



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



Annual Integrated Report



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

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



Report of the Board of Directors 2024



Report of the Board of Directors

Dear Shareholders,

The Board of Directors has the pleasure to welcome you to the twenty-fourth 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 2024.

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 127.5 million for the year 2024 against AED 74.8 million for 2023 an increase of 70%.
2. Insurance revenue is AED 874.0 million in 2024 compared to AED 745.7 million in 2023 an increase of 17%.
3. Insurance service result is AED 62.7 million in 2024 compared to AED 44.7 million in 2023 an increase of 40%.
4. Investment income in 2024 amounted to AED 120.9 million in 2024 compared to AED 57.8 million in 2023, an increase of 109%.
5. Total assets are AED 1.65 billion in 2024 as compared to Total assets of AED 1.36 billion in 2023, an increase of 21%.
6. Shareholder Equity is AED 644.6 million in 2024, marking a 12% increase compared to the total shareholders' equity of AED 573.5 million in 2023.

RECOMMENDATIONS OF THE BOARD OF DIRECTORS

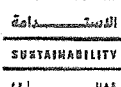
The Board of Directors has the pleasure in presenting the following recommendations to the shareholders:

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 2024.
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 2024.
5. Election of Member of the Board of Directors.

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

TRUST | SECURITY | COMMITMENT

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



SZR Branch: Al Wadi Building, Office # M 06
Sheikh Zayed Road, Dubai, UAE
Tel: 04 343 9765

Head Office: NGI House, P.O. Box 154, Port Saeed, Deira, Dubai
Tel: 04 211 5800
Email: ngico@emirates.net.ae, Website: www.ngi.ae

Barsha Branch: Office # 504, 5th Floor, API Business Suites Bldg
(next to Zahra Hospital), Al Barsha, Shk Zayed Road
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Ajman Branch:
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Sheikh Rashid Bin Humaid
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6. Approve the proposed appropriation of the profits as follows:

	AED
Profit brought forward	191,247,759
Add comprehensive profit for the year 2024	115,477,712
Total available for distribution	306,725,471
Less	
a) Director's remuneration	8,925,000
b) Proposed Dividend - 45%	74,227,285
Profit carried forward	223,573,186

7. Appoint Auditors for the financial year 2025 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 Al 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

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

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

الإدارة العامة
SUSTAINABILITY
A E I

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



The Auditor's Report 2024

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 2024, and 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 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB).

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' Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), together with the ethical requirements that are relevant to the audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical requirements. 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 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 insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities	
As at 31 December 2024, The Company's insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities are valued at AED 904 million, AED 16 million, AED 465 million and AED 23 million respectively. (Refer to note 11 to the financial statements). The Valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities. involves significant judgements and estimates particularly with respect to, estimation of the present value of future cash flows, the eligibility of the Premium Allocation Approach (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. As a result of all the above factors, we consider valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities, as a key audit matter.	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 insurance contract assets, insurance contract liabilities, reinsurance contract assets and reinsurance contract 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 insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract 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.

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 investment properties	
The Company holds investment properties under the fair value model as at 31 December 2024 amounting to AED 75 million (2023: AED 186 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 was 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. - Verified the accuracy of the disposals during the year. - Assessed the adequacy of disclosures included in financial statements against the requirements of IFRSs.

Other Information

The Board of Directors and management are 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.

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)

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 as issued by the International Accounting Standard Board (IASB) and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, UAE Federal Law No. 48 of 2023 regarding the regulation of Insurance activities, Central Bank of the UAE Board of Directors' Decision No. (25) of 2014 pertinent of the Financial Regulations for Insurance Companies 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.
- 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.

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)**

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 Decree 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 Decree Law No. 32 of 2021;
- iii) The Company has maintained proper books of account in accordance with established accounting principles;
- iv) The financial information included in Board of Directors' report is consistent with the books of accounts of the Company;
- v) As disclosed in note 9 to the financial statements, the Company has invested in securities during the year ended 31 December 2024;
- 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 2024 any of the applicable provisions of the Federal Decree Law No. 32 of 2021, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024; and
- viii) Note 30 of the financial statements discloses the social contribution made during the year ended 31 December 2024.



Grant Thornton

Independent Auditor's Report

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

Report on Other Legal and Regulatory Requirements (continued)

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

Grant Thornton
GRANT THORNTON UAE

Farouk Mohamed
Registration No: 86
Dubai, United Arab Emirates



4 March 2025



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



Annual Financial Statements & their Clarifications 2024

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

Financial Statements

For the year ended 31 December 2024



Report of the Board of Directors

Dear Shareholders,

The Board of Directors has the pleasure to welcome you to the twenty-fourth 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 2024.

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

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RECOMMENDATIONS OF THE BOARD OF DIRECTORS

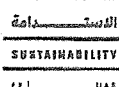
The Board of Directors has the pleasure in presenting the following recommendations to the shareholders:

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 2024.
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 2024.
5. Election of Member of the Board of Directors.

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

TRUST | SECURITY | COMMITMENT

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

	AED
Profit brought forward	191,247,759
Add comprehensive profit for the year 2024	115,477,712
Total available for distribution	306,725,471
Less	
a) Director's remuneration	8,925,000
b) Proposed Dividend - 45%	74,227,285
Profit carried forward	223,573,186

7. Appoint Auditors for the financial year 2025 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 Al 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.

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Opinion

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In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB).

Basis for Opinion

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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 insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities	
As at 31 December 2024, The Company's insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities are valued at AED 904 million, AED 16 million, AED 465 million and AED 23 million respectively. (Refer to note 11 to the financial statements). The Valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities. involves significant judgements and estimates particularly with respect to, estimation of the present value of future cash flows, the eligibility of the Premium Allocation Approach (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. As a result of all the above factors, we consider valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities, as a key audit matter.	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 insurance contract assets, insurance contract liabilities, reinsurance contract assets and reinsurance contract 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 insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract 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.

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 investment properties	
The Company holds investment properties under the fair value model as at 31 December 2024 amounting to AED 75 million (2023: AED 186 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 was 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. - Verified the accuracy of the disposals during the year. - Assessed the adequacy of disclosures included in financial statements against the requirements of IFRSs.

Other Information

The Board of Directors and management are 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.

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)

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 as issued by the International Accounting Standard Board (IASB) and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, UAE Federal Law No. 48 of 2023 regarding the regulation of Insurance activities, Central Bank of the UAE Board of Directors' Decision No. (25) of 2014 pertinent of the Financial Regulations for Insurance Companies 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.
- 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.

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)**

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 Decree 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 Decree Law No. 32 of 2021;
- iii) The Company has maintained proper books of account in accordance with established accounting principles;
- iv) The financial information included in Board of Directors' report is consistent with the books of accounts of the Company;
- v) As disclosed in note 9 to the financial statements, the Company has invested in securities during the year ended 31 December 2024;
- 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 2024 any of the applicable provisions of the Federal Decree Law No. 32 of 2021, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024; and
- viii) Note 30 of the financial statements discloses the social contribution made during the year ended 31 December 2024.



Grant Thornton

Independent Auditor's Report

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

Report on Other Legal and Regulatory Requirements (continued)

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

Grant Thornton
GRANT THORNTON UAE

Farouk Mohamed
Registration No: 86
Dubai, United Arab Emirates

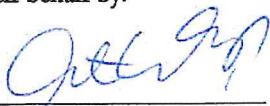


4 March 2025

National General Insurance Co. (P.J.S.C.)
Statement of financial position
As at 31 December 2024

	Notes	2024 AED	2023 AED
Assets			
Property and equipment	6	24,617,856	25,546,512
Intangible assets	7	2,172,566	3,161,554
Investment properties	8	75,450,000	186,002,982
Investment securities	9	373,276,067	353,408,125
Investments on behalf of policyholders of unit-linked products	9	89,261,723	67,630,921
Reinsurance contract assets	11	464,822,624	250,102,821
Insurance contract assets	11	16,195,820	11,149,272
Prepayments and other receivables		23,041,442	15,369,431
Fixed deposits	12	522,630,631	361,869,747
Bank balances and cash	12	62,418,855	84,875,024
Total assets		1,653,887,584	1,359,116,389
Equity and liabilities			
Equity			
Share capital	13	164,949,523	149,954,112
Legal reserve	14	82,474,762	74,977,056
General reserve	14	82,474,762	74,977,056
Reinsurance reserves	14	8,000,568	5,770,295
Cumulative changes in fair value of FVTOCI investments		(15,459,100)	(3,423,304)
Insurance finance reserve through OCI		42,054	28,246
Retained earnings		322,142,517	271,177,441
Total equity		644,625,086	573,460,902
Liabilities			
Provision for employees' end of service indemnity	15	15,507,825	14,693,070
Other payables	16	55,997,253	22,647,663
Insurance contract liabilities	11	904,064,541	744,290,680
Reinsurance contract liabilities	11	23,077,982	4,024,074
Income tax payable	25	8,914,912	-
Deferred tax liability	25	1,699,985	-
Total liabilities		1,009,262,498	785,655,487
Total equity and liabilities		1,653,887,584	1,359,116,389

These financial statements were authorised for issue on 4 March 2025 by the Board of Directors and signed on their behalf by:


Dr. Hamad Mubarak Buamim
Chairman


Dr. Abdul Zahra A. Ali
Chief Executive Officer

The notes from 1 to 31 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 2024

	Notes	2024 AED	2023 AED
Insurance revenue	19	874,018,209	745,786,103
Insurance service expenses	20	(849,809,299)	(546,508,504)
Insurance service result before reinsurance contracts held		24,208,910	199,277,599
Allocation of reinsurance premiums		(368,455,265)	(354,796,074)
Amounts recoverable from reinsurance for incurred claims		406,972,870	200,266,746
Net income/(expenses) from reinsurance contracts held		38,517,605	(154,529,328)
Insurance service result		62,726,515	44,748,271
Unrealised gains on financial assets at FVTPL	9	15,127,395	2,999,436
Income from investment properties - net	8	49,435,066	5,010,523
Other investment income	22	56,410,025	49,806,989
Total investment income		120,972,486	57,816,948
Insurance finance expense	21	(22,317,991)	(14,299,959)
Reinsurance finance income	21	5,676,575	1,824,992
Net insurance financial result		(16,641,416)	(12,474,967)
Other operating income		1,109,078	806,466
Other operating expenses		(30,052,066)	(16,017,727)
Profit before tax		138,114,597	74,878,991
Income tax expense	25	(10,614,897)	-
Profit for the year		127,499,700	74,878,991
			Restated
Basic and diluted earnings per share	23	0.77	0.45

The notes from 1 to 31 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 2024

	Notes	2024 AED	2023 AED
Profit for the year		127,499,700	74,878,991
Other comprehensive income:			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Net change in fair value of fixed income investments / bonds designated at FVTOCI	9	1,402,846	1,983,320
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net gain on insurance finance reserve through OCI		13,808	2,375
Net change in fair value of equity instruments designated at FVTOCI	9	(13,438,642)	231,363
Total other comprehensive (loss)/income for the year		(12,021,988)	2,217,058
Total comprehensive income for the year		115,477,712	77,096,049

The notes from 1 to 31 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 2024

	Share capital AED	Legal reserve AED	General reserve AED	Reinsurance reserve AED	Cumulative changes in fair value of FVTOCI investments AED	Insurance finance reserve through OCI AED	Retained earnings AED	Total equity AED
Balance at 1 January 2023	149,954,112	74,977,056	74,977,056	3,572,440	(5,637,987)	25,871	240,859,833	538,728,381
Profit for the 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 (note 14)	-	-	-	2,197,855	-	-	(2,197,855)	-
Directors' remuneration (note 24)	-	-	-	-	-	-	(4,875,000)	(4,875,000)
Dividend declared (note 24)	-	-	-	-	-	-	(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
Balance at 1 January 2024	149,954,112	74,977,056	74,977,056	5,770,295	(3,423,304)	28,246	271,177,441	573,460,902
Increase in capital through bonus issue (note 13)	14,995,411	-	-	-	-	-	(14,995,411)	-
Profit for the year after tax	-	-	-	-	-	-	127,499,700	127,499,700
Other comprehensive (loss)/income for the year	-	-	-	-	(12,035,796)	13,808	-	(12,021,988)
Total comprehensive (loss)/ income for the year	-	-	-	-	(12,035,796)	13,808	127,499,700	115,477,712
Transfer to legal and general reserve (note 14)	-	7,497,706	7,497,706	-	-	-	(14,995,412)	-
Transfer to reinsurance reserve	-	-	-	2,230,273	-	-	(2,230,273)	-
Directors' remuneration (note 24)	-	-	-	-	-	-	(6,825,000)	(6,825,000)
Dividend declared (note 24)	-	-	-	-	-	-	(37,488,528)	(37,488,528)
Balance at 31 December 2024	164,949,523	82,474,762	82,474,762	8,000,568	(15,459,100)	42,054	322,142,517	644,625,086

The notes from 1 to 31 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 2024

	Notes	2024 AED	2023 AED
Cash flows from operating activities			
Profit before tax		138,114,597	74,878,991
Adjustments for:			
Depreciation and amortisation		2,998,914	3,006,900
Dividend income	22	(10,520,890)	(7,948,872)
Realised gain on FVTPL investments		(8,871,105)	(9,995,212)
Fair value gain on investment properties		(4,126,055)	(852,982)
Unrealised gain on FVTPL investments		(15,127,396)	(2,999,435)
Realised gain on sale of investment properties	22	(40,961,015)	-
Other investment income		(18,992,284)	(15,647,825)
Provision for employees' end of service indemnity	15	1,894,736	2,265,200
Operating cash flows before changes in working capital		<u>44,409,502</u>	<u>42,706,765</u>
Changes in working capital:			
Change in insurance and reinsurance contract assets		(219,766,350)	(16,826,890)
Change in prepaid expenses and other assets		(7,672,015)	1,033,914
Change in insurance and reinsurance contract liabilities		178,827,769	127,768,604
Change in accrued expenses and other liabilities		33,349,594	6,124,285
Change in insurance finance reserve through OCI		13,808	2,375
Employees' end of service indemnity paid	15	(1,079,981)	(862,907)
Net cash generated from operating activities		<u>28,082,327</u>	<u>159,946,146</u>
Cash flows from investing activities			
Purchase of property and equipment		(1,319,950)	(3,107,828)
Proceeds from disposal of property and equipment		238,680	3,672,950
Purchase of FVTPL investments	9	(108,691,747)	(70,336,054)
Purchase of FVTOCI investments	9	(27,903,840)	(16,275,733)
Proceeds from sale of FVTPL investments		128,690,350	65,972,928
Proceeds from sale of investment properties		155,640,051	-
Net movement in payable to policyholder's unit linked products	9	(21,630,802)	(19,751,001)
Dividends received	22	10,520,890	7,948,872
Interest and other income received		18,992,284	15,647,825
Net investment in bank deposits		(160,760,884)	(142,841,992)
Net cash used in investing activities		<u>(6,224,968)</u>	<u>(159,070,033)</u>
Cash flows from financing activities			
Dividend paid	24	(37,488,528)	(37,488,528)
Directors' remuneration paid	24	(6,825,000)	(4,875,000)
Net cash used in financing activities		<u>(44,313,528)</u>	<u>(42,363,528)</u>
Net decrease in cash and cash equivalents		<u>(22,456,169)</u>	<u>(41,487,415)</u>
Cash and cash equivalents at beginning of the year		84,875,024	126,362,439
Cash and cash equivalents at end of the year	12	<u>62,418,855</u>	<u>84,875,024</u>

The notes from 1 to 31 form an integral part of these financial statements.

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

Notes to the financial statements

For the year ended 31 December 2024

1 Legal status and activities

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

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.

2 Statement of compliance with IFRS

This financial statement is for the year ended 31 December 2024 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 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, financial assets carried at fair value through profit and loss and investment properties which are carried at fair value and the provision for employees’ end of service indemnity which is measured in accordance with U.A.E labour laws.

The Company’s 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, prepayments and other receivables and other payables, financial assets through profit or loss and income tax payable. The following balances would generally be classified as non-current: property and equipment, intangible assets, investment properties, statutory deposits, fixed deposits and provision for employees’ end of service indemnity, deferred tax liability. The following balances are of mixed nature (including both current and non-current portions): reinsurance contract assets, insurance contract assets, insurance contract liabilities, reinsurance contract liabilities and financial assets through OCI.

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	Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
IAS 7 and IFRS 17	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

These standards did not have a material impact on these financial statements.

National General Insurance Co. (P.J.S.C.)
Notes to the financial statements
For the year ended 31 December 2024

3 Standard, interpretations and amendments to standards (continued)

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 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

4 Material accounting policy information

IFRS 17 Insurance contracts

IFRS 17 replaced IFRS 4 Insurance Contracts for annual years on or after 1 January 2023.

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 group'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.

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 group 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 / group 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 group.

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.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Unit of account (continued)

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

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

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

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

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

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)

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 by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

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

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)

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 Company 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 Company, 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 Company to the reinsurer.

Contract boundaries

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

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Contract boundaries (continued)

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 Company that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive insurance contract services from the reinsurer.

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

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

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

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

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

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Measurement of expenses (continued)

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)

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)

IFRS 17 Insurance contracts (continued)

CSM at initial recognition (continued)

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

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

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).

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

CSM at subsequent measurement (continued)

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

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

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

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Release of CSM to profit and loss (continued)

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.

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)

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)

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.

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)

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 except Motor and Medical where monthly claims development is used.

The calculations are performed using incurred claims except for the Medical business where the calculations are performed using paid claims. Incurred claims are set as paid claims plus the outstanding claims reserve.

The outstanding claims reserves are set in line with the case estimates that are determined when a claim is reported.

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.

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.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Insurance contract liabilities and reinsurance assets (continued)

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.

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.

4 Material accounting policy information (continued)

Property and equipment (continued)

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.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes 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.

4 Material accounting policy information (continued)

Impairment of non-financial assets (continued)

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 reflects the best way the business is managed and information is provided to the management.

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 focuses 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 amortised cost using the effective interest method.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Classification (continued)

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.

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.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Classification (continued)

Equity instruments (continued)

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.

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.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Impairment (continued)

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.

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.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Impairment (continued)

Derecognition of financial assets and financial liabilities (continued)

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 is 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.

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.

4 Material accounting policy information (continued)

Foreign currency transactions (continued)

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 end of service 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 to the 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 and 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 to remuneration which shall not exceed 10% of the net profits after deducting depreciation and reserves.

Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

4 Material accounting policy information (continued)

Taxation (continued)

Deferred taxation

Deferred taxation is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to statement of comprehensive income in which case it is included in statement of comprehensive income.

5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above in these financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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.

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

Liability for incurred claims (continued)

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

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

Discount rates

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

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	
	2024	2023	2024	2023	2024	2023	2024	2023
<u>Measured under PAA and GMM</u>								
Insurance contracts	5.13%	5.59%	5.00%	4.57%	4.95%	4.34%	5.00%	4.33%
Reinsurance contracts held	5.13%	5.59%	5.00%	4.57%	4.95%	4.34%	5.00%	4.33%
<u>Measured under VFA</u>								
Insurance contracts	3.50%	3.50%	3.36%	2.47%	3.32%	2.25%	3.37%	2.23%

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.

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

Discount rates (continued)

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.

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.

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6 Property and equipment

	Land and office building AED	Furniture and fixtures AED	Computer & office equipment AED	Motor vehicles AED	Total AED
Cost:					
At 1 January 2023	36,600,711	9,647,010	11,012,945	395,450	57,656,116
Additions 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
Addition during the year	-	-	848,069	-	848,069
At 31 December 2024	36,600,711	9,652,730	12,306,665	395,450	58,955,556
Accumulated Depreciation:					
At 1 January 2023	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
Charge for the year	1,105,853	64,640	606,232	-	1,776,725
At 31 December 2024	13,614,091	9,605,867	10,722,293	395,449	34,337,700
Net carrying amount:					
At 31 December 2023	24,092,473	111,503	1,342,535	1	25,546,512
At 31 December 2024	22,986,620	46,863	1,584,372	1	24,617,856

7 Intangible assets

	Computer software AED
Cost:	
At 1 January 2023	16,537,641
Additions during the year	269,232
Transfers during the year	(1,285,726)
At 31 December 2023	15,521,147
Additions during the year	471,881
Transfers during the year	(238,680)
At 31 December 2024	15,754,348
Accumulated amortisation:	
At 1 January 2023	11,132,034
Charge for the year	1,227,559
At 31 December 2023	12,359,593
Charge for the year	1,222,189
At 31 December 2024	13,581,782
Net carrying amount:	
At 31 December 2023	3,161,554
At 31 December 2024	2,172,566

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8 Investment properties

	2024 AED	2023 AED
At 1 January	186,002,982	185,150,000
Disposals during the year	(114,679,037)	-
Change in fair value	4,126,055	852,982
At 31 December	<u>75,450,000</u>	<u>186,002,982</u>

	2024 AED		2023 AED	
	Cost	Fair value	Cost	Fair value
Land	-	-	119,627,060	114,679,037
Office building	63,156,439	75,450,000	63,156,439	71,323,945
At 31 December	<u>63,156,439</u>	<u>75,450,000</u>	<u>182,783,499</u>	<u>186,002,982</u>

Investment properties include rented out portion of a commercial building and is located in the U.A.E.

The carrying amounts 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.

During the year ended 31 December 2024, the Company sold two lands located in Wadi Al Safa 3, Majan (Plot No. 6457866) and Bukadra (Plot No. 611-7262) in the Emirate of Dubai for a consideration of AED 37.8 million and AED 117.8 million.

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 breakdown of income from investment properties – net is as follows:

	2024 AED	2023 AED
Rental income	6,201,480	5,600,453
Operating expenses	(1,853,484)	(1,442,912)
Net rental income	4,347,996	4,157,541
Realised gain on sale of investment properties	40,961,015	-
Change in fair value of investment properties	4,126,055	852,982
	<u>49,435,066</u>	<u>5,010,523</u>

9 Investment securities

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

	2024 AED	2023 AED
Financial assets at fair value through profit or loss (FVTPL)	346,680,392	295,337,160
Financial assets at fair value through other comprehensive income (FVTOCI)	116,228,302	126,119,923
Less: Provision for expected credit losses (ECL)	(370,904)	(418,037)
	<u>462,537,790</u>	<u>421,039,046</u>

National General Insurance Co. (P.J.S.C.)
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9 Investment securities (continued)

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

	2024 AED	2023 AED
Investment securities	373,276,067	353,408,125
Investments on behalf of policyholders of unit- linked products	89,261,723	67,630,921
	<u>462,537,790</u>	<u>421,039,046</u>

Investments securities – Geographic concentration

	2024 AED	2023 AED
Investments made:		
- Within UAE	215,413,147	169,066,251
- Outside UAE	247,124,643	251,972,795
	<u>462,537,790</u>	<u>421,039,046</u>

Fair value through profit or loss (FVTPL) investments

	2024 AED	2023 AED
Equity investments – quoted	162,089,888	138,159,535
Equity investments – unquoted	-	10,000,000
Fixed income investments/ bonds – quoted	95,328,781	79,546,704
Investments held on behalf of policyholders' unit linked products linked products	89,261,723	67,630,921
	<u>346,680,392</u>	<u>295,337,160</u>

Movement in investments carried at fair value through profit or loss (FVTPL) is as follows:

	2024 AED	2023 AED
At 1 January	295,337,160	258,032,545
Purchases during the year	108,691,747	70,336,054
Sale during the year	(94,106,712)	(55,781,876)
Change in fair value	15,127,395	2,999,436
Net movement in payable to policyholder's unit linked products	21,630,802	19,751,001
At 31 December	<u>346,680,392</u>	<u>295,337,160</u>

Fair value through other comprehensive income (FVTOCI) investments

	2024 AED	2023 AED
Equity investments – unquoted	38,704,777	52,057,203
Fixed income investments/bonds – quoted	77,523,525	74,062,720
	<u>116,228,302</u>	<u>126,119,923</u>

National General Insurance Co. (P.J.S.C.)
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9 Investment securities (continued)

Movement in investments carried at fair value through other comprehensive income (FVTOCI) is as follows:

	2024 AED	2023 AED
At 1 January	126,119,923	107,822,835
Purchases during the year	27,903,840	16,275,733
Sale during the year	(25,759,665)	(193,328)
Change in fair value	(12,035,796)	2,214,683
At 31 December	116,228,302	126,119,923

Movements in provision for ECL are as follows:

	2024 AED	2023 AED
At 1 January	418,037	415,523
(Reversal)/charged during the year	(47,133)	2,514
At 31 December	370,904	418,037

Investment concentration

The Central Bank of UAE has set a maximum limit for aggregate exposure in various categories of investments. As at 31 December 2024, 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 2024.

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.

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10 Fair value of financial instruments (continued)

	2024 AED	2023 AED	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
<u>FVTOCI</u>					
Quoted securities	77,523,525	74,062,720	Level 1	Quoted bid prices in an active market	N/A
Unquoted equity securities	38,704,777	52,057,203	Level 3	Net assets valuation method	Net asset value
<u>FVTPL</u>					
Quoted equity securities	162,089,888	138,159,535	Level 1	Quoted bid prices in an active market	N/A
Quoted debt securities	95,328,781	79,546,704	Level 1	Quoted bid prices in an active market	N/A
Unit linked products	89,261,723	67,630,921	Level 2	Net assets valuation method	Net asset value
Unquoted equity securities	-	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.

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

	2024			2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	AED	AED	AED	AED	AED	AED
Insurance contracts issued						
General and medical	-	732,690,887	732,690,887	-	586,272,053	586,272,053
Life	16,195,820	171,373,654	155,177,834	11,149,272	158,018,627	146,869,355
Total insurance contracts issued	16,195,820	904,064,541	887,868,721	11,149,272	744,290,680	733,141,408
Reinsurance contracts held						
General and medical	422,052,453	149,453	421,903,000	234,092,788	1,749,010	232,343,778
Life	42,770,171	22,928,529	19,841,642	16,010,033	2,275,064	13,734,969
Total reinsurance contracts held	464,822,624	23,077,982	441,744,642	250,102,821	4,024,074	246,078,747

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

Contracts measured under the PAA

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
31 December 2024					
Insurance contract assets as at 1 January	16,144,532	-	(4,748,196)	(247,064)	11,149,272
Insurance contract liabilities as at 1 January	(142,851,350)	(4,202,586)	(441,718,759)	(9,684,786)	(598,457,481)
Net insurance contract liabilities as at 1 January	(126,706,818)	(4,202,586)	(446,466,955)	(9,931,850)	(587,308,209)
Insurance revenue	864,840,697	-	-	-	864,840,697
Insurance service expenses					
Incurred claims and other expenses	-	-	(732,319,716)	(28,291,358)	(760,611,074)
Amortisation of insurance acquisition cash	(116,079,319)	-	-	-	(116,079,319)
Losses on onerous contracts	-	4,080,211	-	-	4,080,211
Changes to liabilities for incurred claims	-	-	1,669,349	22,255,252	23,924,601
Insurance service result	748,761,378	4,080,211	(730,650,367)	(6,036,106)	16,155,116
Insurance finance expense	-	-	(8,369,233)	-	(8,369,233)
Total changes in the statement of profit/ (loss)	748,761,378	4,080,211	(739,019,600)	(6,036,106)	7,785,883
Cash flows					
Premiums received	(936,103,398)	-	-	-	(936,103,398)
Claims and other expenses paid	-	-	647,264,727	-	647,264,727
Insurance acquisition cash flows	134,175,810	-	-	-	134,175,810
Total cash flows	(801,927,588)	-	647,264,727	-	(154,662,861)
Insurance contract assets as at 31 December	21,790,656	-	(5,296,181)	(298,655)	16,195,820
Insurance contract liabilities as at 31 December	(201,663,684)	(122,375)	(532,925,647)	(15,669,301)	(750,381,007)
Net insurance contract liabilities as at 31 December	(179,873,028)	(122,375)	(538,221,828)	(15,967,956)	(734,185,187)

National General Insurance Co. (P.J.S.C.)
Notes to the financial statements
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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		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
31 December 2023					
Insurance contract assets as at 1 January	7,010,061	(1,681,492)	(3,577,145)	(270,482)	1,480,942
Insurance contract liabilities as at 1 January	(87,296,663)	(11,500,422)	(365,587,916)	(9,885,740)	(474,270,741)
Net insurance contract liabilities as at 1 January	(80,286,602)	(13,181,914)	(369,165,061)	(10,156,222)	(472,789,799)
Insurance revenue	735,801,033	-	-	-	735,801,033
Insurance service expenses					
Incurred claims and other expenses	-	-	(509,831,861)	(14,730,726)	(524,562,587)
Amortisation of insurance acquisition cash flows	(88,533,719)	-	-	-	(88,533,719)
Losses on onerous contracts	-	8,979,328	-	-	8,979,328
Changes to liabilities for incurred claims	-	-	47,145,403	14,955,098	62,100,501
Insurance service result	647,267,314	8,979,328	(462,686,458)	224,372	193,784,556
Insurance finance expenses	-	-	(905,066)	-	(905,066)
Total changes in the statement of profit / (loss)	647,267,314	8,979,328	(463,591,524)	224,372	192,879,490
<i>Cash flows</i>					
Premiums received	(789,601,011)	-	-	-	(789,601,011)
Claims and other expenses paid	-	-	349,721,406	-	349,721,406
Insurance acquisition cash flows	95,913,481	-	36,568,224	-	132,481,705
Total cash flows	(693,687,530)	-	386,289,630	-	(307,397,900)
Insurance contract assets as at 31 December	16,144,532	-	(4,748,196)	(247,064)	11,149,272
Insurance contract liabilities as at 31 December	(142,851,350)	(4,202,586)	(441,718,759)	(9,684,786)	(598,457,481)
Net insurance contract liabilities as at 31 December	(126,706,818)	(4,202,586)	(446,466,955)	(9,931,850)	(587,308,209)

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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	
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Total AED
31 December 2024				
Insurance contract assets as at 1 January	-	-	-	-
Insurance contract liabilities as at 1 January	(121,156,024)	(2,320,026)	(22,357,149)	(145,833,199)
Net insurance contract liabilities as at 1 January	(121,156,024)	(2,320,026)	(22,357,149)	(145,833,199)
Insurance revenue	9,177,512	-	-	9,177,512
Insurance service expenses				
Incurred claims and other expenses	-	-	(386,063)	(386,063)
Amortisation of insurance acquisition cash flows	(536,608)	-	-	(536,608)
Reversals on onerous contracts	-	(201,047)	-	(201,047)
Insurance service result	8,640,904	(201,047)	(386,063)	8,053,794
Insurance finance expenses	(13,827,579)	(206,667)	-	(14,034,246)
Investment components	37,773,278	-	(37,773,278)	-
Total changes in the statement of profit / (loss)	32,586,603	(407,714)	(38,159,341)	(5,980,452)
Cash flows				
Premiums received	(54,148,949)	-	-	(54,148,949)
Claims and other expenses paid	-	-	46,814,510	46,814,510
Insurance acquisition cash flows	5,464,556	-	-	5,464,556
Total cash flows	(48,684,393)	-	46,814,510	(1,869,883)
Net insurance contract liabilities as at 31 December	(137,253,814)	(2,727,740)	(13,701,980)	(153,683,534)
31 December 2023				
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 component	21,331,537	-	(21,331,537)	-
Total changes in the statement of profit/(loss)	17,676,300	57,431	(25,647,953)	(7,914,222)
Cash flows				
Premiums received	(23,448,533)	-	-	(23,448,533)
Claims and other expenses paid	-	-	21,354,360	21,354,360
Insurance acquisition cash flows	2,752,796	-	3,542,198	6,294,994
Total cash flows	(20,695,737)	-	24,896,558	4,200,821
Insurance contract assets as at 31 December	-	-	-	-
Insurance contract liabilities as at 31 December	(121,156,024)	(2,320,026)	(22,357,149)	(145,833,199)
Net insurance contract liabilities as at 31 December	(121,156,024)	(2,320,026)	(22,357,149)	(145,833,199)

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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 2024	Estimates of present value of future cash flows AED	Risk adjustment for non- financial risk AED	CSM		Total AED
			Contracts under modified retrospective transition approach AED	Other contracts AED	
Net insurance contract liabilities as at 1 January	(121,653,464)	(7,764,962)	-	(16,414,773)	(145,833,199)
Changes that relate to current services					
CSM recognised for services provided	-	-	-	3,281,254	3,281,254
Change in risk adjustment for non-financial risk for risk expired	-	1,002,291	-	-	1,002,291
Experience adjustments	1,961,465	-	-	-	1,961,465
Changes that relate to future services					
Contracts initially recognised in the year	5,643,843	(3,999,596)	-	(2,475,434)	(831,187)
Changes in estimates that adjust the CSM	9,235,680	196,281	-	(9,431,961)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(3,156,846)	1,936,595	-	-	(1,220,251)
Changes that relate to past services					
Adjustments to liabilities for incurred claims	3,920,325	(60,103)	-	-	3,860,222
Insurance service result	17,604,467	(924,532)	-	(8,626,141)	8,053,794
Net finance expenses from insurance contracts	(13,771,393)	-	-	(262,853)	(14,034,246)
Total changes in the statement of profit or (loss)	3,833,074	(924,532)	-	(8,888,994)	(5,980,452)
Cash flows					
Premiums received	(54,148,949)	-	-	-	(54,148,949)
Claims and other directly attributable expenses paid	46,814,510	-	-	-	46,814,510
Insurance acquisition cash flows paid	5,464,556	-	-	-	5,464,556
Total cash flows	(1,869,883)	-	-	-	(1,869,883)
Insurance contract liabilities as at 31 December	(119,690,273)	(8,689,494)	-	(25,303,767)	(153,683,534)

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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)

31 December 2023	Estimates of present value of future cash flows AED	Risk adjustment for non-financial risk AED	CSM		Total AED
			Contracts under modified retrospective transition approach AED	Other contracts AED	
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 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)	1,059,999	(441,782)	-	(8,532,439)	(7,914,222)
<i>Cash flows</i>					
Premiums received	(23,448,533)	-	-	-	(23,448,533)
Claims and other directly attributable expenses paid	21,354,360	-	-	-	21,354,360
Insurance acquisition cash flows paid	6,294,994	-	-	-	6,294,994
Total cash flows	4,200,821	-	-	-	4,200,821
Net insurance contract liabilities as at 31 December	(121,653,464)	(7,764,962)	-	(16,414,773)	(145,833,199)

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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		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
31 December 2024					
Reinsurance contract assets as at 1 January	(25,953,461)	1,698,952	263,379,143	3,869,832	242,994,466
Reinsurance contract liabilities as at 1 January	(11,797,408)	-	7,825,142	200,666	(3,771,600)
Net reinsurance contract (liabilities)/assets	(37,750,869)	1,698,952	271,204,285	4,070,498	239,222,866
An allocation of reinsurance premiums	(365,899,639)	-	-	-	(365,899,639)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	402,554,871	6,767,751	409,322,622
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	(1,640,020)	-	-	(1,640,020)
Net income/(expense) from reinsurance contracts held	(365,899,639)	(1,640,020)	402,554,871	6,767,751	41,782,963
Reinsurance finance income	-	-	5,631,648	-	5,631,648
Total changes in the statement of (loss)/profit	(365,899,639)	(1,640,020)	408,186,519	6,767,751	47,414,611
Cash flows					
Premiums paid	365,090,939	-	-	-	365,090,939
Amounts received	-	-	(213,801,979)	-	(213,801,979)
Total cash flows	365,090,939	-	(213,801,979)	-	151,288,960
Reinsurance contract assets as at 31 December	(13,248,140)	58,932	463,031,873	10,822,942	460,665,607
Reinsurance contract liabilities as at 31 December	(25,311,429)	-	2,556,952	15,307	(22,739,170)
Net reinsurance contract (liabilities)/assets as at 31 December	(38,559,569)	58,932	465,588,825	10,838,249	437,926,437

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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		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
31 December 2023					
Reinsurance contract assets as at 1 January	(14,673,894)	5,074,907	232,074,535	5,366,758	227,842,306
Reinsurance contract liabilities as at 1 January	(3,140,382)	215,349	103,418	471	(2,821,144)
Net reinsurance contract (liabilities)/assets	(17,814,276)	5,290,256	232,177,953	5,367,229	225,021,162
An allocation of reinsurance premiums	(350,097,873)	-	-	-	(350,097,873)
Amounts recoverable from reinsurers for incurred					
Amounts recoverable for incurred claims and other expenses	-	-	206,771,263	(1,296,731)	205,474,532
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
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)	206,771,263	(1,296,731)	(148,214,645)
Reinsurance finance income	-	-	1,601,073	-	1,601,073
Total changes in the statement of (loss)/profit	(350,097,873)	(3,591,304)	208,372,336	(1,296,731)	(146,613,572)
<i>Cash flows</i>					
Premiums paid	330,161,280	-	-	-	330,161,280
Amounts received	-	-	(169,346,004)	-	(169,346,004)
Total cash flows	330,161,280	-	(169,346,004)	-	160,815,276
Net reinsurance contract (liabilities)/assets as at 31 December					
Reinsurance contract assets as at 31 December	(25,953,461)	1,698,952	263,379,143	3,869,832	242,994,466
Reinsurance contract liabilities as at 31 December	(11,797,408)	-	7,825,142	200,666	(3,771,600)
Net reinsurance contract (liabilities)/assets as at 31 December	(37,750,869)	1,698,952	271,204,285	4,070,498	239,222,866

National General Insurance Co. (P.J.S.C.)
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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	Loss component	Estimates of the present value of future cash flows	Total
	AED	AED	AED	AED
31 December 2024				
Reinsurance contract assets as at 1 January	5,434,620	138,000	1,535,735	7,108,355
Reinsurance contract liabilities as at 1 January	(360,218)	-	107,744	(252,474)
Net reinsurance contract assets as at 1 January	5,074,402	138,000	1,643,479	6,855,881
An allocation of reinsurance premiums	(2,555,626)	-	-	(2,555,626)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	-	318,655	318,655
Changes to amounts recoverable for incurred claims	-	-	(938,944)	(938,944)
Changes in fulfilment cash flows that do not adjust CSM	-	(89,443)	-	(89,443)
Net income or expense from reinsurance contracts held	(2,555,626)	(89,443)	(620,289)	(3,265,358)
Reinsurance finance income	144,222	-	-	144,222
Total changes in the statement of loss	(2,411,404)	(89,443)	(620,289)	(3,121,136)
Cash flows				
Premiums paid	402,116	-	-	402,116
Amounts received	-	-	(318,656)	(318,656)
Total cash flows	402,116	-	(318,656)	83,460
Reinsurance contract assets as at 31 December	3,512,706	48,557	595,754	4,157,017
Reinsurance contract liabilities as at 31 December	(447,592)	-	108,780	(338,812)
Net reinsurance contract assets as at 31 December	3,065,114	48,557	704,534	3,818,205
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 loss	(4,459,535)	(402,002)	(1,214,480)	(6,076,017)
Cash flows				
Premiums paid	485,431	-	-	485,431
Amounts received	-	-	(1,321,021)	(1,321,021)
Total cash flows	485,431	-	(1,321,021)	(835,590)
Reinsurance contract assets as at 31 December	5,434,620	138,000	1,535,735	7,108,355
Reinsurance contract liabilities as at 31 December	(360,218)	-	107,744	(252,474)
Net reinsurance contract assets as at 31 December	5,074,402	138,000	1,643,479	6,855,881

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

31 December 2024	Estimates of present value of future cash flows AED	Risk adjustment for non- financial risk AED	CSM		Total AED
			Contracts under modified retrospective transition approach AED	Other contracts AED	
Reinsurance contract assets as at 1 January	2,795,690	120,745	-	4,191,920	7,108,355
Reinsurance contract liabilities as at 1 January	(490,549)	126,621	-	111,454	(252,474)
Net reinsurance contract assets	2,305,141	247,366		4,303,374	6,855,881
Changes that relate to current services					
CSM recognised for services provided	-	-	-	(1,430,656)	(1,430,656)
Change in risk adjustment for non-financial risk for risk expired	-	(7,399)	-	-	(7,399)
Experience adjustments	(798,917)	-	-	-	(798,917)
Changes that relate to future services					
Contracts initially recognised in the year	40,255	13,153	-	(53,408)	-
Changes in estimates that adjust the CSM	228,343	(52,166)	-	(176,177)	-
Changes in estimates that relate to losses on onerous underlying contracts	-	-	-	(89,443)	(89,443)
Changes that relate to past services					
Adjustments to assets for incurred claims	(909,282)	(29,661)	-	-	(938,943)
Net expenses from reinsurance contracts	(1,439,601)	(76,073)	-	(1,749,684)	(3,265,358)
Net finance income from reinsurance contracts	25,304	-	-	118,918	144,222
Total changes in the statement of loss	(1,414,297)	(76,073)	-	(1,630,766)	(3,121,136)
Cash flows					
Premiums received	402,116	-	-	-	402,116
Claims and other directly attributable expenses paid	(318,656)	-	-	-	(318,656)
Total cash flows	83,460	-	-	-	83,460
Reinsurance contract assets as at 31 December	1,390,224	62,449	-	2,704,344	4,157,017
Reinsurance contract liabilities as at 31 December	(415,920)	108,844	-	(31,736)	(338,812)
Net reinsurance contract assets as at 31 December	974,304	171,293	-	2,672,608	3,818,205

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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)

	Estimates of present value of future cash flows AED	Risk adjustment for non-financial risk AED	CSM		Total AED
			Contracts under modified retrospective transition approach AED	Other contracts AED	
31 December 2023					
Reinsurance contract assets as at 1 January	7,593,151	210,364	-	6,454,431	14,257,946
Reinsurance contract liabilities as at 1 January	(875,918)	136,420	-	249,040	(490,458)
Net reinsurance contract assets	6,717,233	346,784	-	6,703,471	13,767,488
Changes that relate to current services					
CSM recognised for services provided	-	-	-	(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	(2,437,981)	(97,519)	-	-	(2,535,500)
Adjustments to assets for incurred claims	-	-	-	-	-
Net expenses from reinsurance contracts	(3,624,788)	(99,418)	-	(2,590,477)	(6,314,683)
Net finance income from reinsurance contracts	48,286	-	-	190,380	238,666
Total changes in the statement of loss	(3,576,502)	(99,418)	-	(2,400,097)	(6,076,017)
<i>Cash flows</i>					
Premiums received	485,431	-	-	-	485,431
Claims and other directly attributable expenses paid	(1,321,021)	-	-	-	(1,321,021)
Total cash flows	(835,590)	-	-	-	(835,590)
Reinsurance contract assets as at 31 December	2,795,690	120,745	-	4,191,920	7,108,355
Reinsurance contract liabilities as at 31 December	(490,549)	126,621	-	111,454	(252,474)
Net reinsurance contract assets as at 31 December	2,305,141	247,366	-	4,303,374	6,855,881

National General Insurance Co. (P.J.S.C.)
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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 2024							
Total CSM for insurance contracts issued	(2,463,750)	(2,031,989)	(1,898,777)	(1,790,569)	(1,698,790)	(15,419,892)	(25,303,767)
Total CSM for reinsurance contracts held	679,423	341,474	289,464	251,316	232,024	878,907	2,672,608
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

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 2024			
Insurance contract assets	16,195,820	-	16,195,820
Insurance contract liabilities	(750,381,007)	(153,683,534)	(904,064,541)
Reinsurance contract assets	460,665,607	4,157,017	464,822,624
Reinsurance contract liabilities	(22,739,170)	(338,812)	(23,077,982)
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)

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

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 2024.

Gross Insurance contract liabilities at 31 December 2024

	2021 and prior years AED	2022 AED	2023 AED	2024 AED	Total AED
At the end of each reporting year	213,867,066	232,075,790	309,723,257	731,613,617	1,487,279,730
One year later	271,052,641	283,664,747	416,372,388	-	971,089,776
Two years later	296,010,063	333,401,304	-	-	629,411,367
Three years later	318,965,940	-	-	-	318,965,940
Estimate of cumulative claims	312,938,513	333,401,304	416,372,388	731,613,617	1,794,325,822
Cumulative payments to date	(296,298,818)	(292,220,908)	(373,088,482)	(328,650,157)	(1,290,258,365)
Unallocated loss adjustment expense	329,335	606,332	634,033	2,550,349	4,120,049
Claims payable	-	-	7,575,786	35,555,245	43,131,031
Total gross undiscounted liabilities for incurred claims	16,823,309	41,513,313	51,209,054	441,772,861	551,318,537
Attributable expenses					
Mathematical reserves					
Effect of discounting	-	-	-	(9,405,040)	(9,405,040)
Total discounted gross reserves included in the statement of financial position	23,881,154	43,811,624	45,975,850	428,244,869	541,913,497
Risk Adjustments	711,813	1,305,871	1,370,379	12,764,477	16,152,540

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

11 Insurance and reinsurance contracts (continued)

Net Insurance contract liabilities at 31 December 2024

	2021 and prior years AED	2022 AED	2023 AED	2024 AED	Total AED
At the end of each reporting year	114,678,945	129,712,213	173,146,802	308,649,531	726,187,491
One year later	140,563,899	154,101,569	213,719,394	-	508,384,862
Two years later	145,177,635	167,194,666	-	-	312,372,301
Three years later	153,788,313	-	-	-	153,788,313
Estimate of cumulative claims	153,788,313	167,194,666	213,719,394	308,649,531	843,351,904
Cumulative payments to date	(152,127,850)	(164,855,482)	(204,811,331)	(217,157,679)	(738,952,342)
Unallocated loss adjustment	181,469	332,917	349,362	3,254,157	4,117,905
Claim receivable – net	-	-	(5,498,250)	(25,804,800)	(31,303,050)
Total net undiscounted liabilities for incurred claims	1,841,932	2,672,101	3,759,175	68,941,209	77,214,417
Attributable expenses	-	-	-	-	-
Mathematical reserves	-	-	-	-	-
Effect of discounting	-	-	-	(1,560,731)	(1,560,731)
Total discounted net reserves included in the statement of financial position	5,425,284	5,615,985	6,414,628	58,197,789	75,653,686
Net risk adjustments	384,340	397,850	454,428	4,122,873	5,359,491

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

12 Bank balances and cash

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

	2024	2023
	AED	AED
Cash on hand	17,454	17,454
Cash with banks	62,672,098	84,919,117
Statutory deposits	10,000,000	10,000,000
Fixed deposits	512,630,631	351,869,747
Less: ECL provision	(270,697)	(61,547)
Total bank balances and cash	585,049,486	446,744,771
Less: Deposits with maturities greater than three months	(522,630,631)	(361,869,747)
	62,418,855	84,875,024

Cash and cash equivalents include an amount of AED 18.6 million (2023: AED 17.7 million) as a restricted deposit on unreleased guaranteed margin. The interest rates on fixed deposits with banks range from 4.1% to 5.5% (31 December 2023: 4.8% to 6%) per annum.

Fixed deposits amounting to AED 18.6 million (31 December 2023: AED 17.7 million) under lien are against letters of guarantee (note 18). In accordance with Article (42) of the Federal Law No. 48 of 2023, the Company maintains a bank deposit of AED 10 million (31 December 2023: AED 10 million) as a statutory deposit. This deposit has been pledged to the bank as security against a guarantee issued by the bank in favour of the 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:

	2024	2023
	AED	AED
At 1 January	61,547	45,031
Charge during the year	209,150	16,516
At 31 December	270,697	61,547

13 Share capital

	2024	2023
	AED	AED
Issued and fully paid 164,949,523 shares of AED 1 each (31 December 2023: 149,954,112 shares of AED 1 each)	164,949,523	149,954,112

The Annual General Meeting held on 16 April 2024, approved the issuance of bonus share at 10% of share capital of the year ended 31 December 2023 amounting to AED 14.99 million.

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.

During the year, the Company has transferred AED 7,497,706 (31 December 2023: Nil) to the legal reserve and general reserve to reach 50% limit.

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

14 Reserves (continued)

Legal and general reserve (continued)

General reserve can be utilised for the purposes determined by the Ordinary General Meeting upon recommendations of the Board of Directors.

Insurance finance reserve through OCI

This reserve records fair value changes on fair value through OCI designated 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 has transferred AED 2,230,273 to the 'Reinsurance Reserve' being 0.5% of the total insurance premium ceded to the reinsurer during the year 31 December 2024 (year ended 31 December 2023: AED 2,197,855). 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 employees' end of service benefits

	2024 AED	2023 AED
At 1 January	14,693,070	13,290,777
Charge for the year	1,894,736	2,265,200
Amount paid during the year	(1,079,981)	(862,907)
At 31 December	15,507,825	14,693,070

16 Other payables

	2024 AED	2023 AED
Accrued expenses	38,097,420	20,106,795
Other payables	17,899,833	2,540,868
	55,997,253	22,647,663

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:

	2024 AED	2023 AED
<i>Affiliates of major shareholders:</i>		
Due from policyholders – affiliates - as part of insurance contract assets	20,657,890	17,075,348
Due to related parties – affiliates – as part of insurance contract liabilities	339,525	235,022
	2024 AED	2023 AED
Cash and cash equivalents:		
Cash at banks	26,757,327	41,190,426
Short term deposits	160,907,269	126,178,302

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
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17 Related party balances and transactions (continued)

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

	2024 AED	2023 AED
Key management personnel compensation		
Directors' remuneration	6,825,000	4,875,000
Remuneration and short-term benefits	7,074,299	6,743,763
End of service benefits	313,378	362,272
Other related parties		
Insurance income	64,817,062	49,311,014
Insurance expense	68,012,451	25,791,340
Dividend paid	25,739,879	30,015,867
Portfolio management fees	259,531	-
Commission paid	1,030,448	-
Interest income	7,741,875	5,319,454

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

18 Contingent liabilities

	2024 AED	2023 AED
Letters of guarantee	10,988,000	10,866,857

Guarantees include an amount of AED 10 million (31 December 2023: AED 10 million) favoring the Ministry of Economy and Commerce. Fixed deposits amounting to AED 18.6 million (31 December 2023: AED 17.7 million) are under lien as collateral in respect of above guarantees.

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.

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

19 Insurance revenue

	General AED	Life AED	Total AED
For the year ended 31 December 2024			
Contracts not measured under the PAA			
Expected incurred claims and other insurance service expenses	-	3,229,156	3,229,156
CSM recognised for services provided	-	3,281,253	3,281,253
Recovery of insurance acquisition cash flows	-	536,608	536,608
Experience adjustment	-	1,294,818	1,294,818
Change in risk adjustment for non-financial risk for risk expired	-	835,677	835,677
	-	9,177,512	9,177,512
Contracts measured under the PAA	810,357,360	54,483,337	864,840,697
Total insurance revenue	810,357,360	63,660,849	874,018,209
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

20 Insurance service expense

	General AED	Life AED	Total AED
For the year ended 31 December 2024			
Incurring claims and other expenses	727,215,457	37,641,902	764,857,359
Losses and reversals on onerous contracts	(4,080,211)	201,047	(3,879,164)
Changes to liabilities for incurred claims	(21,993,665)	(5,791,158)	(27,784,823)
Acquisition cash flows recognised when incurred	105,623,397	10,992,530	116,615,927
	806,764,978	43,044,321	849,809,299
For the year ended 31 December 2023			
Incurring claims and other expenses	505,144,008	24,383,665	529,527,673
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

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

21 Total investment income and net insurance financial result

For the year ended 31 December 2024	General AED	Life AED	Total AED
Insurance finance expenses from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(6,922,290)	(15,159,510)	(22,081,800)
Due to changes in interest rates and other financial Assumptions	(1,156,027)	834,348	(321,679)
Total insurance finance expenses from insurance contracts issued	(8,078,317)	(14,325,162)	(22,403,479)
Represented by:			
Amounts recognised in profit or loss	(8,078,317)	(14,239,674)	(22,317,991)
Amounts recognised in OCI	-	(85,488)	(85,488)
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	4,454,274	288,260	4,742,534
Changes in non-performance risk of reinsurer	-	-	-
Due to changes in interest rates and other financial Assumptions	947,414	85,923	1,033,337
Reinsurance finance income from reinsurance contracts held	5,401,688	374,183	5,775,871
Represented by:			
Amounts recognised in profit or loss	5,401,688	274,887	5,676,575
Amounts recognised in OCI	-	99,296	99,296
Total net investment income, insurance finance expenses and reinsurance finance income	(2,676,629)	(13,950,979)	(16,627,608)
Represented by:			
Amounts recognised in profit or loss	(2,676,629)	(13,964,787)	(16,641,416)
Amounts recognised in OCI	-	13,808	13,808
For the year ended 31 December 2023			
Insurance finance 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)

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

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

	General insurance AED	Life assurance AED	Total AED
For the year ended 31 December 2023			
Reinsurance finance income 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	(13,188,224)	(12,472,592)
Represented by:			
Amounts recognised in profit or loss	715,632	(13,190,599)	(12,474,967)
Amounts recognised in OCI	-	2,375	2,375

22 Other investment income

	2024 AED	2023 AED
Investment income on term deposits	14,594,284	8,282,902
Investment income from life	10,603,256	8,500,815
Dividend income	10,520,890	7,948,872
Realised gain on FVTPL on equity instruments	7,501,346	7,812,193
Other investment income	13,190,249	17,262,207
	<u>56,410,025</u>	<u>49,806,989</u>

23 Basic and diluted earnings per share

	2024	Restated 2023
Profit for the year (in AED)	127,499,700	74,878,991
Number of shares (note 13)	164,949,523	164,949,523
Basic and diluted earnings per share (in AED)	<u>0.77</u>	<u>0.45</u>

During the year, the Company issued 10% bonus shares of the share capital for the year ended 31 December 2023. Accordingly, additional number of shares under bonus shares have been adjusted retrospectively in computing the earning per share for the prior years.

24 Dividend and Directors' remuneration

At the Annual General Meeting held on 16 April 2024, the Shareholders approved a cash dividend of AED 37,488,528 at 0.25 dirhams per share for 2023 (AED 37,488,528 at 0.25 dirhams per share for 2022). The Shareholders also approved Board of Directors' remuneration of AED 6,825,000 for 2023 (AED 4,875,000 for 2022). The Board of Directors has proposed a dividend of AED 74,227,285 at a rate of 0.45 dirhams per share, subject to approval at the Annual General Meeting scheduled for April 2025.

National General Insurance Co. (P.J.S.C.)**Notes to the financial information****For the year ended 31 December 2024****25 Income tax expense**

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

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% on taxable profits above AED 375,000. The tax charge for the year ended 31 December 2024 is AED 10,614,897.

	2024 AED	2023 AED
Statement of comprehensive income		
Current tax	8,914,912	-
Deferred tax	1,699,985	-
Income tax expense	10,614,897	-

Following is the analysis of deferred tax asset/(liabilities) presented in the financial statement of financial position.

	2024 AED	2023 AED
Statement of financial position		
Deferred tax assets	1,081,979	-
Deferred tax liabilities	(2,781,964)	-
Net deferred tax liabilities	(1,699,985)	-

Relationship between tax expense and accounting profit:

	2024 AED	2023 AED
Profit for the year before taxation	138,114,597	-
Basic exemption limit	(375,000)	-
Tax applicable profit	137,739,597	-
Effect of items that are not considered in determining taxable income - net		
Exempt income	(7,942,803)	-
Non-deductible expenses	64,390	-
Unrealised gain/loss recorded in the statement of profit or loss/ OCI for investments held on capital account	(30,806,605)	-
Taxable income	99,054,579	-
Income tax expense (a)	8,914,912	-
Deferred tax liability:		
Unrealised gain/loss subject to deferred tax	18,888,725	-
Taxation at 9% (b)	1,699,985	-
Income tax expense for the year = (a+b)	10,614,897	-

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

26 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 2024		
	Insurance AED	Investments AED	Total AED
Insurance revenue	874,018,209	-	874,018,209
Insurance service expenses	(849,809,299)	-	(849,809,299)
Insurance service result before reinsurance contracts held	24,208,910	-	24,208,910
Net income from reinsurance contracts held	38,517,605	-	38,517,605
Insurance service result	62,726,515	-	62,726,515
Unrealised gains on financial assets at FVTPL	-	15,127,395	15,127,395
Income from investment properties - net	-	49,435,066	49,435,066
Other investment income	-	56,410,025	56,410,025
Total investment income	-	120,972,486	120,972,486
Insurance finance expense	(22,317,991)	-	(22,317,991)
Reinsurance finance income	5,676,575	-	5,676,575
Net insurance financial result	(16,641,416)	-	(16,641,416)
Other operating income	1,109,078	-	1,109,078
Unattributable expenses	(30,052,066)	-	(30,052,066)
Profit before tax	17,142,111	120,972,486	138,114,597
Income tax expense			(10,614,897)
Profit for the year			127,499,700

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

26 Segment information (continued)

	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 expenses from reinsurance contracts held	(154,529,328)	-	(154,529,328)
Insurance service result	44,748,271	-	44,748,271
Unrealised gains on financial assets at FVTPL	-	2,999,436	2,999,436
Income from investment properties - net	-	5,010,523	5,010,523
Other investment income	-	49,806,989	49,806,989
Total investment income	-	57,816,948	57,816,948
Insurance finance expense	(14,299,959)	-	(14,299,959)
Reinsurance finance income	1,824,992	-	1,824,992
Net insurance financial result	(12,474,967)	-	(12,474,967)
Other operating income	806,466	-	806,466
Unattributable expenses	(16,017,727)	-	(16,017,727)
Profit for the year	17,062,043	57,816,948	74,878,991

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 2024			
Total assets	1,115,899,794	537,987,790	1,653,887,584
Total equity	644,625,086	-	644,625,086
Total liabilities	1,009,262,498	-	1,009,262,498
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

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

26 Segment information (continued)

Gross premium

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

31 December 2024	Life insurance AED	Fund accumulation AED	Medical insurance AED	Property and liability AED	All types of business combined AED
Direct Written Premiums	54,870,088	-	436,142,518	258,736,442	749,749,048
Assumed Business					
Foreign	-	-	-	65,483,680	65,483,680
Local	47,945,705	-	-	116,223,931	164,169,636
Total Assumed Business	47,945,705	-	-	181,707,611	229,653,316
Gross Written Premiums	102,815,793	-	436,142,518	440,444,053	979,402,364

31 December 2023

Direct Written Premiums	70,436,565	-	393,896,878	205,435,836	669,769,279
Assumed Business					
Foreign	-	-	-	62,633,967	62,633,967
Local	15,448,408	-	-	117,133,089	132,581,497
Total Assumed Business	15,448,408	-	-	179,767,056	195,215,464
Gross Written Premiums	85,884,973	-	393,896,878	385,202,892	864,984,743

27 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 the risks 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, to set 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 the risks 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 of which 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.

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

27 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 and benefits 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 about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a 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 terms of 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 reported claims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may 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 initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability 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, the Company has involved independent external actuarial valuers as well. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

27 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 legal precedent on matters of contract and tort. Insurance contracts are also subject to the emergence of new types of latent claims, 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 is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

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 predetermined formulae 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 claim and 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 of subsequent developments or if catastrophic events occur. The impact of many of the items affecting the ultimate cost of 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 considers historical data, past estimates and details of 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 for adverse 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 position is 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 technical reserves of the Company.

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

27 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, activities or 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 17.14 million for the year ended 31 December 2024 (2023: AED 28.87 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 52% (2023: 49%). 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.

	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
2024					
Loss reserves	+10%	(49,509,080)	(36,471,058)	(49,509,080)	(36,471,058)
Risk adjustment	+10%	(1,252,223)	(1,084,565)	(1,252,223)	(1,084,565)
Discount rate	+1%	(2,456,423)	(4,247,330)	(2,456,423)	(4,247,330)
Loss reserves	-10%	49,509,080	36,471,058	49,509,080	36,471,058
Risk adjustment	-10%	1,252,223	1,084,565	1,252,223	1,084,565
Discount rate	-1%	(8,314,584)	(6,499,432)	(8,295,542)	(6,499,432)
2023					
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)

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

28 Financial risks

Sensitivity of underwriting profit and losses (continued)

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 are not 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 of measurement 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:

	FVTPL	FVTOCI	Amortised	Total
	AED	AED	cost	AED
2024			AED	
Financial assets				
Investment securities	257,120,932	116,155,135	-	373,276,067
Investments on behalf of policyholders of unit-linked products	89,261,723	-	-	89,261,723
Other receivables (excluding advances and prepayments)	-	-	19,875,994	19,875,994
Fixed deposits	-	-	522,630,631	522,630,631
Bank balances and cash	-	-	62,418,855	62,418,855
	346,382,655	116,155,135	604,925,480	1,067,463,270
Financial liabilities				
Other payables	-	-	55,997,253	55,997,253
	346,382,655	116,155,135	548,928,227	1,011,466,017
2023				
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

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

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
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28 Financial risks (continued)

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 monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

Foreign currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in United 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 primary insurer. 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 strength prior to finalisation of any contract.

The Company maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where 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.

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

28 Financial risks (continued)

Credit risk (continued)

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.

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:

	2024 AED	2023 AED
Europe		-
Other GCC and Arab countries	<u>20,953,856</u>	<u>21,099,684</u>

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 related entities. 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:

	2024 AED	2023 AED
A1	531,451,240	400,181,990
A2	-	-
Aa3	-	-
Ba1	-	-
Ba2	-	-
Baa1	53,598,246	46,562,781
Baa2	-	-
	<u>585,049,486</u>	<u>446,744,771</u>

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity 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 maturities of 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.

National General Insurance Co. (P.J.S.C.)
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28 Financial risks (continued)

Liquidity risk (continued)

	Less than 90 days AED	91-180 days AED	181-365 days AED	Above 365 days AED	Total AED
2024					
Financial assets					
FVTOCI investments	-	-	-	116,155,135	116,155,135
FVTPL investments	257,120,932	-	-	89,261,723	346,382,655
Statutory deposits	-	-	-	10,000,000	10,000,000
Other receivables (excluding advances and prepayments)	19,875,994	-	-	-	19,875,994
Fixed deposits	522,630,631	-	-	-	522,630,631
Bank balances and cash	62,418,855	-	-	-	62,418,855
	<u>862,046,412</u>	<u>-</u>	<u>-</u>	<u>215,416,858</u>	<u>1,077,463,270</u>
Financial liabilities					
Other payables	55,997,253	-	-	-	55,997,253
	<u>806,049,159</u>	<u>-</u>	<u>-</u>	<u>215,416,858</u>	<u>1,021,466,017</u>
2023					
Financial assets					
FVTOCI investments	-	-	-	125,765,520	125,765,520
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
	<u>675,786,249</u>	<u>-</u>	<u>-</u>	<u>215,248,590</u>	<u>891,034,839</u>
Financial liabilities					
Other payables	22,647,663	-	-	-	22,647,663
	<u>653,138,586</u>	<u>-</u>	<u>-</u>	<u>215,248,590</u>	<u>868,387,176</u>

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 2024				
Insurance contract assets	16,173,298	22,522	-	16,195,820
Reinsurance contract assets	424,415,966	38,956,720	1,449,938	464,822,624
	<u>440,589,264</u>	<u>38,979,242</u>	<u>1,449,938</u>	<u>481,018,444</u>
Insurance contract liabilities	720,994,930	110,525,545	72,544,066	904,064,541
Reinsurance contract liabilities	22,799,580	160,183	118,219	23,077,982
	<u>743,794,510</u>	<u>110,685,728</u>	<u>72,662,285</u>	<u>927,142,523</u>

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

28 Financial risks (continued)

Liquidity risk (continued)

	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
	<u>238,433,287</u>	<u>11,290,394</u>	<u>11,528,412</u>	<u>261,252,093</u>
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
	<u>619,818,925</u>	<u>69,462,055</u>	<u>59,033,774</u>	<u>748,314,754</u>

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 below and all the other variables were held constant, the Company's other comprehensive income and equity would have increased/decreased by AED 115 thousand (2023: AED 115 thousand).

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 all equities 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.

29 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. 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.

National General Insurance Co. (P.J.S.C.)
Notes to the financial information
For the year ended 31 December 2024

29 Capital risk management (continued)

	2024 AED	2023 AED
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	201,870,849	192,390,448
Minimum Guarantee Fund (MGF)	138,986,110	108,311,795
Basic Own Funds	523,204,523	454,499,714
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	423,204,523	354,499,714
SCR Solvency Margin - Solvency Capital Requirement (Surplus)	321,333,674	262,109,266
MGF Solvency Margin - Minimum Guarantee Fund (Surplus)	384,218,414	345,187,919

30 Social contributions

The Company made social contributions amounting to AED 56,252 during the year ended 31 December 2024 (31 December 2023: AED 52,729).

31 Approval of the financial statements

The audited financial statements are approved by the Board of Directors and authorised for issue on 4 March 2025.



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



Governance Report 2024

National General Insurance Company. (PJSC)

Corporate Governance Report of The year ended on 31.12.2024

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 2025

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1. Statement outlining the procedures taken to complete the corporate governance system, during 2024, and how these procedures will be applied.:

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 its 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 parties concerned to review 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 the proper application of corporate governance principles to achieve the required discipline in the company according to international standards in such a way as 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 for 2024 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 ending on 31.12. 2024 during the Annual General Meeting to be held on 14.04.2025.

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 six meetings during 2024 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.

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 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 meetings during 2024 i.e. one meeting per three months. The committee is keen on discussing all reports submitted by the internal control department. In 2024, the committee also discussed the financial statements of 2024 and the report of external auditors for the same year. The committee also discussed the provisional financial statements before submitting them with 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 four meetings during 2024 while the Board's committee for Investment held six meetings during 2024.

The members of Board of Directors has received the governance report of the company of 2024 and the members knew that the governance report of the company of 2024 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 detailing the ownership and transactions of Board of Directors' members, their spouses, and their children in the securities of the company during 2024: -

Sr.	Name	Position/ Kinship	Shares of owned as on 31/12/2024	Total Sale	Total Purchase
01	Dr. Hamad Mubarak Buamim	Chairman	Nil	Nil	Nil
02	Mr. Adel M. Saleh Al Zarouni	Vice Chairman	4,773,096	2,000,000	Nil
	Spouse	----	11,000	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	271,269	Nil	131,400
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

- Formation of the current Board of Directors:

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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 (14 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 M. Saleh Zarouni – Deputy Chairman of the Board	Non-executive Director	Managing Director & Partner for Rivoli Group LLC	Bachelor of Commerce	Appointment date: 17.04.2001 (24 years)	Vice Chairman of Taleem Company	Nil

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Mr. Khalid Jassim Kalban Director	Non-executive 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 (24 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 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 (6 years & 8 months)	Nil	Nil

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Mr. Ali Fardan Ali Al Fardan – Director	Non-executive Director / Independent	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 (3 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	Non-executive Director / Independent	Director – Investment & Business Development, Darwish Bin Ahmed & Sons LLC	Bachelor's degree in business administration Majoring in Business Management	Appointment date: 12.10.2021 (3 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 / Independent	Chief Operating Officer – Al Tayer Insignia	Bachelor of Science	Appointment date: 31.03.2022 (3 years)	Nil	Nil
Mr. Faisal Abdulaziz Al Khazraji – Director	Non-executive Director / Independent	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 (3 years)	Member of the AMCREIT Investment and Oversight Committee (“IOC”) Board Member in Dubai Investment Co.	Nil

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Mrs. Hind Abdulrahman Al Ali - Director	Non-executive Director / Independent	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 (3 years)	Board Member of Dubai Investment Co. Board member of Emirates Global Aluminum – Singapore. Board member of Emirates Food Industries.	Nil
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- **Statement of female representation in Board of Directors of 2024:** The Board of Director of the company has one female in the Board.
- **Statement of the reason for not nominating any female candidate for the Board Membership:** N/A
- **Statement of the bonuses, allowances, and fees received by Board of Directors:**
 1. Total bonus paid to board members for 2023 is AED 5,250,000/-.
 2. Total proposed bonuses for Board Members for 2024, which will be presented at the AGM for approval: The Board of Directors has not yet proposed the remuneration of Directors for the year 2024.
 3. Statement of attendance allowances received by the Board Members for committees of the Board of the Directors for the financial year of 2024 according to the following schedule:

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Corporate Governance Report for the year 2024



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 M Saleh Al Zarouni	Head of Committee	66000	4
2	Mr. Ali Fardan Ali Al Fardan	Member	66000	4
3	Mr. Mohamed Saif Darwish Al Ketbi	Member	66000	4

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	66000	4
2	Mr. Jamal Ahmed Al Matari	Member	66000	4
3	Mr. Humaid Ahmed Al Tayer	Member	66000	4

Sr	Name	Attendance allowances for committees of the Board of the Director		

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Sr	Name	Investment Committee	Allowance Value	Meetings number
1	Mr. Khalid Bin Kalban	Head of Committee	74000	6
2	Mr. Adel M. Saleh Al Zarouni	Vice Head	74000	6
3	Mr. Jamal Ahmed Al Matari	Member	66000	4
4	Mr. Mohamed Saif Darwish Al Ketbi	Member	70000	5

4. Details of any additional allowances, salaries, or fees received by the members of the Board of Directors, other than the attendance allowances of the committees, and their reasons: Members of the Board of Directors did not receive any allowances, salaries, or additional fees other than the attendance allowances of the committees.

- The Number of Board of Directors' meetings held during the financial year of 2024:

Sr	Times of Board of Directors' meetings in 2024	1	2	3	4	5	6	7	8	9
1	04 March 2024	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	14 May 2024	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	13 August 2024	✓	✓	✓	✓	✓	✓	✓	✓	✓
4	12 Nov 2024	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	23 Dec 2024	✓	✓	✓	×	✓	✓	✓	✓	✓

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 number of Board of directors Resolution by Circulation issued during the financial year 2024: During the year 2024, the Board of directors issued one resolution by circulation.

4. Committees of the Board of Directors:

- 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 ensure 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 the 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 (Non-executive Director)
2. Mr. Humaid Ahmed Al Tayer – Member (Non-executive / Independent Director)
3. Mr. Faisal Abdul Azeez Al Khazraji – Member (Non-executive / Independent Director)

4. Mrs. Hind Abdul Rahman Al Ali – Member (Non-executive / 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 to fulfill the disclosure requirements of financial statements and other legal requirements.
- Assess the independence and efficiency of external auditors and meet with them at least at minimum time 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 policyies 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 a minimum annually with the attendance of the majority of its members.

c. Number and dates of meetings during 2024 and numbers of personal attendance:

	Times of Audit Committee's meetings in 2024	Details of Audit Committee's members
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Sr		1	2	3	4
1	20 Feb 2024	✓	✓	✓	✓
2	06 June 2024	✓	✓	✓	✓
3	14 August 2024	✓	✓	✓	✓
4	13 Nov 2024	✓	✓	✓	✓

d. Annual Audit Committee Report: In accordance with the SCA governance guide and best practices, the Board Audit Committee has prepared this report outlining its activities for FY 2024. Endorsed by the Chairman of the BAC, this report forms a key component of the company's annual Corporate Governance Report. Furthermore, the Chairman of the BAC will be available at the Annual General Assembly meeting to address any questions regarding the report. In line with SCA guidelines, the following significant matters were reviewed and considered by the BAC during the year 2024:

1. Financial Statements:

- **Review of financial statements:** In 2024, BAC enlisted external auditors to assess audit findings and verify alignment with NGI's financial and governance goals, covering key financial matters, control observations, and management responses to ensure accuracy and compliance. Additionally, BAC reviewed the financial statements and disclosures to ensure their accuracy and adherence to applicable standards.
- **Oversight and Evaluation of External Auditor Independence and Effectiveness:** BAC reviewed and approved the external audit findings, reinforcing transparency and financial integrity. The Committee also assessed the external auditor's performance, independence, and effectiveness. BAC evaluates the firm and their independence, presenting recommendations to the Board, which then reviews them in the Board meeting. The Board subsequently submits its recommendations for selecting the external auditor for 2025 to the General Assembly for final approval.

2. Internal Control matters: During the year 2024 BAC reviewed and monitored the oversight of the Internal Control over Financial Reporting (ICFR) framework.
3. Internal Audit matters: During the year 2024, the following internal audit matters were reviewed:
 - Review and approval of the risk based internal audit plan (annual) and oversight of the implementation.
 - Ensured the independence and effectiveness of internal audit function.
 - Review of internal audit activity to ensure sufficiency of staffing and capability.
 - Review of audit findings raised by internal audit, inquiry on implementation of action plans.

Conclusion: The Board Audit Committee remains committed to maintaining the highest standards of corporate governance, transparency, and financial oversight. This report underscores the committee's dedication to safeguarding the Company's integrity and ensuring accountability at all levels.

- 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 ensure 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 / Independent Director)
3. Mr. Mohamed Saif Darwish Al Ketbi – Member (Non-executive / 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 recommendations 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 managers, 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 2024, and numbers of personal attendance:

Sr	Times of Nomination and Remuneration Committee's meetings in 2024	Details of Nomination and Remuneration Committee's members		
		1	2	3

1	04 March 2024	✓	✓	✓
2	14 May 2024	✓	✓	✓
3	13 August 2024	✓	✓	✓
4	12 November 2024	✓	✓	✓

The Committee for monitoring and supervising transactions of stakeholders:

a. Acknowledgement from the chairman of the committee or the authorized individual responsible for the committee system within the company and for reviewing its operations 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: Chief Executive Officer, Chief Financial Officer, Chief Operation Officer, Audit Manager, and 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 abide 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 inside information shall be deemed as an 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:
- 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.
- 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.
- 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.
- The Company shall inform the Authority of the names of those holding, or those whose contribution to 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.
- 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 carried out by the Company board members and executive management.
- 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.

- 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 2024: The committee did not note any transaction that violates the insider trading policy by the well-informed persons during 2024.

- 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 ensure 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 (Non-Executive 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 (Non-Executive / 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:

- 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 conditions.
- Recommend and/or authorize the acquisition and/or disposition of investments whilst ensuring that investment decisions achieve and maintain the investment objectives of the Company.
- Approve the appointment of asset managers to manage assets and/or provide investment advice regarding such assets or funds.
- Reviewing/monitoring the investment performance to ensure investment returns are optimized and risks are minimized.
- 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.
- 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.
- 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:

Sr	Times of Investment Committee's meetings in 2024	Details of Investment Committee's members			
		1	2	3	4
1	15 February 2024	✓	✓	✓	✓
2	21 March 2024	✓	✓	✓	X
3	16 May 2024	✓	✓	X	✓
4	27 August 2024	✓	✓	✓	✓
5	07 November 2024	✓	✓	✓	✓
6	19 December 2024	✓	✓	X	✓

Statement of the tasks and powers of the Board of Directors carried out by a member of the Board or the executive management during 2024:

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.

- Statement of transactions details done with the related parties and (stakeholders):

Sr. No	Company	Name of the Related Parties	Nature of Relationship	Type of Transaction	Transaction Value (AED)
01	DUBAI INVESTMENTS PJSC	Mr Khalid Kalban	Board of Director	Insurance Premium	30,854,435
				Paid Claim	42,725,419
				Expenses	251,729
02	COMMERCIAL BANK OF DUBAI	Mr Jamal Al Matari	Board of Director	Insurance Premium	23,597,560
				Paid Claim	16,886,575
				Expenses	7,802
03	RIVOLI GROUP	Mr Adel Al Zarouni	Vice Chairman	Insurance Premium	8,293,046

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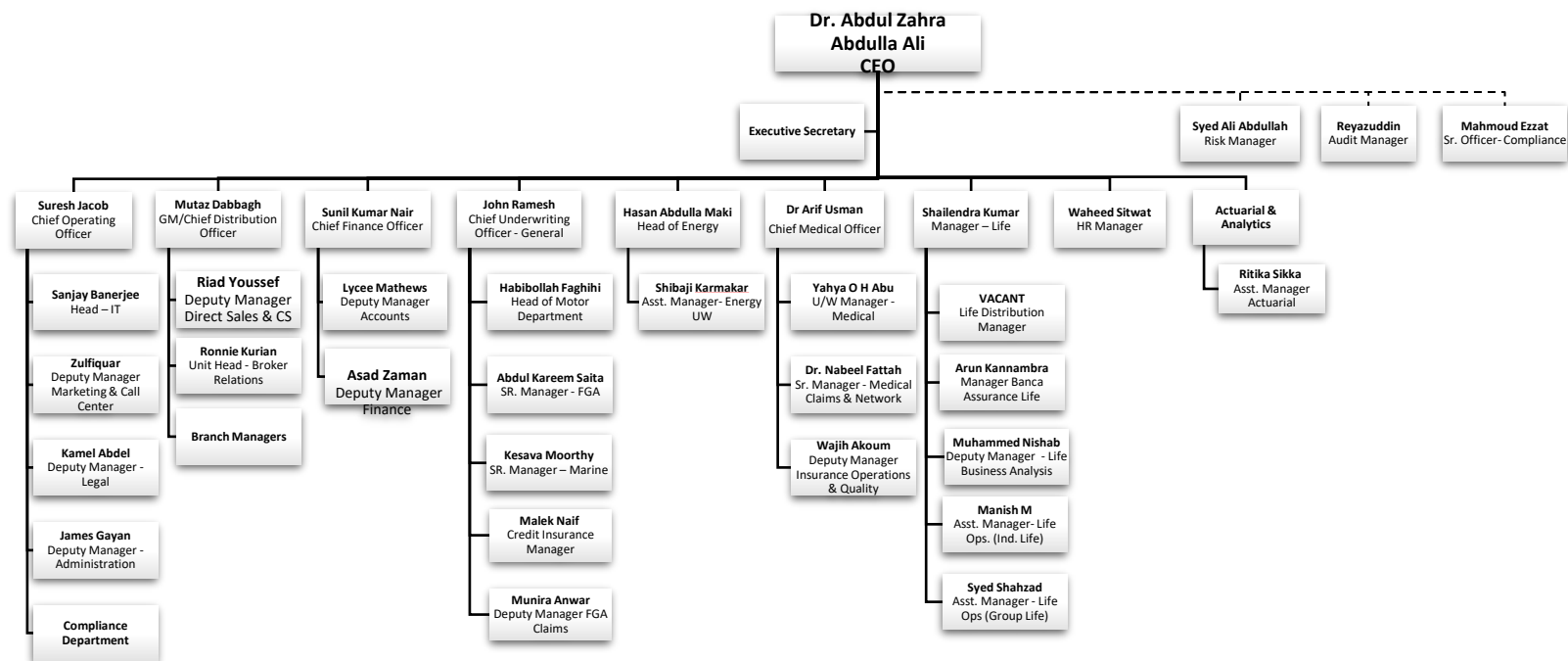


				Paid Claim	6,692,379
04	THE FIRST INVESTOR L.L.C	Mr Ali Fardan	Board of Director	Insurance Premium	1,270,606
				Paid Claim	48,165
05	ALFARDAN REALESTATES LLC	Mr Ali Fardan	Board of Director	Insurance Premium	490,350
				Paid Claim	24,807
06	ADEL MOHAMMED SALEH AL ZAROUNI	Mr Adel Al Zarouni	Vice Chairman	Insurance Premium	155,628
				Paid Claim	2,707
				Expenses	1,030,448
07	ALI FARDAN ALI ALFARDAN	Mr Ali Fardan	Board of Director	Insurance Premium	85,847
08	KHALID JASSIM MOHD JASSIM KALBAN	Mr Khalid Kalban	Board of Director	Insurance Premium	45,650
				Paid Claim	2,724
09	HAMAD MUBARAK MOHD BUAMIM	Dr Hamad Buamim	Chairman	Insurance Premium	22,251
				Paid Claim	476
10	LUXURY AUTO SERVICES CENTRE	Mr Adel Al Zarouni	Board of Director	Insurance Premium	1,690
				Paid Claim	1,629,200

5. Assessment of the Board of Directors:

- a. **Internal Evaluation:** The Board through BNRC undertakes an internal evaluation to systematically review and assess its performance. This process enables Board Members to reflect on their effectiveness, identify key strengths, and recognize areas requiring improvement. By gathering insights from individual Members, the evaluation provides a comprehensive and integrated perspective on the Board's overall performance, including that of its committees. The findings from this assessment serve as a foundation for enhancing governance practices, strengthening decision-making processes, and ensuring the Board operates efficiently and effectively in fulfilling its responsibilities.
- b. **External Evaluation:** In accordance with the Central Bank of the UAE (CBUAE) guidelines outlined in Circular No. 24/2022, issued on 16 November 2022, the Board is required to undergo an independent evaluation conducted by an external consultant at least once every five (5) years. The Board is fully committed to complying with these guidelines in a timely manner, ensuring adherence to best governance practices and continuous improvement in its effectiveness and oversight.

6. Organizational Structure and Executive Management:



- Detailed statement of senior executive employees in the company:

Title	Appointment date	Annual aggregate allowances and salaries Paid in 2024 (AED)	Aggregate bonuses of 2024 (bonuses) (AED)	Any other cash / in kind bonus for 2024 or due in the future
Chief Executive Officer	07.02.1998	3,518,519	--	NA
GM / Chief Distribution officer	07.10.2013	1,563,548	--	NA
Chief operating Officer	23.10.2019	644,634	--	NA
Chief Finance Officer	16.05.2021	664,290	--	NA
Chief Medical Officer	17.05.2022	603,680	--	NA
Chief Underwriting Officer - General	30.03.2022	635,869	--	NA
Chief Underwriting Officer - Energy	12.06.2023	726,760	--	NA
Audit Manager	16.09.2020	450,090	--	NA
Life Manager	07.08.2018	459,416	--	NA
HR Manager	26.02.2013	428,295	--	NA

7. External Auditor:

a. Overview of the company Auditor to the shareholders: Grant Thornton (GT) was appointed as the company's external auditor for the year 2024 by the company's shareholders at the AGM held on 16/04/2024. GT is one of the world's leading investment companies, which incorporates several 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 a 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 to 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	02 years
The number of years that the partner auditor spent auditing the company's accounts	02 years
Aggregate fees of auditing the financial statements for 2024 (Dirhams)	AED 425,000/- Including All Services
Fees and costs of other special services other than auditing the financial statements for 2024	
Details and nature of other services provided Consultancy for IFRS 9 standard	N/A
Statement of other services done by another external auditor	N/A

c. Statement clarifying the reservations that the company auditor included in the interim and annual financial statement for 2024: There are no reservations by the company's auditor for the year 2024.

8. Internal Control System:

a. Acknowledgment by the Board of its Responsibility for the Internal Control System of the company and reviewing its operation and ensuring 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 checking its efficiency.

- b. Name, qualification, and appointment date of department manager:** Mr. Reyazuddin Ahmad, Internal Audit Manager, is in charge of overseeing the Internal Control function. He is Chartered Accountant (ICAI, India) and bachelor's degree in accounting (Bachelor of Commerce from India). Additionally, he holds diploma in insurance (Diploma in CII from UK) and certification in fraud examination (ACFE, USA). Reyazuddin was appointed in September 2020. Mr. Reyazuddin has over 20 years of experience in financial services, having worked in management roles across reputable organizations in the advisory and insurance sector.
- c. Name, qualification, and appointment date of compliance officer:** The department is led by Mr. Mahmoud Ezzat Sherif, who has been a Compliance Officer since August 2024. He holds a bachelor's degree in accounting and is a Certified Anti-Money Laundering Specialist.
- d. Method of dealing with 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 2024.
- e. Number of reports issued by the Internal Control Department to the Company's board of directors:** The Internal control Department issued Eleven (11) reports.

9. Details of Violations committed during 2024: The Company, through the Board of Directors and the members of executive management commit to abide by all applicable regulations and acts. In such context, there is no violation noted during the financial year ended on 31.12. 2024.

10. Statement of the company's contributions in the development of local and environment during 2024:

- Blood donation camp on 08th May 2024 in collaboration with DHA.
- Vision test campaign for NGI staff on 25th July 2024 in collaboration with Al Hossam Optical.
- The Chronic illness management awareness campaign was held on 18th October 2024 in collaboration with Aster health care.
- World diabetics day awareness program conducted on 15th Nov 2024 in collaboration with CALL A DOC
- Breast cancer awareness campaign in collaboration with prime hospital on 22nd Nov 2024
- Flag Day celebration - November 1, 2024
- The company organized an extravagant event celebrating the 53rd National Day across Head office and all branches. (November 28, 2024)
- Management team training on 16th Dec 2024 – competency awareness session.
- Ramdan Iftar (Labor Camps).
- Organize outings for orphaned children.
- Conducted bowling tournament for employees.
- Participate in the UAE Clean campaign activity, and Mangrove Planting & Kayaking in Dubai and Umm Al Quwain.

11. 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 2024	4.99	4.70	4.80
February 2024	4.90	4.90	4.90
March 2024	5.00	4.89	5.00
April 2024	5.80	5.73	5.80

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May 2024	5.50	4.95	4.95
June 2024	No Trading	No Trading	4.95
July 2024	5.00	4.99	5.00
August 2024	5.25	5.00	5.00
September 2024	5.30	4.70	4.90
October 2024	4.6	4.00	4.60
November 2024	4.90	4.41	4.90
December 2024	5.00	4.41	5.00

b. Statement of the performance of the company share in comparison with the market index and sector index during 2024:

Trading date	NGI	DFM Index	Insurance
January 2024	4.80	4169.08	2994.64
February 2024	4.90	4308.77	3177.61
March 2024	5.00	4246.27	2996.04
April 2024	5.80	4155.77	2904.37
May 2024	4.95	3977.93	2806.37
June 2024	4.95	4030.00	2892.02
July 2024	5.00	4268.05	3123.49
August 2024	5.00	4325.45	3170.42
September 2024	4.90	4503.48	3285.28
October 2024	4.60	4591.05	3278.13
November 2024	4.90	4847.34	3381.63
December 2024	5.00	5158.67	3478.95

c. Statement of shareholding as of 31.12.2024 (individuals, companies, governments) classified as follows: (local, Arabic, foreign):

Shareholder classification	Percentage of owned shares			
	individuals	companies	governments	total
Local	26.8228%	72.7022%	---	99.525%
Arabic	0.2458%	0.1510%	---	0.3968%
Foreign	0.0661%	0.0123%	---	0.0784%
Total	27.1347%	72.8655%	--%	100%

d. Statement of shareholders holding 5% or more of the company capital as of 31.12.2024 according to the following table:

Name	Number of owned shares	Percentage of owned shares in the company capital
Dubai Investment Co	79,735,635	48.3394
Commercial Bank of Dubai PJSC	29,274,335	17.7475
First Investor	9,566,526	5.7997
Sheikh/ Mana Khalifa Al Maktoum	8,247,475	5.0000

e. Statement of shareholder distribution according to the ownership volume as of 31.12.2024 as per the following table:

Sr	Shareholding (share)	Shareholder number	Owned share number	Share percentage of capital
1	Less than 50.000	120	1,221,756	0.741
2	From 50.000 to 500.000	30	6,088,546	3.691
3	From 500.000 to 5.000.000	13	30,815,250	18.682
4	More than 5.000.000	4	126,823,971	76.887
	Total	167	164,949,523	100.00

f. Statement of the procedures taken regarding the investor relation controls: Mrs. Ayesha Abdulla Ali Saeed Albedwawi is the responsible official for investor relations in the company and her contact details are email: Ayesha.A@ngiuae.com, Tel No:

042115976. The following is the electronic link to investor relation page on the company website: [Investor Relations - National General Insurance \(ngi.ae\)](https://www.ngi.ae/Investor-Relations)

- g. Statement of special resolutions issued in the Annual General Meeting held during 2024:** During the AGM meeting held on 16/04/2024, 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, with experience in legal and administrative affairs, and during 2024 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 16/04/2024, and was appointed as the secretary of the meeting.
- i. Essential events faced by the company during 2024:**
- AM Best re-confirmed their financial strength rating of the company with rating (A- Excellent).
 - Certificate of Achievement from Abu Dhabi Healthcare Information and Cyber Security (ADHICS) Standard.
- j. Statement of the transactions carried out by the company with related parties, during the year 2024 that are equal to 5% or more of the company's capital:** There were no transactions carried out by the Company with Related Parties during the year 2024 that are equal to 5% or more of the Company Capital. Please refer to items (4.7) above.
- k. Statement of Emiratization percentage in the company by the end of 2022,2023 and 2024:**

Year	Emiratization Percentage
2022	8.24%
2023	13.22%
2024	23.02%

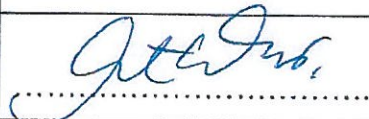
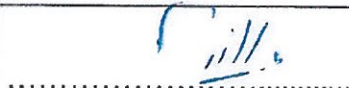
I. Statement of innovative projects and initiatives done by the company or still under process during 2024:

- BNPL - Initiated BNPL business proposition with Credible X and Trevex. Contract signed. Business process begins early 2025.
- SBCI - Single transaction credit insurance (SBCI) product launched. Arranged RI, underwriter appointed and business plan under implementation. 1st year GWPI expected to be 10M.
- Open Finance - Initiated the open finance discussions with CBUAE. NGI would prefer to implement the initiatives, while seeing the value to the PL business segment. NGI is one of the leading insurance companies.
- Default Recoveries - NGI exercised strong controls on credit and hence the receivables position stands healthy. Both NGI legal and Finance departments have initiated “recovery processes” through TP companies to target defaulting companies.
- IFRS 17 reporting has stabilized by the end of 2024. We will be looking for ways in which the reporting process could be automated in 2025-26.
- ORSA: Compliance with ORSA assessments were completed. We will undertake that again periodically as we look forward to 2025.
- GRC - Risk assessment, compliance monitoring, governance activity and Internal audit process shall be automated based on in-house built GRC solution. We expect the roll out early 2025.
- PBM solution inbuilt in NGI – completed and delivered to production. Cost saving Approx AED 400K PA.
- Medical Pricing Tool – final phase of testing. Expected delivery before 31st Dec 2024 for SME product.
- ISF solution stabilization – on the path of completion. Hopefully it will be fully operational by Dec 2024.
- HRMS stabilization – Done. Automated even the attendance systems
- AML Risk Tool for Life - AML Trace ISF integration – completed. AML risk tool integration has gone live in 2024 for the Life business. Non-life integration is work-in-progress.
- DOH Requirement - Automated HAAD fine calculation – completed without downtime.
- Change of Regulations - Direct payment to TPA – completed.
- Non-financial endorsement medical automation – completed.
- Switch and Physical server upgrade – completed. 65 servers window upgrade – completion scheduled by Dec 2024. Upgradation of Server in Cloud.

- Genesys upgrade – completed, Genesys cloud migration from – Ireland to UAE cloud – Completed.
- DMS integration completed and Online KYC – completed.
- slash data integration – completed
- Virtual survey to go live by early 2025.
- CRM implementation would look at client relationships in a new light. We aim to reach out to customers proactively. Expected completion by end of Dec 2024.
- ESG activities in 2024 have witnessed a boost. More environment related activities were undertaken during 2024.
- CSR Activities – five major themes were delivered on the CSR activity list.
- Training – Management training on key competencies was delivered in house by the senior management team of NGI.
- Training – Competency framework training completed for NGI management team. This was completely done in-house. 100% training completion on AML/CFT. Good response for IT security training. NGI has gone virtually on training.

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Signature of the Chairman	Signature of the Chairman of Audit Committee	Signature of the Chairman of BRNC Committee	Signature of the Head of Internal Control Dept.
Date:04/03/2025	Date:04/03/2025	Date:04/03/2025	Date:04/03/2025
			

March 2025



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



Sustainability Report 2024

Sustainability Report

Year 2024



National General Insurance Company PJSC



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01 About this Report

This report demonstrates how we bring our mission of fostering growth and economic progress to life through our business practices. We focus on issues that we have identified as being materially important from an Environmental, Social, and Governance (ESG) perspective.

This approach encompasses a broader set of criteria compared to those used in our financial disclosures. The report covers the period of the year 2024. 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.

We are dedicated to ensuring transparency in our Sustainability reporting and are actively working to enhance our disclosures as industry best practices continue to evolve.

This report emphasizes NGI's efforts 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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CEO's Message

Year 2024 proved to be a challenging year for company and the industry, NGI showcasing its resilience in the face of unprecedented climate fueled events.

Our continued focus on sustainability in overall business processes and risk management processes, resulted in minimal impact on the company's performance and the company continues its sustainable growth.

NGI maintains a long-standing position that application of best practice ESG serves to enhance institutional resilience and allows the Company to contribute fully to the economic and social fabric of our communities we cater to.

NGI has constituted a dedicated ESG team, adopted a sustainability strategy, integrating it into our corporate strategy. Additionally, launched an ESG policy approved by NGI Board of Directors. The mandate of the ESG Committee ranges from contributing to social service, employee welfare initiatives and environmentally friendly projects.

This ESG report highlights our accomplishments and, notably, sets a clear direction for the Company in the coming years. As the UAE takes Centre stage in global efforts to move the dial on sustainability, NGI stands ready to channel the expertise and dedication of our teams to seize the opportunity presented by economic transformation.

We have continuously evaluated our business processes and are committed to ensuring that our Sustainability strategies help create value, mitigate future risks and maximize ESG opportunities. Our efforts at NGI is directed towards UAE's Net Zero goal by year 2050 strategic initiative.

We deeply value our diverse workforce, considering it our greatest asset. Consequently, we are proud to cultivate an inclusive culture that is welcoming, respectful, and inclusive. As part of our commitment, we have aligned ourselves with the UAE agenda of Emiratization, making concerted efforts to enhance the representation of UAE nationals in our workforce.

We place continuous attention on meeting the expectations of our stakeholders. We honor our commitment towards policyholders by meeting our promise to settle claim and benefit payments, when they need it the most. The year 2024 has been a tough one due to the climatic event and challenges.

Lastly but most importantly, a heartfelt appreciation goes to our dedicated team of professionals whose hard work and contributions propel us towards our ESG goals. Our success is a collective effort, reflective of the robust culture and team spirit within NGI, positioning us strongly to confront the challenges that lie ahead.

About NGI

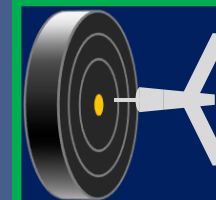


NGI's Vision & Mission



Vision

To pursue a reputation of Excellence and Trust



Mission

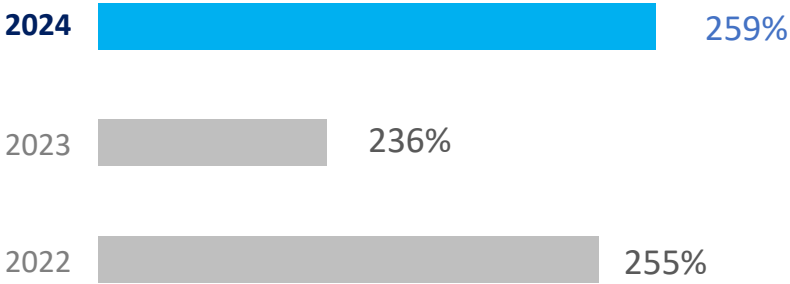
To provide total insurance solutions and superior services to meet and exceed customer expectations



Core Values

Service, Fairness, Security, Accountability, Transparency

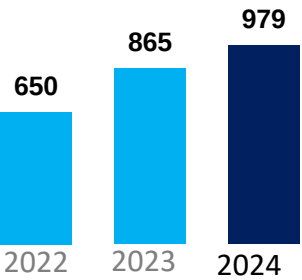
Strong Solvency Position



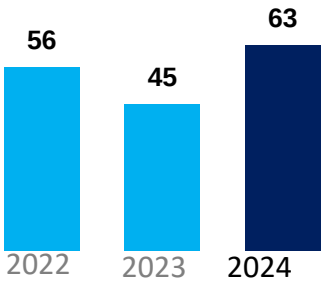
Financials



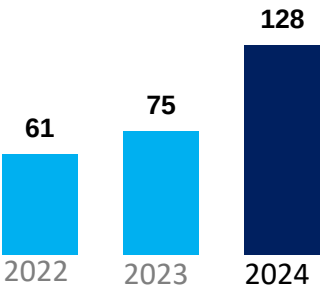
Gross Premium for 3 years



Insurance Service result



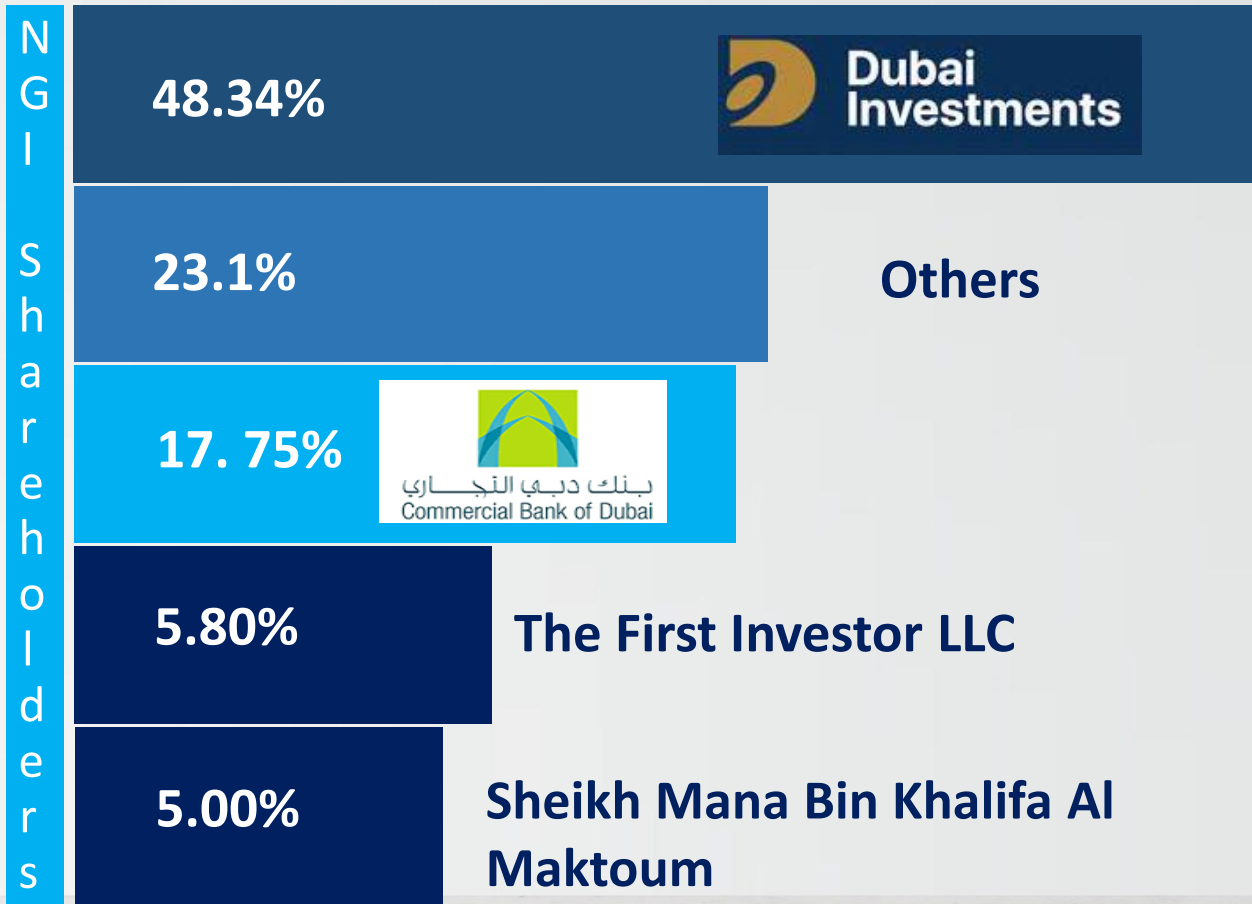
Net Profit



NGI Shareholding

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.



NGI # 6 in Profitability
NGI # 11 in Insurance Revenue



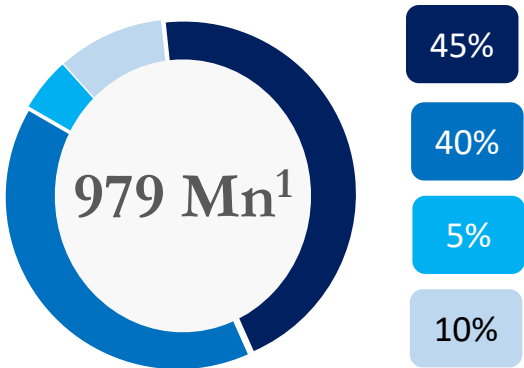
Wider presence in UAE through 6 branches and 2 Point of sales in:

Head Office -Dubai
3 Branches in Dubai
1 Branch each in Abu Dhabi, Sharjah and Ajman

Strong credit rating by a leading rating agency:

A- positive outlook
AM Best

NGI’s Product Offerings:



1. Gross written premium (AED Mn.)

Health

Our medical insurance products are designed to meet the requirements of various sections of the society.

General

General insurance solutions include a wide range of classes from Fire, General Accident, liability, Engineering, Marine and Energy.

Motor

Our Motor offerings include comprehensive to third party liability and Corporate solutions

Life

Our Life products include pure term plans, unit linked investment products, credit life and group life as well.

Outreach of our Products

LSB Products, ILOE

- NGI is authorized to insure ‘Lower salary band’ employees at minimum rates determined by Health Authority of Abu Dhabi & Dubai.
- NGI is part of ‘ILOE’ and ‘Labor guarantee’ pool which caters to each segment of our society.

Corporate Solutions

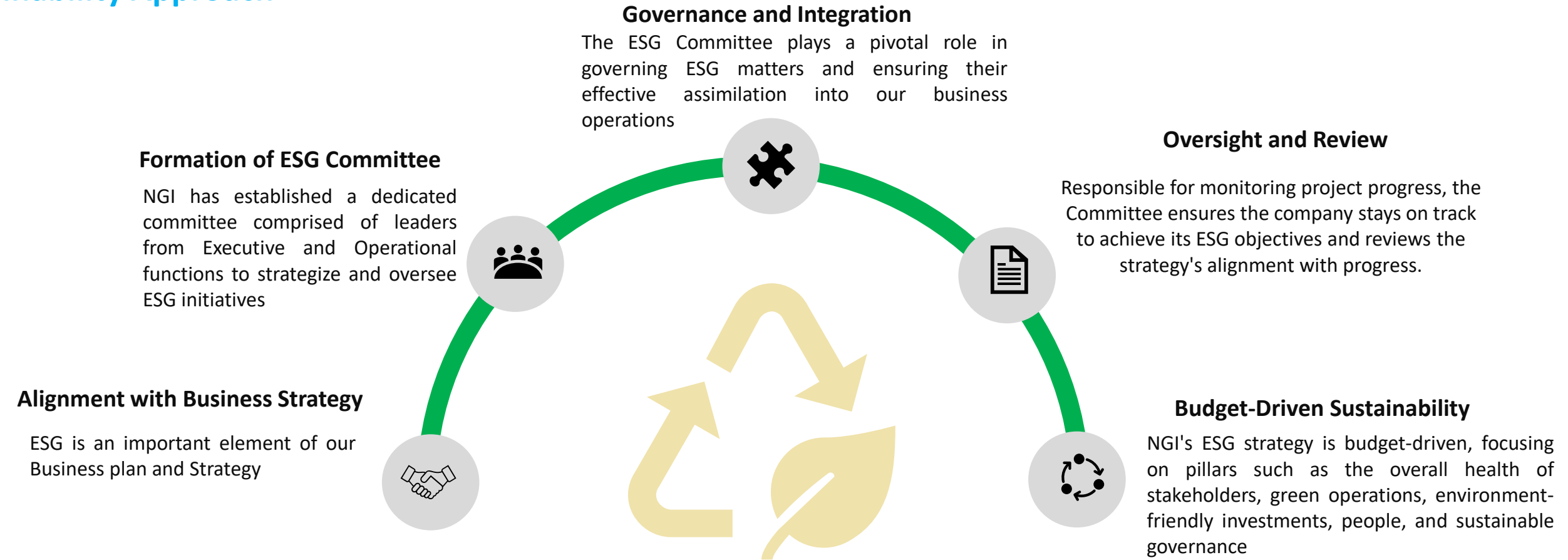
Our solutions meet the demand of the corporate segment by offering coverage to infrastructure developments, real estate projects, engineering risks and liability coverage.

Specialty Lines

- NGI licensed to offer Life and Non-life products under one umbrella, meeting all the insurance needs of its customers.
- Our specialty products include Energy, Aviation , Marine and Professional Indemnity solutions



Our Sustainability Approach



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:

- COSO based Internal control & 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

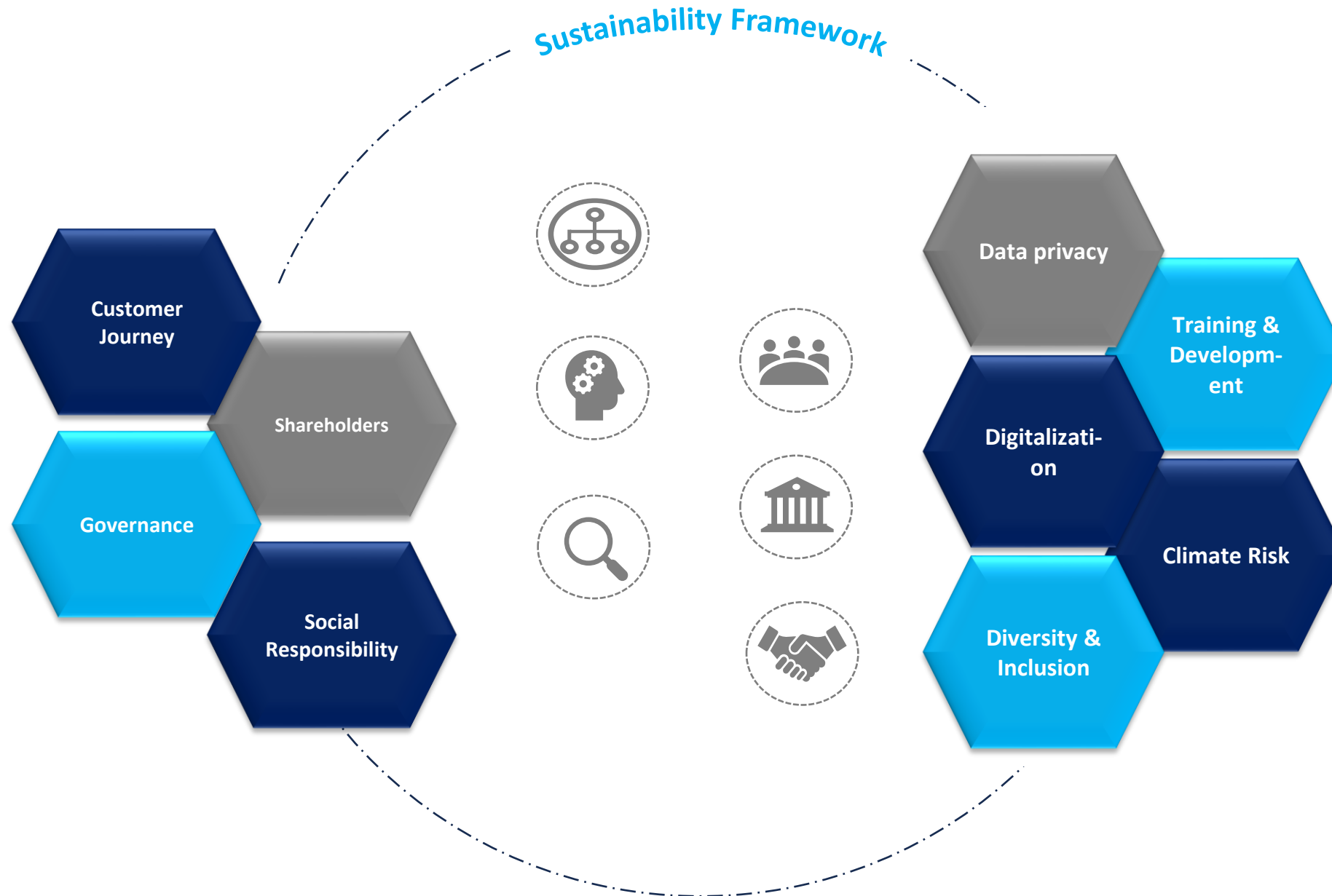
NGI's business practices are directed to ensure environmentally sound practices for all our stakeholders. We are focused on integrating ESG into our business and investment strategies.

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

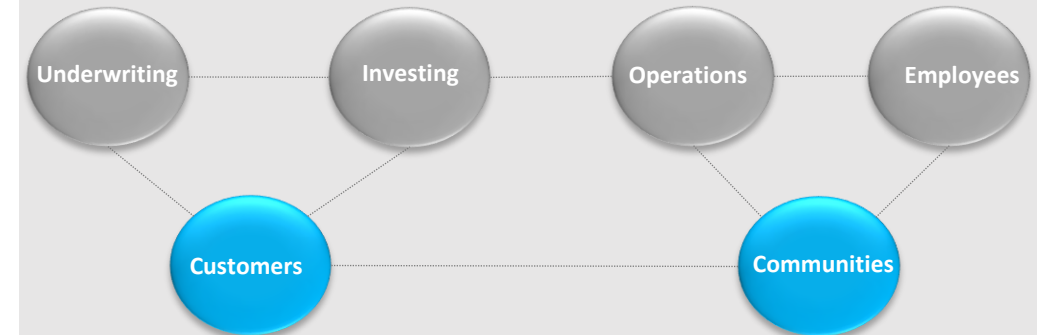


NGI's Sustainability Framework

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

Materiality Assessment

Success of our sustainability strategy is dependent on feedback and engagement with, our diverse range of stakeholders. Through continuous engagement, we are able to apprehend their evolving sustainability requirements and incorporate their valuable perspectives into our plans and actions.

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.

01

Define the environmental, social and governance topics and their associated impact towards NGI

02

Engaging key stakeholders, including employees, customers and suppliers, through our various interactions to identify key topics

03

Review and finalize the list of material topics to identify most important material topics

Material Topics

Covered Topics

Climate change

Managing emission

Data Privacy/ Security

Customer privacy

Governance

GRC framework

Customer Focus

Customer focus

Digitalization

Innovation

Diversity, Inclusion

Diversity

ESG Integration

Sustainable solutions

Talent Management

Employee engagement

Employee wellbeing

Employee welfare

Sustainable investing

Responsible investing

ESG Integration

Operations

Environment



- Climate change
- ESG Integration

Social



- Diversity/ Inclusion
- Talent Management

Governance



- Sound Governance, Transparency
- Risk Management

Materiality Assessment Outcome

Importance to Stakeholders



Importance to NGI

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	- Claim settlement within product terms - Quality service - Data Privacy - Ease of access	- Compensation & Benefits aligned with industry - 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	- Process improvements - Customer Happiness Center - Call Center - Chat-bot - Website - Social Media interactions - Emails	- Periodic performance reviews and revised compensation - 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	- Improved turn around time - 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

Sustainable Development Goals

NGI is proactively integrating Environmental, Social, and Governance (ESG) principles into its core operations to enhance sustainability performance. This commitment extends across key areas, including underwriting and claims management, corporate governance, risk management, strategic decision-making, and transparent reporting.

By embedding ESG considerations into daily operations, NGI ensures a responsible approach to business while fostering long-term value for stakeholders.

Strategic Alignment with SDGs

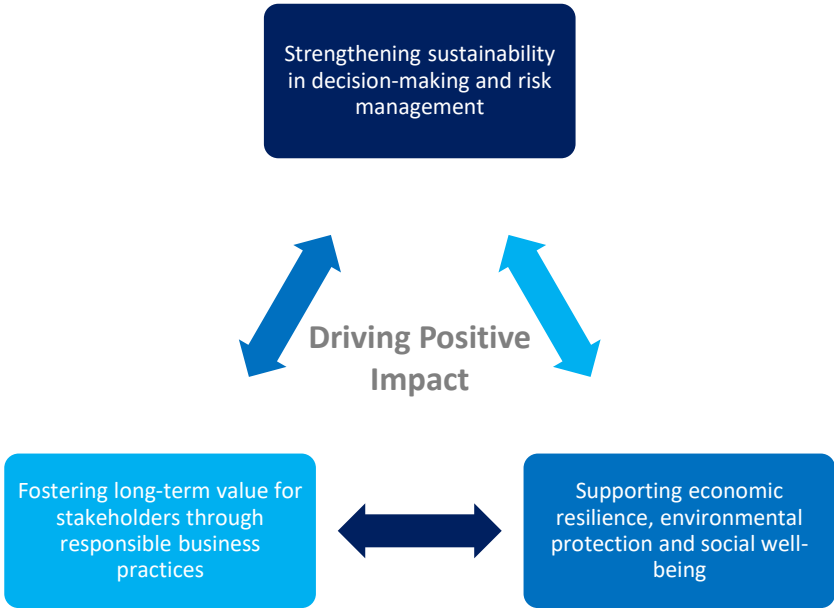


- Aligning service offerings, business operations, and investments with global sustainability goals.

- Sustainability report references applicable SDGs in different sections.



With a firm commitment to ESG integration, NGI aims to balance growth with sustainability, strengthening its role as a responsible corporate leader. NGI’s sustainability-driven approach reinforces its mission to create lasting impact, promoting environmental stewardship and social responsibility. By prioritizing ESG considerations, NGI is shaping a future where sustainable business practices drive both financial success and societal well-being.



SUSTAINABLE DEVELOPMENT GOALS



NGI remains dedicated to embedding sustainability within its strategic framework, fostering long-term value creation for stakeholders and the environment.

By aligning business operations with sustainability principles, NGI continues to drive positive change, ensuring a responsible and resilient future.

Sustainable Efforts & Progress

NGI is steadily advancing in the integration of sustainability across governance and operations. 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, reinforcing our commitment to responsible financial practices.



While our operational progress has been positive, a substantial challenge lies ahead in integrating ESG factors into the underwriting process.

This is particularly complex in the Energy Line of Business, where balancing ESG principles with traditional underwriting approaches may be perceived as challenging. Successfully addressing these challenges will require strategic adaptation, enhanced risk modelling, and collaboration with industry stakeholders to drive sustainable underwriting practices.

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

Progress, Governance, and Impact Across the Organization

Risk Management

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

Initiatives & Impact on Operations

- Contributed to CSR activities & relief work
- Community outreach and charity initiatives
- Ex-gratia claims and health awareness efforts
- Employee health awareness campaigns
- Planning to incorporate ESG factors in underwriting policies
- Participation in environmental campaigns

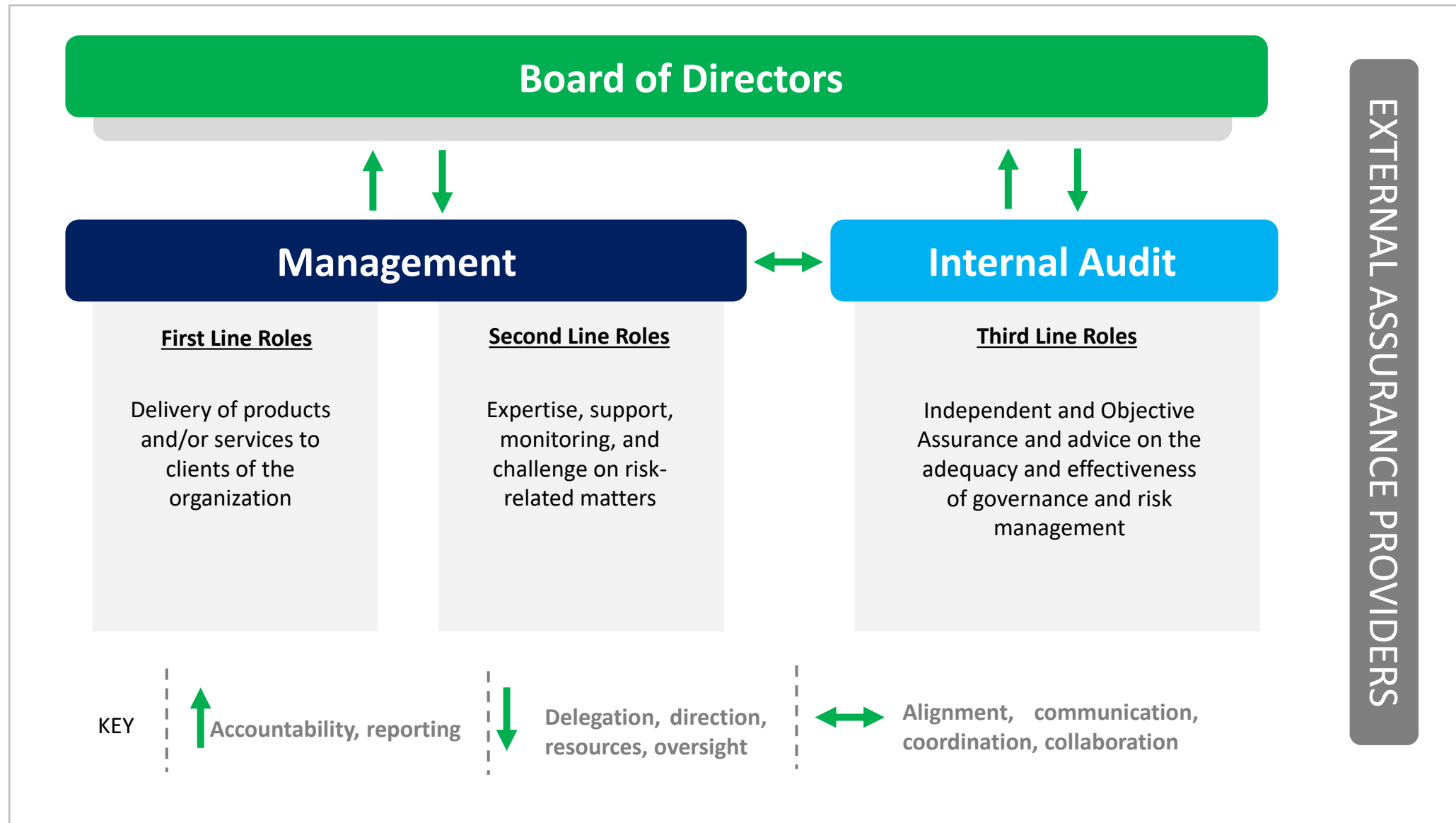
03

Governance at NGI

- 18 Governance at top
- 20 Board Committees
- 22 GRC
- 23 Governance Functions

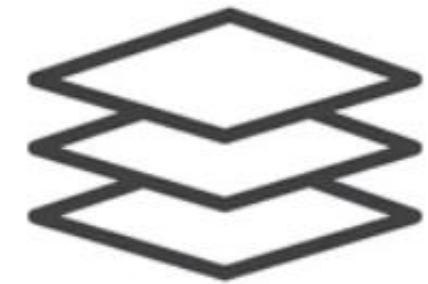


Governance – Tone at the Top



Corporate governance and regulatory compliance are top priorities for NGI, ensuring strict adherence to applicable regulations.

NGI upholds the 'Three Lines of Defence' governance model established by the Institute of Internal Auditors.



To enhance oversight, NGI has implemented key control functions to monitor, advise, and report on critical governance and operational risks, with clearly defined charters and reporting lines to maintain transparency and independence.

NGI's Governance Framework

NGI Board has established five committees to reinforce its duties in line with regulatory requirements and best corporate governance practices. These sub-committees play a crucial role in supporting the Board's responsibilities, ensuring accuracy in financial statements, overseeing governance functions such risk management, compliance , internal audit, guiding rewards, appointments, and supervising sustainability strategies.



Board Audit Committee is entrusted with overseeing the accuracy of the company's financial statements and disclosures. It ensures the independence and efficiency of both internal and external audit procedures.

Board Risk & Compliance Committee guides the Board on high-level risk matters, risk governance, current and future risk exposures, risk management and significant compliance matters. The committee ensures that risk management aligns with the company's strategic objectives and safeguards its long-term sustainability.

Board Investment Committee has an important role in evaluating investment opportunities, ensuring alignment with the company's strategic goals, and optimizing the return on investments.

Board Nomination & Remuneration Committee is responsible for reviewing the independence of the board members, evaluating, and approving the human resources policies, reviewing the Board's self-evaluation and assessing the policy for remuneration and benefits for NGI Board of directors and executive management.

Management level Committees

Insider Committee is responsible for maintaining a comprehensive register for all insiders and submitting statements and reports for the market.

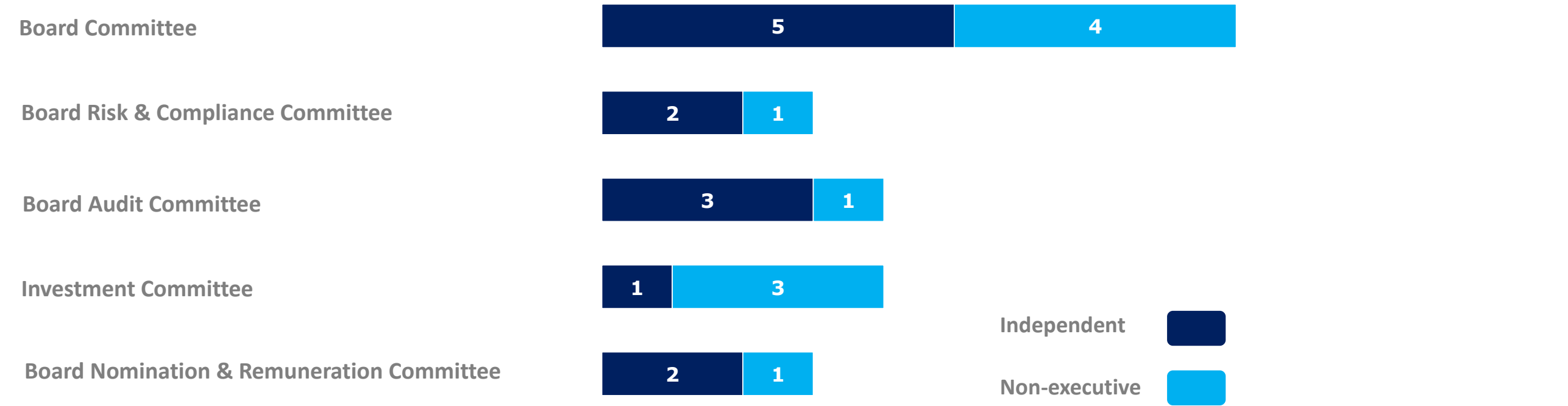
Sustainability Committee: The committee formulates action plans and regularly evaluates our sustainability strategy, emphasizing our commitment to addressing climate change and ESG concerns.



Board Committees and Composition

The Board has put in place committees such as Board Audit 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 2024

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

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

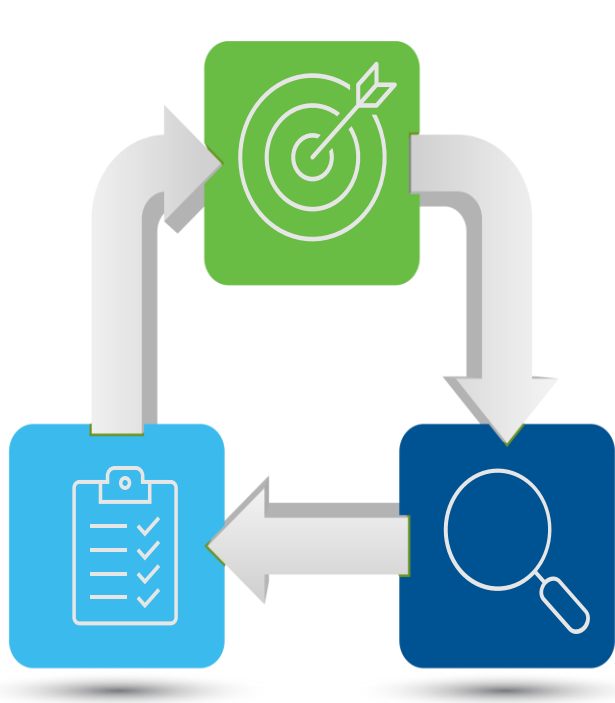


Mrs. Hind Abdulrahman Al Ali

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.



Governance

NGI has established a strong governance framework to ensure transparency, accountability, and ethical decision-making across all business functions. The governance structure is designed to align corporate strategies with regulatory requirements and stakeholder expectations while fostering a culture of integrity.

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 2024, internal audit reviews would be focused on compliance specific to ESG initiatives.

Compliance

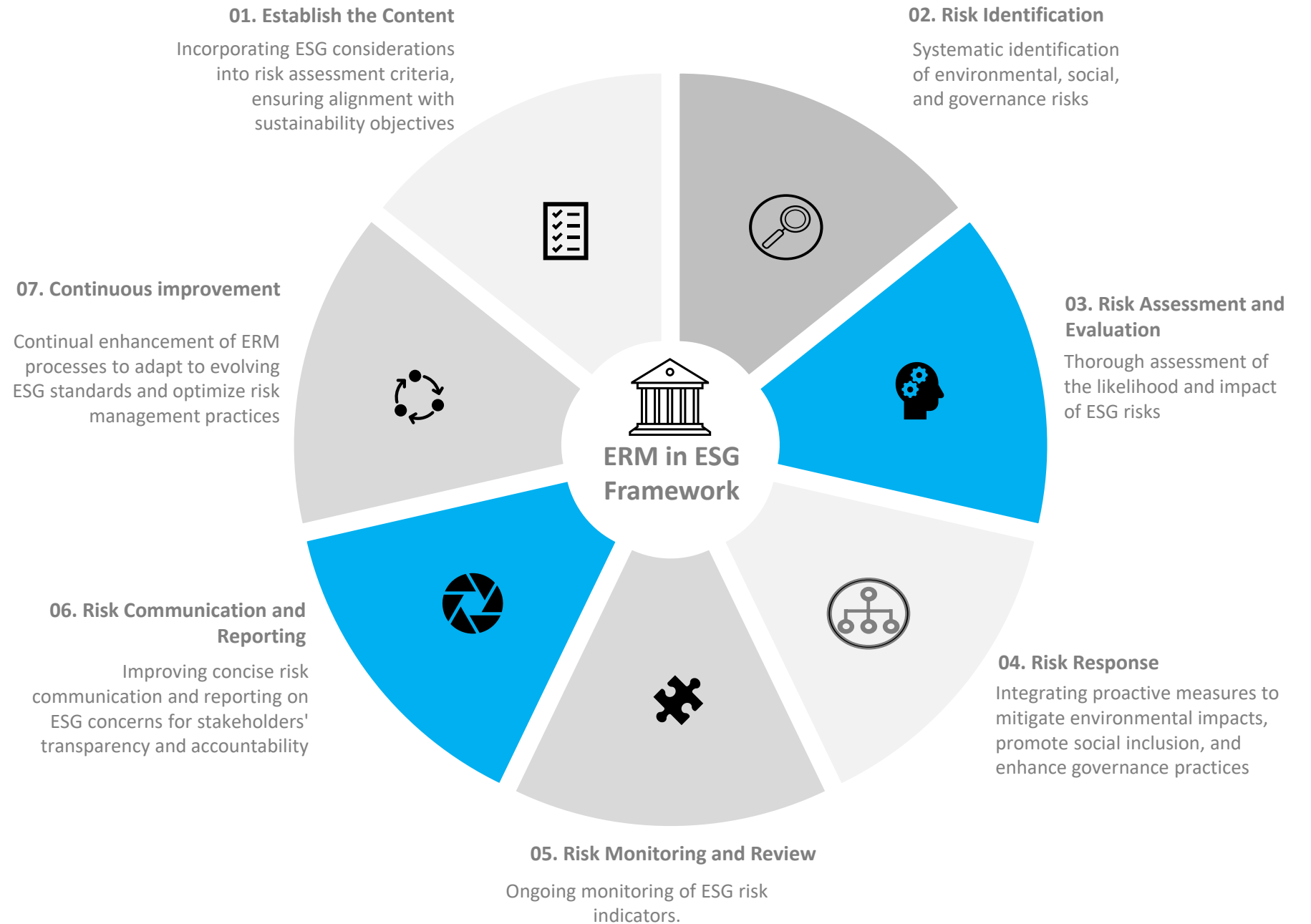
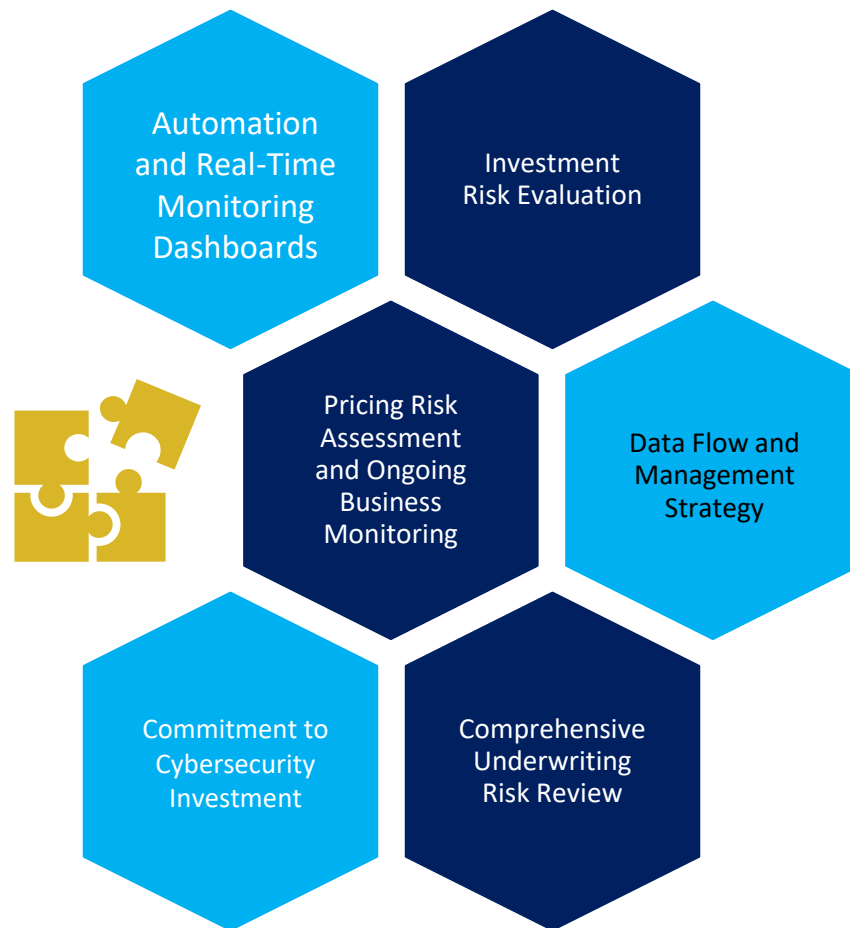
Compliance function reviews the regulatory compliances and assesses the Compliance status to achieve complete adherence. Based on the ESG policy and reporting requirements, Compliance function will ensure review of ESG compliance requirements. Risk based compliance for AML in place and deployed latest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



ERM Process

The Enterprise Risk Management (ERM) process is fundamental to NGI's dedication to ESG principles. It incorporates sustainability factors into decision-making, enabling the proactive management of risks and opportunities throughout all areas of our operations.

Process Highlights



Internal Audit Overview

Strengthening Governance and Control Efficiency

NGI has adopted a COSO-based internal control framework and completed the required reviews as mandated by the UAE Insurance Authority.

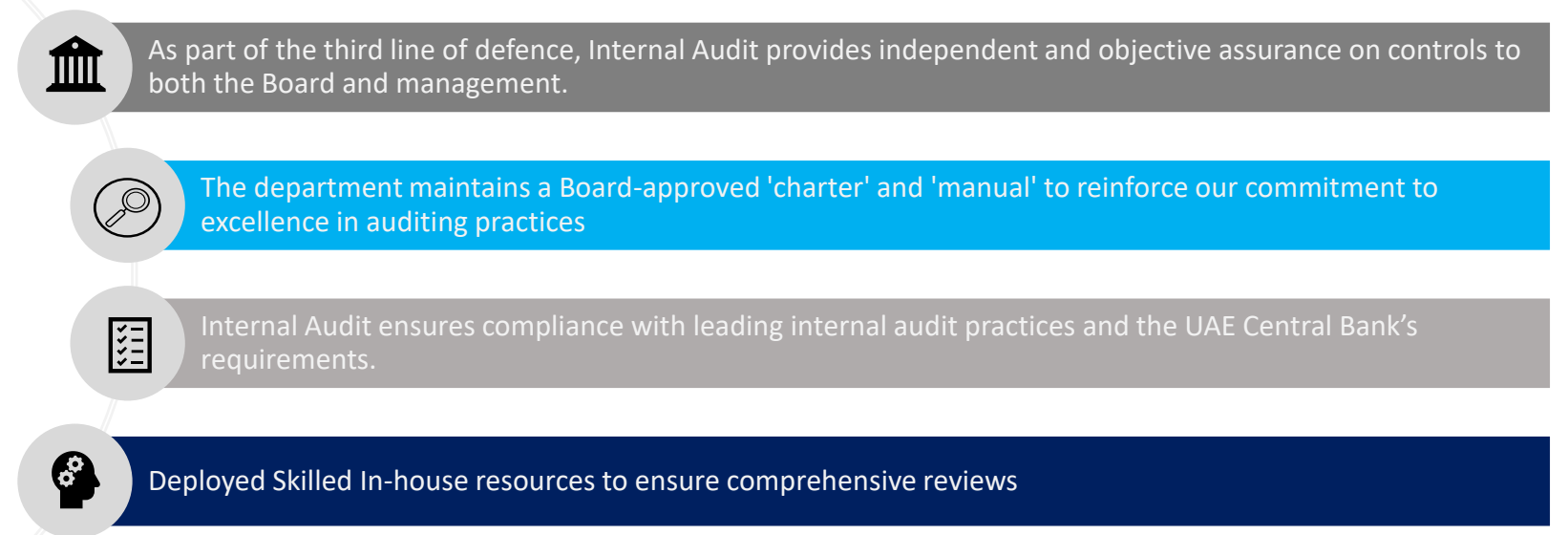


To uphold regulatory compliance, NGI has successfully completed all required reviews as mandated by the UAE Insurance Authority, demonstrating its commitment to maintaining industry best practices and legal obligations.

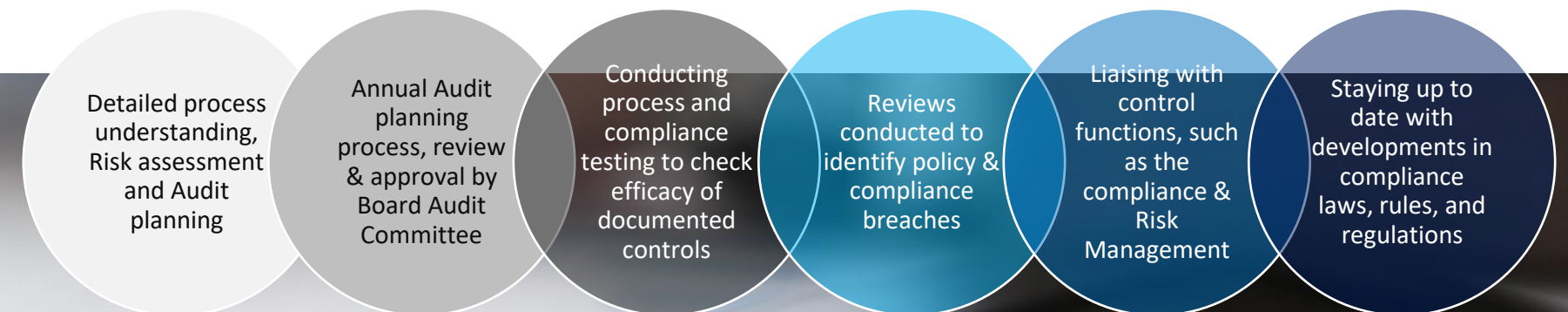
The company maintains comprehensive policies and procedures, which serve as a foundation for business operations. These documents provide clear guidance to employees, enabling consistency, accountability, and risk mitigation in daily activities.

By integrating strong governance and control mechanisms, NGI continuously enhances its risk oversight, fraud prevention, and financial integrity, ensuring sustainable growth and stakeholder confidence.

Internal Audit Overview



Comprehensive Audit Planning and Risk-Based Assurance



Compliance Overview

NGI continues to strengthen its compliance and governance framework by integrating technology, enhancing regulatory adherence, and fostering a culture of transparency and accountability.

Governance & Compliance Contributions

NGI remains committed to strengthening governance and compliance by ensuring adherence to regulatory requirements, conducting thorough reviews of contractual agreements, and assessing the impact of new regulations on business operations.



The Compliance function also plays a key role in conducting Third-Party (TP) reviews and employee background checks, reinforcing due diligence measures to mitigate risks and enhance transparency.

AML Risk Assessment Automation



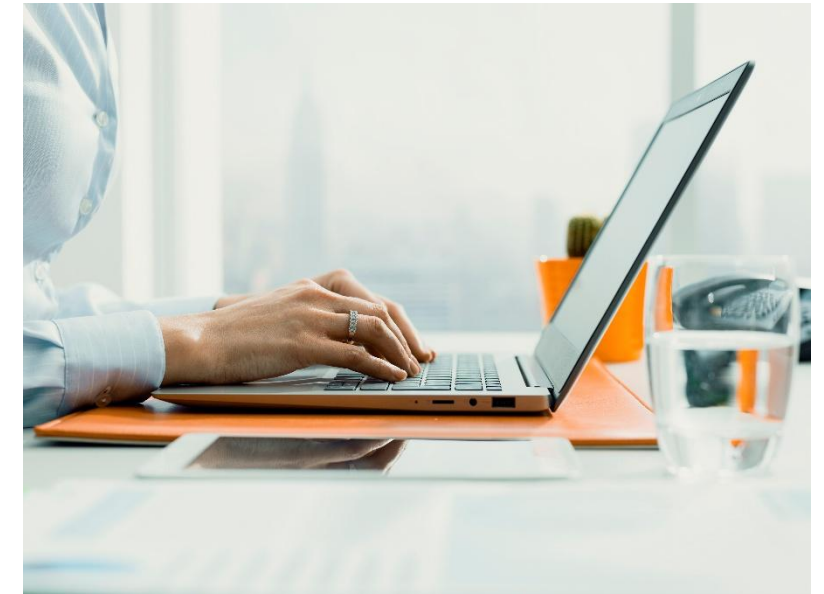
NGI partnered with M/s Smart Infotech to automate the AML Risk Assessment Tool, enhancing efficiency and compliance. The Life LOB successfully went live in February 2024, while the Non-Life Business integration is currently in progress and expected to be completed by Q1 2025.

This automation enables a fully paperless KYC and onboarding process, seamlessly integrated with the risk tool for enhanced risk assessment and regulatory adherence.

In-House GRC Solution Development

NGI is in the process of developing an integrated GRC solution to centralize Governance, Internal Audit, Risk Management, and Compliance activities.

This system will streamline compliance processes, enhance stakeholder notifications, and ensure real-time escalation of high-risk compliance exposures to Risk Management and Governance, reinforcing a proactive and structured approach to regulatory adherence.



AML Training

In 2024, NGI successfully achieved 100% completion of AML training for staff, Management, and the Board. The training material was developed in-house and delivered through a virtual learning platform, ensuring accessibility and effectiveness.

Building on this success, NGI plans to further scale and enhance its AML training programs in 2025, incorporating advanced learning methodologies to strengthen awareness and compliance across the organization.

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



04 Stakeholders Management

- 28 Our Employees
- 33 Our Communities
- 35 NGI's Customers
- 37 Shareholders



NGI's Work Environment

The Heart of NGI: Our Workforce

The success of NGI is deeply connected to the exceptional performance and relentless dedication of our invaluable workforce. Their tireless efforts are the driving force behind our achievements.



NGI is dedicated to creating a supportive work environment that helps employees develop and improve key skills to better serve our stakeholders.

Fostering a Sustainable and Healthy Work Culture

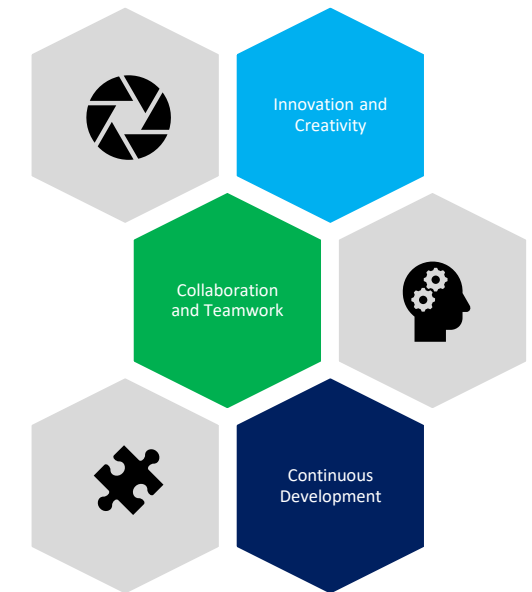
At NGI, employee well-being is a top priority. We actively foster a sustainable work culture that promotes work-life balance and ensures the overall health and happiness of our staff.



This commitment not only enhances the work environment but also reflects NGI's dedication to the principles of Environmental, Social, and Governance, demonstrating our responsibility towards creating a supportive and holistic business ecosystem.



Empowering Success : Cultivating a Dynamic and Inclusive Work Environment



SDGs Alignment



Fostering Diversity, Equity and Inclusion

With **28 nationalities**, our diverse workforce fosters innovation and collaboration. We promote an inclusive work environment, ensuring equal opportunities in hiring, career growth, and leadership. Through employee engagement initiatives, we celebrate cultural diversity, strengthening unity and belonging.



By fostering a diverse and inclusive environment, NGI aims to create equal opportunities for all employees, driving innovation, improving collaboration, and enhancing employee satisfaction.

This commitment aligns with NGI's broader ESG objectives and reinforces its dedication to responsible and sustainable growth.

Emiratization Progress Overview



In 2024, Emiratis represent **15%** of the total workforce, a notable increase from **8%** in 2023. This growth reflects a positive shift in Emiratization efforts

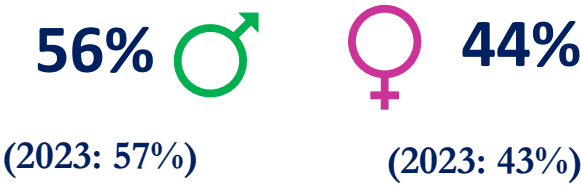
This reflects a positive trend towards meeting the Central Bank of the UAE's mandate of having 30% Emiratis in the workforce by 2026.

Gender balance

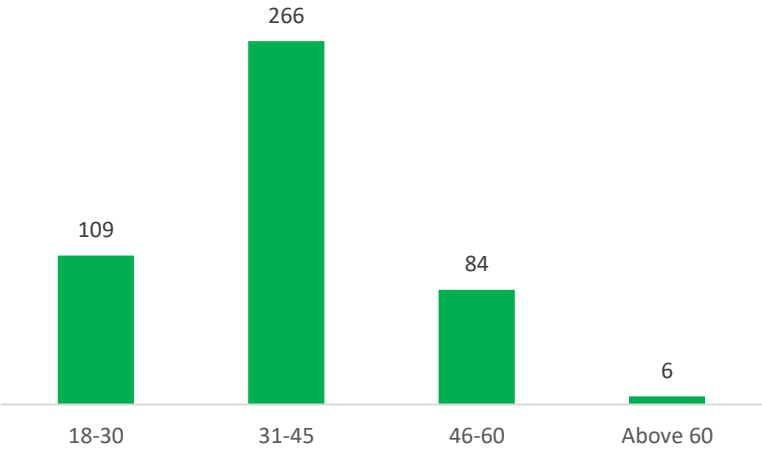
Female employees make up **44%** of the workforce, while male employees account for 56%, with the highest percentage of female employees in Entry Level and Sales roles.

The gender pay ratio shows that females earn between **66% to 91%** of male salaries, with some departments achieving equal pay for both genders.

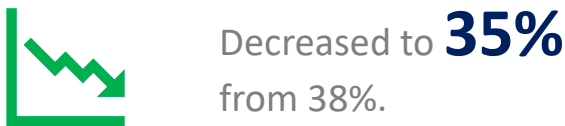
Gender Representation



Employee Age Demographics



Company-wide Turnover Rate



Training and Development

We are committed to continuous learning and professional growth through structured training and development programs. Our initiatives focus on enhancing skills, leadership development, and career progression to empower employees and drive organizational success.



Employee Development Initiatives

Technical & Soft Skills Training – Equipping employees with industry-relevant expertise.

Leadership Development Programs – Nurturing future leaders through mentorship and coaching.

E-Learning & Certifications – Encouraging self-paced learning and professional accreditation.

In 2024, 18 employees received education assistance for professional development courses, totalling approximately AED 63,000 in reimbursements. These



included certifications in areas like insurance, risk management, and specialized training through platforms such as CII, ACAMS, and edX.

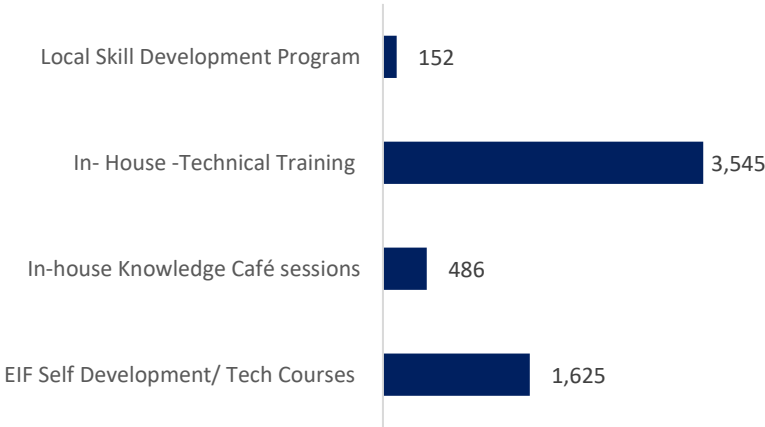
Cybersecurity Training was provided to enhance employees' awareness of digital threats and best practices for safeguarding company data.



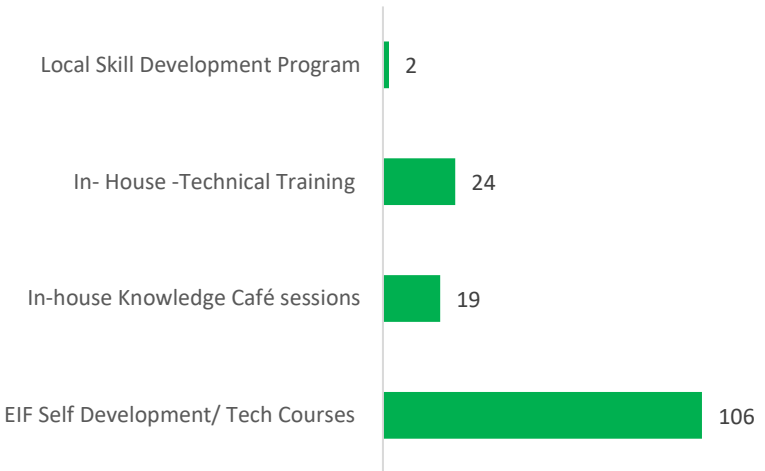
A total of 386 users attended the training, gaining essential knowledge on identifying cyber risks, preventing phishing attacks, and ensuring compliance with security protocols. Furthermore, training on **Anti-Money Laundering**, including sessions for the Board of Directors, was successfully completed with 100% participation.

Key Highlights

No of Training Hours



No. of Courses

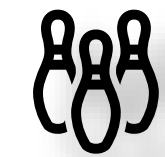


Employee Engagement

At NGI, fostering a vibrant and inclusive workplace culture is a key priority. Our employee engagement initiatives are designed to promote teamwork, collaboration, and a strong sense of belonging among our workforce.

Team-Building Activities

To strengthen team bonds and encourage camaraderie, employees participated in a **bowling event**, providing an opportunity for friendly competition and social interaction outside the workplace.



Honouring National Pride

NGI celebrated Flag Day and National Day across our Head Office and branches, bringing employees together in patriotic and festive gatherings. Employees actively participated in flag-raising ceremonies, cultural activities, and celebratory events that fostered a deep sense of national pride and belonging.



Through these commemorations, NGI reaffirmed its commitment to honouring the UAE's values and achievements while strengthening the bond among employees in a shared spirit of patriotism.

Management Team Training – Enhancing Leadership Competencies



As part of NGI's commitment to leadership development, a Competency Awareness Session was conducted for the management team to introduce and reinforce the competency framework and ensuring that leadership competencies support NGI's strategic objectives.



Employee Recognition & Appreciation

Celebrating Excellence & Commitment

As part of our commitment to fostering a culture of appreciation, NGI recognizes employees who demonstrate outstanding contributions in their respective fields. These individuals have played a vital role in driving sustainability, innovation, and operational excellence.



As part of our ongoing commitment to recognizing exceptional contributions, Certificates of Appreciation were awarded to employees who demonstrated outstanding performance and excellence in their respective fields.

These individuals went above and beyond in their roles, making significant impacts through their dedication, innovation, and hard work.



Recognizing such achievements helps foster a culture of motivation and encourages continued growth and success within our teams.



Their contributions not only advanced the organization's objectives but also reflected our core values of excellence, collaboration, and sustainability.



We remain committed to recognizing and celebrating exceptional performance and will continue to honour our employees' contributions in the future.

We will continue to celebrate and acknowledge the outstanding efforts of our employees, ensuring their contributions are recognized and valued going forward.

Health Awareness Efforts in 2024

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



At NGI, employee well-being is a top priority, and we are committed to fostering a supportive environment by providing access to various health awareness programs

Blood Donation Camp

Encouraging employees to donate blood, supporting healthcare and saving lives



Vision Test Campaign

Providing employees with access to professional eye exams to detect early signs of vision issues.

Breast Cancer Awareness

Breast Cancer Awareness initiative was achieved through educational session on self-examinations and insights on cancer awareness



Other Initiatives during the Year

Chronic Illness Management Awareness Campaign

Educating employees on managing long-term health conditions effectively.

World Diabetes Day Awareness

Conducted sessions on diabetes prevention, early detection, and lifestyle modifications

Future Health Awareness Initiatives

We will continue to provide health and wellness programs, focusing on preventive care, mental well-being, and lifestyle management.

We aim to collaborate with medical professionals and wellness experts to enhance engagement and impact.

Our Communities Outreach - Making a Meaningful Difference

Our commitment to positivity and inclusivity drives us to implement programs that enhance the lives of those in need, promote equal opportunities, and strengthen community ties.

By investing in social welfare programs, we aim to empower individuals, particularly those from vulnerable or marginalized backgrounds, and contribute to creating a more equitable society.



*At NGI, we are committed to positively impacting the communities we serve through various **economic and social initiatives** that promote inclusivity, support vulnerable groups, and foster a sense of belonging.*

Ramadan Iftar for Labour Camps

During the blessed month of Ramadan, NGI organized a heartwarming Iftar event for labour camps, bringing together individuals from different backgrounds and fostering a spirit of community and inclusivity.



This initiative provided an opportunity to share a meal, build bonds, and give back to those who contribute to the development of the nation.



Other CSR Initiatives

NGI continues to actively support the community with other CSR initiatives, such as organizing outings for orphaned children as part of an ESG event.



Additionally, we have contributed approx. AED 20,000 towards other CSR activities, specifically for cleanup initiatives.

Humanitarian Support

NGI remains dedicated to supporting those in need through humanitarian initiatives, providing financial assistance to individuals facing hardship.



This includes contributions to several humanitarian cases, with an approximate total of AED 19,000.

Customer Service Excellence

At NGI, we prioritize our customers by continually investing in resources and digital solutions to enhance their experience. Our commitment to digitalization brings us closer to achieving the highest levels of customer satisfaction.

Our dedicated team of professionals, ensures that every interaction is smooth, efficient, and solution-driven.



Our commitment to digital transformation brings us closer to delivering efficient, customer-centric

At NGI, customer satisfaction is at the core of our operations. We continually invest in technology, training, and service enhancements to provide seamless support and ensure a hassle-free experience. solutions.



We successfully implemented a CRM system to enhance customer service excellence, streamline interactions, and improve overall customer experience.

By providing seamless communication channels across multiple touchpoints, we offer convenient and efficient support. Our proactive complaint management approach ensures swift resolution of issues, enhancing overall satisfaction.

Key Highlights

Customer Support Channels

- Call Centre
- Email Support
- Dedicated Customer Service Executives

Total Complaints Received in 2024: 197

Closure Status: Resolved

Turnaround Time (TAT) for Resolution: 3 - 5 Working Days

Customer Service Team Strength: 15 Agents

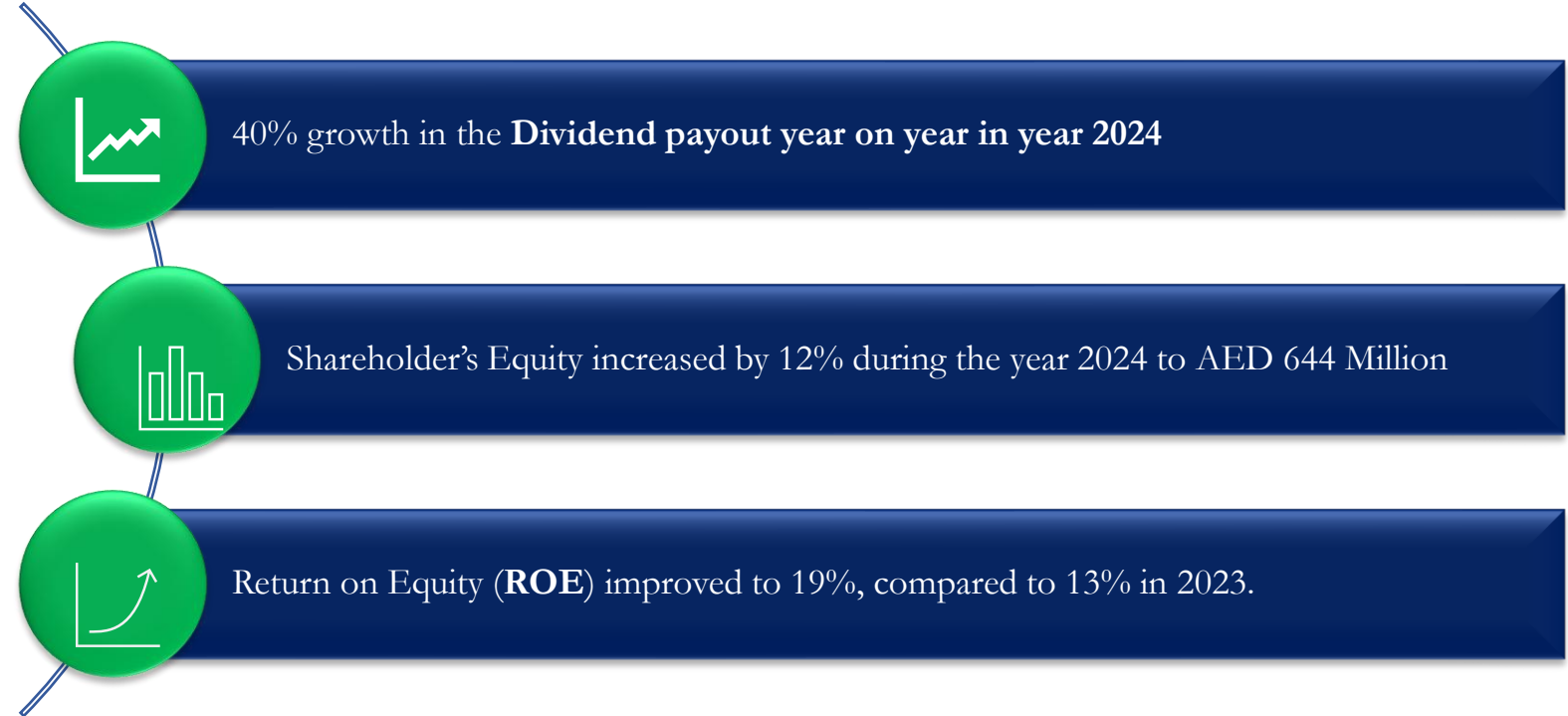
ESG Business Operations Integration



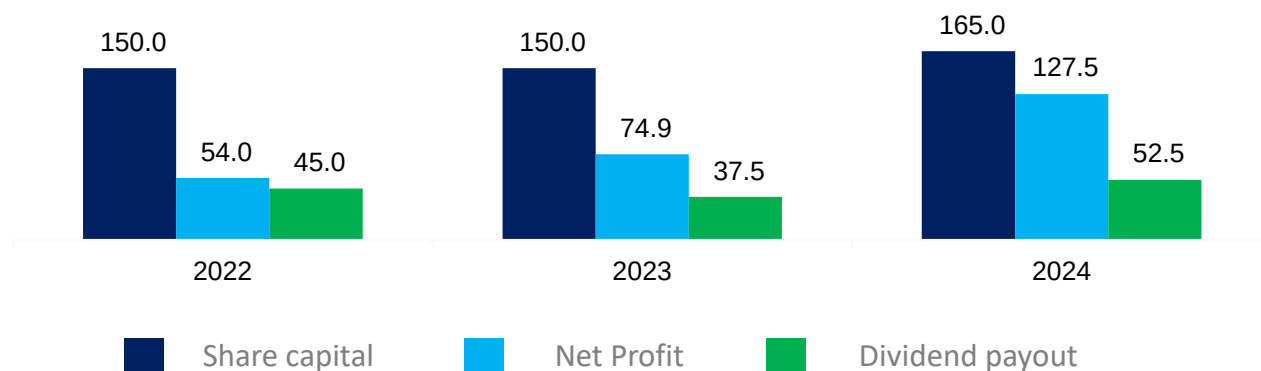
Shareholders – Continuous Value Creation

NGI strongly believes in creating sustainable value for its stakeholders including shareholders.

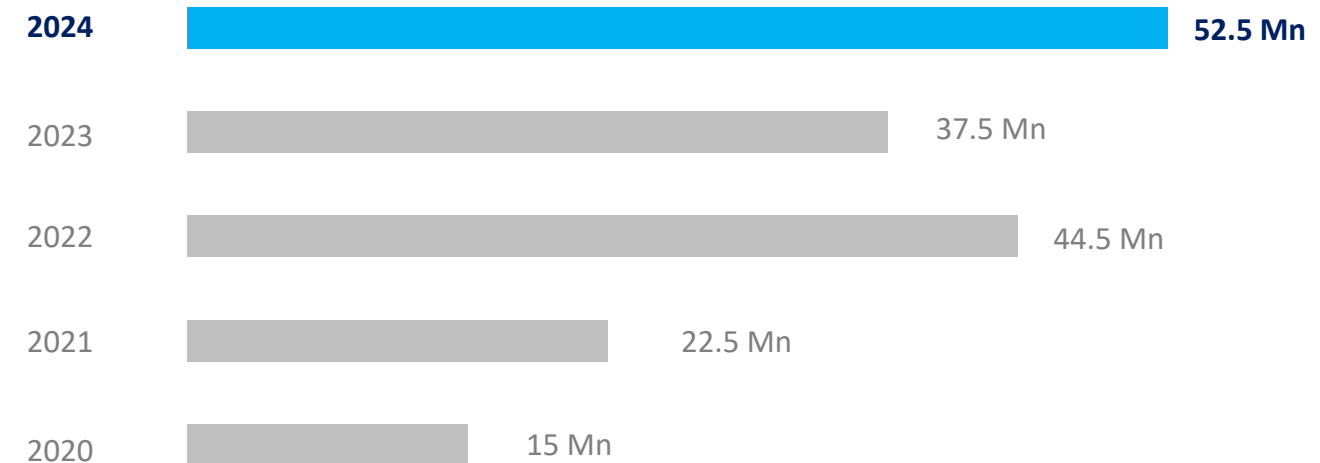
- Strong balance sheet supported by consistent profitability & controlled growth
- 19% Return on Equity** for the year 2024.
- Sustaining strong Solvency Margins.
- 35% dividend of AED 52.5 Mn distributed during year 2024 for year 2023.
- Transparency in dealing with shareholders and adequate disclosure
- Board election process in line with SCA Mandate.



Dividend payout vis-à-vis Share Capital & Net Profit



Dividend payout over last 5 Years



Prudential & Responsible Investments – Balancing Act

Assets Liability Management is the corner stone of NGI’s Investment strategy. We invest the cash flow generated from premium revenue in assets classes with duration matching the estimated liabilities (claims & benefits) in future. Hence, a significant portion of our investment is in to short term investments with highly rated banks.

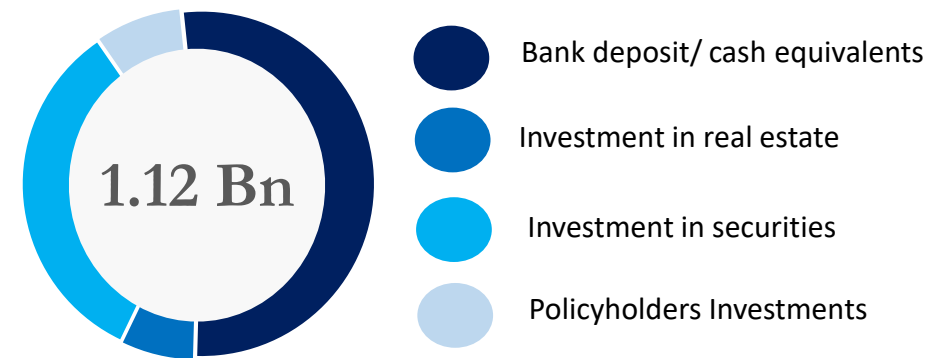


153.1 Mn ESG Rated Bonds

7.3 Mn

Green Bonds

Overall Investment Portfolio of AED 1.12 Billion – as of 31 Dec 2024



Bank deposits & cash equivalents	Majority Invested in Fixed deposits (with highly rated banking institutions) to manage expected claims & benefit payments
Property investments	Investment in quality real estate with a view to ensure strong rental return and capital appreciation
Equity and fixed income bonds	Investment in rated fixed income bonds and high-quality equity shares. Ensuring consistent returns whilst managing market volatility
Policyholder's investments	Unit linked investments on behalf of policyholders, managed with assistance from external fund houses

05 Environment

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Our Environmental Priorities

We have a unique opportunity to foster positive environmental change by promoting sustainable practices within the insurance industry and among stakeholders. Beyond just assessing our direct impact, we actively advocate for environmentally conscious behaviour, both within our operations and with our clients.

SDGs Alignment



In alignment with the UAE vision, our sustainability initiatives are designed to support the country’s transition toward a low-carbon economy, reinforcing our commitment to responsible and sustainable growth.

UNDERSTANDING OUR RESPONSIBILITY, NGI REMAINS COMMITTED TO ASSESSING AND MINIMIZING ITS IMPACT ON SOCIETY AND THE ENVIRONMENT. OUR ENVIRONMENTAL PRIORITIES ARE GUIDED BY THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGS), WITH A STRONG EMPHASIS ON ADDRESSING CRITICAL CHALLENGES SUCH AS CLIMATE CHANGE.

Key Environmental Focus Areas



Energy & Resource Efficiency



Carbon Footprint Reduction



Waste Management

Environmental Sustainability Initiatives – Protecting Our Natural Ecosystem

At NGI, we are dedicated to environmental conservation and actively contribute to sustainability efforts through hands-on initiatives. Our commitment to preserving the natural ecosystem is reflected in activities which aim to reduce pollution, restore biodiversity, and promote ecological balance.

Desert Cleaning – Preserving the UAE’s Natural Landscapes

NGI employees participated in a desert cleaning drive, collecting discarded waste and promoting sustainable waste management practices



Wadi Cleaning – Protecting Freshwater Ecosystems

As part of our sustainability efforts, NGI employees participated in a wadi cleaning initiative, removing plastic waste, debris, and pollutants to protect these fragile ecosystems.



This activity not only helped preserve the natural beauty of the region but also ensured a cleaner water source for surrounding wildlife and vegetation.



By maintaining these essential landscapes, we contribute to environmental sustainability while raising awareness about responsible waste disposal.

Mangrove Planting – Restoring Coastal Ecosystems

NGI employees took an active role in planting mangrove saplings, contributing to the restoration of coastal ecosystems. This initiative helps improve water quality, prevent soil erosion, and create habitats for marine life.



By engaging in mangrove planting, NGI demonstrates its commitment to long-term environmental conservation and the protection of natural resources.



Our Environmental Footprint

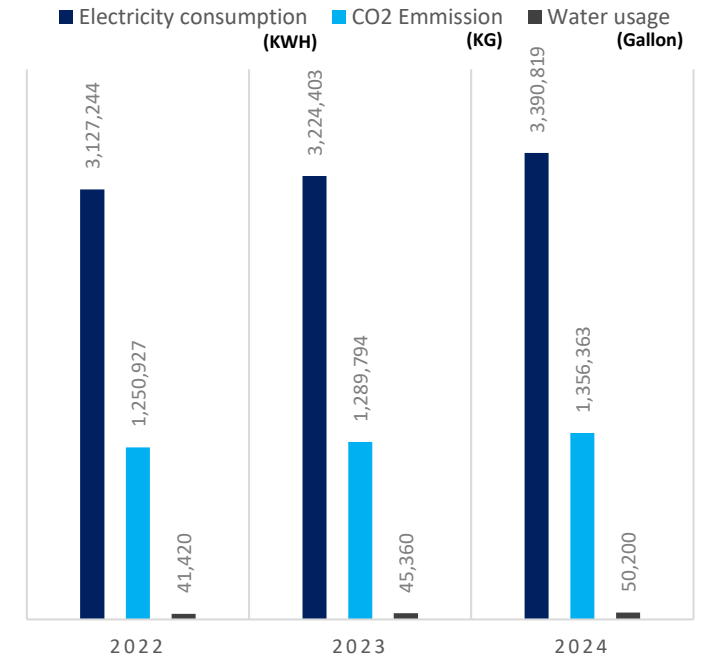
In our commitment to sustainability, we take a strategic approach to managing key aspects of our operations, including energy and water consumption, carbon emissions, and waste management, while also fostering a positive and environmentally responsible mindset among our team.

By promoting a workplace culture that values environmental responsibility, collaboration, and sustainable practices, we contribute to NGI's broader sustainability goals.

During the year, we were awarded a Gold Certificate from EnviroServe for our commitment to sustainability through the recycling of desktops, PC monitors, and desk phones.



Environmental Impact Trends



Future Initiatives

Reduce Power Consumption

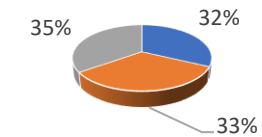
- Optimizing AHU/AC units and chillers during off-peak hours and cooler seasons.
- Adjusting lift operations to minimize energy use during weekends.
- Expanding LED lighting implementation across all areas.
- Turning off basement exhaust fans during cooler months.

Reduce Water Consumption

- Replacing taps with motion-sensor faucets to limit water wastage.
- Installing pressure control valves to regulate water flow in washrooms.
- Adjusting water valves in toilets and pantries to minimize water usage

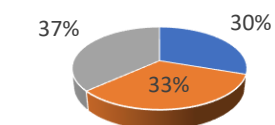
Electricity consumption

■ 2022 ■ 2023 ■ 2024



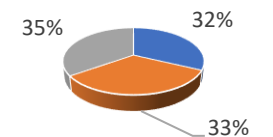
Water usage

■ 2022 ■ 2023 ■ 2024



CO2 Emission

■ 2022 ■ 2023 ■ 2024



Thank You!



Appendix I: GRI Index

GRI Standard / Other Disclosures	Disclosure	Page location
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	8,9,20,21
	2-9 Governance structure and composition	20-21
	2-10 Nomination and selection of the highest governance body	20-21
	2-11 Chair of the highest governance body	20-21
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	20-21
	2-22 Statement on sustainable development strategy	10,11,12,15,26
	2-29 Approach to stakeholder engagement	14
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	7
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	7
	Financial implications and other risks and opportunities 201-2 due to climate change	13
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	40,42
GRI 302: Energy 2016	302-1 Energy consumption within the organisation 302-4 Reduction of energy consumption	40,42
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	40,42
GRI 303: Water and Effluents 2018	302-5 Water consumption	40,42
Emissions		
GRI 305: Emissions 2016	3-3 Management of material topics	40,42
	305-5 Reduction of GHG emissions	40,42

Appendix I: GRI Index

GRI Standard / Other Disclosures	Disclosure		Page location
Waste			
GRI 3: Material Topics 2021	3-3	Management of material topics	40,42
GRI 306: Waste 2020	306-3	Waste generated	40,42
Employment			
GRI 3: Material Topics 2021	3-3	Management of material topics	29
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	29
Training and education			
GRI 3: Material Topics 2021	3-3	Management of material topics	30
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	30
	404-2	Programs for upgrading employee skills and transition assistance programs	30
	404-3	Percentage of employees receiving regular performance and career development reviews	30
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3	Management of material topics	29
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	29
Customer privacy			
GRI 3: Material Topics 2021	3-3	Management of material topics	35
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	35