corporate Social Responsibility (CSR) endeavours, we sponsored health policies with a combined value of AED 10,113, ensuring access to essential healthcare for underserved communities.

NGI's engagement in the 1 Billion Meals Campaign saw a donation of AED 10,000, contributing to the global effort to address hunger.

Sustainable Finance - Green Investments

NGI is making a steady progress towards embedding sustainability in all aspects of our governance and operations. During the year 2023, we made our first green investment with an eye on our ESG responsibilities (AED 7.3 Mn). Additionally, majority of our bond investments are ESG rated.

Out of total investments of AED 1.05 Billion, about AED 153.19 Million is invested in bonds with ESG rating.

153.1 Mn ESG Rated Bonds

7.3 Mn Green Bonds

ESG Business Operations Integration

Continuing over our efforts from several years, NGI has integrated the following in NGI business operations:

- **ECM solution in place(Enterprise content management) to drastically reduce usage of paper**
- **Embed in decision making ESG issues relevant to insurance business, committed to responsible underwriting.**
- **Virtual motor claim surveys to reduce paper and resource, paper policy issuance and claims processing**
- **Work together with governments, regulators and other key stakeholders in the industry and community to promote ESG initiatives.**
- **Accountability and transparency in regularly disclosing the progress in implementing the principles.**
- **Work together with clients and business partners to raise awareness of ESG issues, manage risk and develop solutions.**
- **Priority to ESG based exclusions in Insurance and corporate policies.**

05 Environment

GRI 302-1, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-4

Our Environmental Priorities

Recognizing its responsibility, NGI is diligent about its influence on society and the environment. Our environmental priorities are identified through the Sustainable Development Goals (SDGs), with a particular focus on significant issues like climate change.

We acknowledge the pivotal role insurers play in the value chain, offering a unique opportunity to make a positive impact on the environment. Aligned with the UAE Vision, our environmental goals and priorities aim to contribute to positioning the UAE as a low-carbon economy.

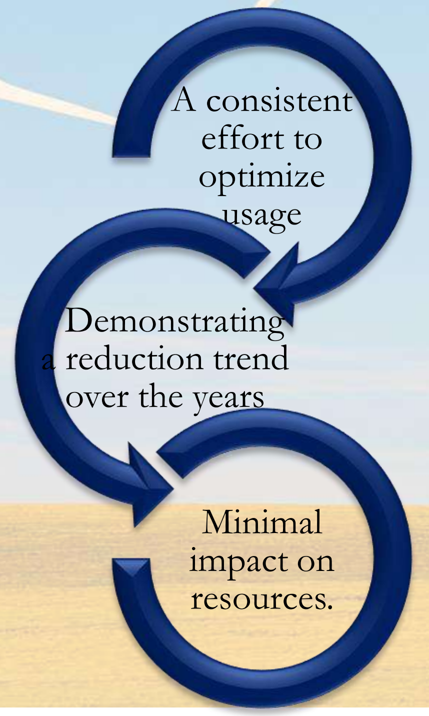
Our Environmental Footprint

In pursuit of sustainability, we strategically address various facets of our operations, encompassing power and water consumption, carbon emissions, waste management, and, notably, the positive mindset of our team.

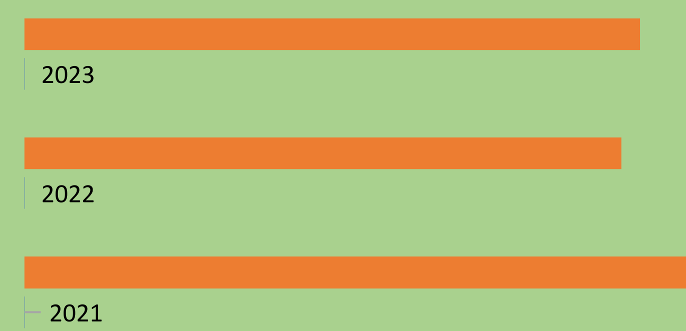
This involves promoting a work culture that encourages environmental responsibility, teamwork, and a commitment to sustainable practices. Such a holistic approach contributes to the overall sustainability goals of NGI. During the year 2023, the following summarizes the result of our efforts:

Power Bill expense
Increased by 4%
2022 to 2023

Water consumption
Increased by 10%
2022 to 2023



Power Consumption trend



3%
Increase
2022-2023

CO 2 emission trend

3%
Increase
2022-2023


Thank You!

Authorized Signatory	
Dr. Abdul Zahra Abdullah Ali Al Turki CEO	

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