

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

Condensed interim financial statements

*For the six-month period ended 30 June 2014*

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

## Condensed interim financial statements

*For the six-month period ended 30 June 2014*

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## **Independent auditors' report on review of condensed interim financial information**

The Shareholders  
National General Insurance Co. (P.S.C.)

### *Introduction*

We have reviewed the accompanying 30 June 2014 condensed interim financial information of National General Insurance Co. (P.S.C) ("the Company"), which comprises:

- the condensed interim statement of financial position as at 30 June 2014;
- the condensed interim statement of profit or loss for the three-month and six-month periods ended 30 June 2014;
- the condensed interim statement of comprehensive income for the three-month and six-month periods ended 30 June 2014;
- the condensed interim statement of changes in equity for the six-month period ended 30 June 2014;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2014; and
- notes to the condensed interim financial information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2014 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

*KPMG Lower Gulf Limited*  
Muhammad Tariq  
Registration No: 793

Date: 24 July 2014

**National General Insurance Co. (P.S.C.)**  
Condensed interim statement of financial position  
As at 30 June 2014

		(Un-audited) 30 June 2014 AED	(Audited) 31 December 2013 AED
<b>ASSETS</b>			
Property and equipment		32,620,500	33,210,278
Intangible assets		1,425,097	1,206,438
Investment properties		225,672,868	221,631,292
Investment securities	9	306,542,565	293,494,816
Reinsurance assets		156,282,863	147,110,941
Insurance and other receivables		151,984,691	107,671,712
Cash and cash equivalents		133,801,443	136,099,485
<b>Total assets</b>		<b>1,008,330,027</b>	<b>940,424,962</b>
<b>LIABILITIES</b>			
Insurance contract provisions		393,317,717	336,929,634
Insurance and other payables		124,345,764	126,069,302
Payable to participants of unit linked products	11	44,607,645	38,744,863
<b>Total liabilities</b>		<b>562,271,126</b>	<b>501,743,799</b>
<b>EQUITY</b>			
Share capital		149,954,112	149,954,112
Legal reserve		59,986,254	59,986,254
General reserve		59,370,268	59,370,268
Fair value reserve		593,184	(1,213,870)
Retained earnings		176,155,083	170,584,399
<b>Total equity attributable to equity holders of the Company</b>		<b>446,058,901</b>	<b>438,681,163</b>
<b>Total liabilities and equity</b>		<b>1,008,330,027</b>	<b>940,424,962</b>

The notes on pages 7 to 13 form an integral part of these condensed interim financial statements.

These condensed interim financial statements were authorised for issue and approved by the board on 24 July 2014 and signed on its behalf by :



Hamad Mubarak Buamim  
Chairman



Dr. Abdul Zahra A. Ali  
CEO

The independent auditor's review report is set out on page 1.

**National General Insurance Co. (P.S.C.)**  
**Condensed interim statement of profit or loss**  
*For the six-month period ended 30 June 2014*

		(Un-audited) For the six month period ended 30 June 2014 AED	(Un-audited) For the six month period ended 30 June 2013 AED	(Un-audited) For the three month period ended 30 June 2014 AED	(Un-audited) For the three month period ended 30 June 2013 AED
Gross written premium	10	276,643,656	275,011,415	164,406,216	170,360,889
Reinsurance ceded		<u>(75,231,046)</u>	<u>(76,393,768)</u>	<u>(35,756,745)</u>	<u>(37,758,424)</u>
<b>Net premium</b>		<b>201,412,610</b>	<b>198,617,647</b>	<b>128,649,471</b>	<b>132,602,465</b>
Change in unearned premium provision and payable to policyholders of unit linked product		<u>(42,325,997)</u>	<u>(52,488,086)</u>	<u>(43,493,939)</u>	<u>(44,037,645)</u>
<b>Net earned premiums</b>	10	<b>159,086,613</b>	<b>146,129,561</b>	<b>85,155,532</b>	<b>88,564,820</b>
Reinsurance commission earned		<u>18,296,832</u>	<u>20,401,735</u>	<u>8,497,046</u>	<u>10,463,005</u>
<b>Net underwriting income</b>	10	<b>177,383,445</b>	<b>166,531,296</b>	<b>93,652,578</b>	<b>99,027,825</b>
Claims paid		<u>(152,019,254)</u>	<u>(184,469,030)</u>	<u>(71,934,946)</u>	<u>(58,935,925)</u>
Reinsurance share		<u>34,618,602</u>	<u>86,764,586</u>	<u>13,295,900</u>	<u>10,429,250</u>
<b>Net claims paid</b>		<b>(117,400,652)</b>	<b>(97,704,444)</b>	<b>(58,639,046)</b>	<b>(48,506,675)</b>
Change in outstanding claims provision		<u>(10,482,393)</u>	<u>(6,401,213)</u>	<u>(7,024,372)</u>	<u>1,961,032</u>
<b>Net incurred claims</b>	10	<b>(127,883,045)</b>	<b>(104,105,657)</b>	<b>(65,663,418)</b>	<b>(46,545,643)</b>
Commission paid		<u>(24,218,463)</u>	<u>(18,718,402)</u>	<u>(13,306,130)</u>	<u>(10,671,520)</u>
Administrative expenses		<u>(19,504,742)</u>	<u>(19,831,467)</u>	<u>(10,650,932)</u>	<u>(10,286,844)</u>
<b>Net underwriting expenses</b>		<b>(171,606,250)</b>	<b>(142,655,526)</b>	<b>(89,620,480)</b>	<b>(67,504,007)</b>
Net movement in life assurance fund	10	<u>(270,549)</u>	<u>(491,420)</u>	<u>(863,723)</u>	<u>1,061,081</u>
Increase/ (decrease) in fair value of investment held for unit linked products		<u>3,180,475</u>	<u>(996,472)</u>	<u>2,202,325</u>	<u>(808,257)</u>
<b>Total underwriting expense</b>		<b>(168,696,324)</b>	<b>(144,143,418)</b>	<b>(88,281,878)</b>	<b>(67,251,183)</b>
<b>Underwriting profit</b>	10	<b>8,687,121</b>	<b>22,387,878</b>	<b>5,370,700</b>	<b>11,394,326</b>
Interest and other income (net)		<u>9,630,163</u>	<u>8,826,723</u>	<u>2,024,505</u>	<u>3,038,099</u>
Net income/(loss) from investment securities	9.4	<u>27,436,760</u>	<u>38,117,507</u>	<u>(9,935,770)</u>	<u>21,538,708</u>
Administrative expenses		<u>(5,563,200)</u>	<u>(3,454,656)</u>	<u>(2,020,135)</u>	<u>(1,733,387)</u>
<b>Profit/ (loss) for the period</b>		<b>40,190,844</b>	<b>65,877,452</b>	<b>(4,560,700)</b>	<b>34,237,746</b>
Basic and diluted earnings per share		<u>0.27</u>	<u>0.44</u>	<u>(0.03)</u>	<u>0.23</u>

The notes on pages 7 to 13 form an integral part of these condensed interim financial statements.

The independent auditor's review report is set out on page 1.

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

## Condensed interim statement of comprehensive income

For the six month period ended 30 June 2014

	(Un-audited) For the six month period ended 30 June 2014 AED	(Un-audited) For the six month period ended 30 June 2013 AED	(Un-audited) For the three month period ended 30 June 2014 AED	(Un-audited) For the three month period ended 30 June 2013 AED
<b>Profit/ (loss) for the period</b>	<b>40,190,844</b>	<b>65,877,452</b>	<b>(4,560,700)</b>	<b>34,237,746</b>
<b>Other comprehensive income</b>				
<i>Items that will not be classified to profit or loss:</i>				
Net change in fair value of investments at fair value through other comprehensive income	1,847,521	(571,162)	390,208	(1,572,693)
<i>Items that are or maybe reclassified subsequently to profit or loss</i>	-	-	-	-
<b>Total other comprehensive income/ (loss)</b>	<b>1,847,521</b>	<b>(571,162)</b>	<b>390,208</b>	<b>(1,572,693)</b>
<b>Total comprehensive income/ (loss) for the period</b>	<b>42,038,365</b>	<b>65,306,290</b>	<b>(4,170,492)</b>	<b>32,665,053</b>

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

**Condensed interim statement of changes in shareholders' equity (Un-audited)**

*For the six month period ended 30 June 2014*

	Attributable to equity holders of the Company					Total AED
	Share capital AED	Legal reserve AED	General reserve AED	Fair value reserve AED	Retained earnings AED	
Balance at 1 January 2013	149,954,112	47,475,696	46,859,710	(1,721,044)	103,247,210	345,815,684
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	65,877,452	65,877,452
<b>Other comprehensive income for the period</b>						
Loss on sale of investment at fair value through OCI	-	-	-	(571,162)	-	(571,162)
Net change in fair value of investments at fair value through other comprehensive income	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	(571,162)	-	(571,162)
Total comprehensive income for the period	-	-	-	(571,162)	65,877,452	65,306,290
<b>Transaction with owners :</b>						
Director's remuneration	-	-	-	-	(2,962,265)	(2,962,265)
Dividends declared and paid	-	-	-	-	(29,990,822)	(29,990,822)
<b>As at 30 June 2013</b>	<u>149,954,112</u>	<u>47,475,696</u>	<u>46,859,710</u>	<u>(2,292,206)</u>	<u>136,171,575</u>	<u>378,168,887</u>
Balance at 1 January 2014	149,954,112	59,986,254	59,370,268	(1,213,870)	170,584,399	438,681,163
<b>Total comprehensive income for the period</b>						
Profit for the period	-	-	-	-	40,190,844	40,190,844
<b>Other comprehensive income for the period</b>						
Net change in fair value of investments at fair value through other comprehensive income	-	-	-	1,847,521	-	1,847,521
Net change in fair value of investments at fair value through other comprehensive income transferred to profit or loss	-	-	-	(40,467)	40,467	-
Total other comprehensive income for the period	-	-	-	1,807,054	40,467	1,847,521
Total comprehensive income for the period	-	-	-	1,807,054	40,231,311	42,038,365
<b>Transaction with owners :</b>						
Director's remuneration	-	-	-	-	(4,629,338)	(4,629,338)
Dividends paid	-	-	-	-	(29,990,822)	(29,990,822)
<b>As at 30 June 2014</b>	<u>149,954,112</u>	<u>59,986,254</u>	<u>59,370,268</u>	<u>593,184</u>	<u>176,155,083</u>	<u>446,058,901</u>

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The independent auditor's review report is set out on page 1.

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

### Condensed interim statement of cash flows

For the six month period ended 30 June 2014

	(Un-audited) For the six- month period ended 30 June 2014 AED	(Un-audited) For the six- month period ended 30 June 2013 AED
<b>Cash flows from operating activities</b>		
Net profit for the period	40,190,844	65,877,452
<i>Adjustment for:</i>		
Depreciation and amortisation	1,803,689	912,759
Realised gains on investments fair valued through profit or loss and other gains	(16,178,862)	(2,584,572)
Unrealised gains on investments fair valued through profit or loss	(11,490,318)	(35,534,025)
Change in unearned premium reserve and life assurance fund	36,733,768	51,074,982
Provision for gratuity – net of repayment	960,967	792,297
	<u>52,020,088</u>	<u>80,538,893</u>
Change in insurance and other receivables (including related parties)	(44,312,979)	(68,687,475)
Change in insurance and other payables	(2,724,970)	7,058,694
Change in net outstanding claims	10,482,392	6,401,214
Directors' remuneration paid	(4,629,338)	(2,962,265)
<i>Net cash generated from operating activities</i>	<u>10,835,193</u>	<u>22,349,061</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,444,069)	(977,567)
Purchase of investments fair valued through profit or loss	(67,562,491)	(34,394,919)
Proceeds from sale of investments fair valued through profit or loss	88,020,557	10,284,207
Proceeds from sale of investments fair valued through other comprehensive income	1,881,532	-
Sale of investments at amortised cost	-	6,154,036
Sale of property and equipment	3,634	849,799
Registration charges paid for land acquisition	(4,041,576)	-
Change in bank deposits	291,416	5,712,579
<i>Net cash generated used in investing activities</i>	<u>17,149,003</u>	<u>(12,371,865)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(29,990,822)	(29,990,822)
<i>Net cash used in financing activities</i>	<u>(29,990,822)</u>	<u>(29,990,822)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(2,006,626)</u>	<u>(20,013,626)</u>
Cash and cash equivalents at the beginning of the period	74,318,998	78,638,358
<b>Cash and cash equivalents at the end of the period</b>	<u>72,312,372</u>	<u>58,624,732</u>
These comprise the following:		
Cash in hand	130,540	125,868
Cash at bank	46,681,832	38,325,087
Fixed deposits	86,989,071	56,104,902
	<u>133,801,443</u>	<u>94,555,857</u>
Less: deposits with original maturities of greater than three months	(61,489,071)	(35,931,125)
Cash and cash equivalents as at 30 June	<u>72,312,372</u>	<u>58,624,732</u>

The notes on pages 7 to 13 form an integral part of these condensed interim financial statements.

The independent auditor's review report is set out on page 1.



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

### **Notes**

*(forming part of the condensed interim financial statements)*

#### **1. Legal status and principal activities**

National General Insurance Co. (P.S.C) ("the Company") is a Public Shareholding Company registered under UAE Federal Law No. (8) of 1984 as amended, in the Emirate of Dubai with effect from 12 September 2001.

The Company was originally incorporated as a Private Limited Liability Company, registered under UAE Federal Law No. (8) of 1984, as amended, in the Emirate of Dubai.

The Company underwrites all classes of life and general insurance business as well as certain reinsurance business in accordance with the provisions of the UAE Federal Law no. 6 of 2007 relating to establishment of insurance authority and regulation of insurance operations.

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

#### **2. Basis of preparation**

##### **a) Statement of compliance**

These condensed interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRSs).

##### **b) Basis of measurement**

The condensed interim financial statements have been prepared on the historical cost basis except for the following which are measured at fair value :

- i) financial instruments at fair value through profit or loss ("FVTPL");
- ii) financial instruments at fair value through other comprehensive income ("FVTOCI"); and
- iii) investment property.

##### **c) Functional & presentation currency**

These condensed interim financial statements have been prepared in United Arab Emirates Dirham (AED), which is the Company's functional currency.

##### **d) Use of estimates and judgements**

The preparation of condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in the future periods effected.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2013.

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

### Notes (continued)

(forming part of the condensed interim financial statements)

#### 3. Summary of significant accounting policies

The accounting policies used in the preparation of the condensed interim financial statements are consistent with those used in the preparation of the Company's audited financial statements for the year ended 31 December 2013.

The adoption of the new and amended standards and interpretations did not have an impact on the financial position or performance of the Company during the period. However additional disclosures have been included in these condensed interim financial statements.

#### 4. Financial risk management

Aspects of the Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended 31 December 2013.

#### 5. Interim measurement

The nature of the Company's business is such that income and expense are incurred in a manner, which is not impacted by any form of seasonality. These condensed interim financial statements were prepared based upon an accrual concept, which requires income and expense to be recorded as earned or incurred and not as received or paid throughout the year.

#### 6. Related party transactions

The Company, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party as defined by International Accounting Standard 24 - (Revised). The Company's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

a) The following are the details of transactions with related parties:

	(Un-audited) For the six month period ended	(Un-audited) For the six month period ended
	30 June 2014	30 June 2013
	AED	AED
<b>Key management personnel compensation</b>		
Remuneration and short term benefits	2,965,542	2,120,087
End of service benefits	185,108	430,334
<b>Other related parties</b>		
Premiums generated	92,275,396	108,021,510
Claims paid	51,862,897	46,282,314
Dividends paid	19,809,208	19,535,901
Management expenses (net)	-	90,000
Interest income	437,416	323,970

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

### Notes (continued)

(forming part of the condensed interim financial statements)

#### 6. Related party transactions (continued)

	(Un-audited) 30 June 2014 AED	(Audited) 31 December 2013 AED
b) <b>Due from related parties</b>		
Insurance premium receivable (included in receivables)	<u>42,847,143</u>	<u>13,749,064</u>
c) <b>Due to related parties</b>		
Payable to related party (included in payable)	<u>2,205,943</u>	<u>2,298,163</u>

#### 7. Contingent liabilities and commitments

##### Capital commitments

Capital commitments as at 30 June 2014 amounted to AED nil (2013: nil).

##### Guarantees

	(Un-audited) 30 June 2014 AED	(Audited) 31 December 2013 AED
Letters of guarantees	<u>8,140,083</u>	<u>8,215,083</u>

Fixed deposits amounting to AED15.07 million (2013: AED 14.83 million) are under lien as collateral in respect of above guarantees. Guarantees include an amount of AED 7.5 million (2013: AED 7.5 million) favoring ministry of economy and commerce.

##### Contingent liabilities

The Company, in common with other insurance companies, is involved as defendant in a number of legal cases in respect of its underwriting activities. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Company in terms of an outflow of economic resources and a reliable estimate of the amount of outflow can be made.

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

### Notes (continued)

(forming part of the condensed interim financial statements)

#### 8. Classes and categories of financial assets and financial liabilities

The table below sets out the classification of each class of financial assets and liabilities .

At 30 June 2014

<u>Financial Assets</u>	FVTPL AED	FVTOCI AED	Amortised Cost AED	Total AED
Investment Securities	254,949,162	36,184,503	15,408,900	306,542,565
Insurance and other receivables	-	-	143,323,316	143,323,316
Cash and cash equivalents	-	-	133,801,443	133,801,443
	<u>254,949,162</u>	<u>36,184,503</u>	<u>292,533,659</u>	<u>583,667,324</u>
 <u>Financial Liabilities</u>				
Insurance and other payables	-	-	114,717,390	114,717,390
Payable to policyholders of unit linked products	44,607,645	-	-	44,607,645
	<u>44,607,645</u>	<u>-</u>	<u>114,717,390</u>	<u>159,325,035</u>

At 31 December 2013

<u>Financial Assets</u>	FVTPL AED	FVTOCI AED	Amortised Cost AED	Total AED
Investment Securities	241,876,497	36,209,419	15,408,900	293,494,816
Insurance and other receivables	-	-	105,491,644	105,491,644
Cash and cash equivalents	-	-	136,099,485	136,099,485
	<u>241,876,497</u>	<u>36,209,419</u>	<u>257,000,029</u>	<u>535,085,945</u>
 <u>Financial Liabilities</u>				
Insurance and other payables	-	-	117,452,228	117,452,228
Payable to policyholders of unit linked products	38,744,863	-	-	38,744,863
	<u>38,744,863</u>	<u>-</u>	<u>117,452,228</u>	<u>156,197,091</u>

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

### Notes (continued)

(forming part of the condensed interim financial statements)

#### 9. Investment securities

	(Un-audited)	(Audited)
	30 June 2014	31 December 2013
	AED	AED
Financial assets at fair value through profit or loss	254,949,162	241,876,497
Financial assets at fair value through other comprehensive income	36,184,503	36,209,419
Financial assets at amortised costs	15,408,900	15,408,900
	<u>306,542,565</u>	<u>293,494,816</u>

#### 9.1 Investments fair valued through profit or loss

	(Un-audited)	(Audited)
	30 June 2014	31 December 2013
	AED	AED
Investments on behalf of policyholders of unit linked products	44,607,645	38,744,863
Equity investments - quoted	210,341,517	203,131,634
<b>Total</b>	<u>254,949,162</u>	<u>241,876,497</u>

#### 9.2 Investments - Geographic concentration

	(Un-audited)	(Audited)
	30 June 2014	31 December 2013
	AED	AED
Investments made :		
- Within U.A.E.	306,542,565	292,240,994
-Outside U.A.E.	-	1,253,822
	<u>306,542,565</u>	<u>293,494,816</u>

#### 9.3 Fair Value Hierarchy

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised :

Investment Securities	Level 1	Level 2	Level 3	Total
At 30 June 2014	AED	AED	AED	AED
FVTPL	254,949,162	-	-	254,949,162
FVTOCI	36,184,503	-	-	36,184,503
	<u>291,133,665</u>	<u>-</u>	<u>-</u>	<u>291,133,665</u>
31 December 2013				
FVTPL	241,876,497	-	-	241,876,497
FVTOCI	34,336,982	1,872,437	-	36,209,419
	<u>276,213,479</u>	<u>1,872,437</u>	<u>-</u>	<u>278,085,916</u>

#### 9.4 Net income from investment securities

	(Un-audited)	(Un-audited)
	30 June 2014	30 June 2013
	AED	AED
Realised gain on disposal of investments	16,176,862	2,583,482
Revaluation of investments fair valued through profit or loss	11,259,898	35,534,025
	<u>27,436,760</u>	<u>38,117,507</u>

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

### Notes (continued)

(forming part of the condensed interim financial statements)

#### 10. Segment information

##### Primary segment information

For management purposes the Company is organised into two operating segments, general insurance and life assurance. These segments are the basis on which the Company reports its primary segment information.

	General insurance		Life assurance		Total	
	For the six-month period ended 30 June		For the six-month period ended 30 June		For the six-month period ended 30 June	
	2014 AED	2013 AED	2014 AED	2013 AED	2014 AED	2013 AED
<b>Underwriting income</b>						
Gross written premium	244,422,478	233,682,640	32,221,178	41,328,775	276,643,656	275,011,415
Reinsurance ceded	(61,442,349)	(50,748,416)	(13,788,697)	(25,645,352)	(75,231,046)	(76,393,768)
<b>Net premium</b>	<b>182,980,129</b>	<b>182,934,224</b>	<b>18,432,481</b>	<b>15,683,423</b>	<b>201,412,610</b>	<b>198,617,647</b>
Change in unearned premium provision and payable to policyholders of unit linked product	(34,462,657)	(49,768,339)	(7,863,340)	(2,719,747)	(42,325,997)	(52,488,086)
<b>Net earned premium</b>	<b>148,517,472</b>	<b>133,165,885</b>	<b>10,569,141</b>	<b>12,963,676</b>	<b>159,086,613</b>	<b>146,129,561</b>
Reinsurance commission earned	13,134,135	11,460,626	5,162,697	8,941,109	18,296,832	20,401,735
<b>Total income</b>	<b>161,651,607</b>	<b>144,626,511</b>	<b>15,731,838</b>	<b>21,904,785</b>	<b>177,383,445</b>	<b>166,531,296</b>
<b>Underwriting expenses</b>						
Net incurred claims	(117,512,480)	(97,741,505)	(10,370,565)	(6,364,152)	(127,883,045)	(104,105,657)
Commission paid	(21,979,785)	(16,752,400)	(2,238,678)	(1,966,002)	(24,218,463)	(18,718,402)
Administrative expenses	(14,317,366)	(14,230,655)	(5,187,376)	(5,600,812)	(19,504,742)	(19,831,467)
<b>Total expenses</b>	<b>(153,809,631)</b>	<b>(128,724,560)</b>	<b>(17,796,619)</b>	<b>(13,930,966)</b>	<b>(171,606,250)</b>	<b>(142,655,526)</b>
<b>Profit before movement in life assurance fund</b>	<b>7,841,976</b>	<b>15,901,951</b>	<b>(2,064,781)</b>	<b>7,973,819</b>	<b>5,777,195</b>	<b>23,875,770</b>
Decrease in life assurance fund	-	-	(270,549)	(491,420)	(270,549)	(491,420)
Increase/ (decrease) in fair value of investment held for unit linked products	-	-	3,180,475	(996,472)	3,180,475	(996,472)
<b>Underwriting profit</b>	<b>7,841,976</b>	<b>15,901,951</b>	<b>845,145</b>	<b>6,485,927</b>	<b>8,687,121</b>	<b>22,387,878</b>
Income from investments					37,066,923	46,944,230
Unallocated expenses					(5,563,200)	(3,454,656)
<b>Profit for the period</b>					<b>40,190,844</b>	<b>65,877,452</b>

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

### Notes (continued)

(forming part of the condensed interim financial statements)

#### 11. Payable to participants of unit linked products

*Movement during the period:*

	(Un-audited) 30 June 2014 AED	(Audited) 31 December 2013 AED
Opening balance	38,744,863	39,130,330
Net amount invested and withdrawn at redemption by policyholders	2,682,307	1,209,562
Change in fair value	3,180,475	(1,595,029)
Balance as at 30 June / 31 December	<u>44,607,645</u>	<u>38,744,863</u>

#### 12. Comparatives

Certain comparatives have been reclassified / regrouped to conform to the presentation adopted in the condensed interim financial statements.