

**Abu Dhabi National Insurance Company PJSC  
and its subsidiary**

Condensed consolidated interim financial information

*30 September 2021*

**Principal business address:**

Abu Dhabi National Insurance Company PJSC  
P.O. Box: 839  
Abu Dhabi  
UAE

## **Abu Dhabi National Insurance Company PJSC**

### **Composition of Board of Directors**

<b>Chairman:</b>	Sheikh Mohamed Bin Saif Al-Nahyan
<b>Vice Chairman:</b>	Sheikh Theyab Bin Tahnoon Al-Nahyan
<b>Members:</b>	H.E. Sultan Rashed Al-Dhaheeri Mr. Abdulla Khalaf Al-Otaiba Mr. Omar Liaqat Mr. Abdulrahman Hamad Al-Mubarak Mr. Hazza Mohamed Rubayea Al-Mheiri Mr. Hamoodah Ghanem Bin Hamoodah Mr. Mohamed Khalaf Al-Otaiba
<b>Chief Executive Officer:</b>	Mr. Ahmad Idris
<b>Address:</b>	P.O. Box 839 Abu Dhabi United Arab Emirates
<b>External auditors:</b>	KPMG Lower Gulf Limited

# **Abu Dhabi National Insurance Company PJSC and its subsidiary**

## **Condensed consolidated interim financial information**

<i>Contents</i>	<i>Page</i>
Independent auditors' report on review of the condensed consolidated interim financial information	1
Condensed consolidated interim statement of financial position	3
Condensed consolidated interim statement of profit or loss	4
Condensed consolidated interim statement of profit or loss and other comprehensive income	5
Condensed consolidated interim statement of changes in shareholders' equity	6
Condensed consolidated interim statement of cash flows	7
Notes to the condensed consolidated interim financial information	8

**Abu Dhabi National Insurance Company P.J.S.C.**  
**Board of Directors' Statement**  
**For the nine-month period ended 30 September 2021**

The Board of Directors is pleased to report Abu Dhabi National Insurance Company's financial results for the nine months ended 30 September 2021. As life gradually returns to normal, we will continue our journey of growth building on the success achieved during this uncertain past year.

Our positive results are a demonstration of the ADNIC's strength and its clear strategy. The company's gross written premiums increased by 2.4% to reach AED 3.24 billion during the nine-month period ended 30 September 2021, compared to AED 3.17 billion for the same period last year; while the company's net profit increased by 18% to AED 333.7 million compared to AED 282.8 million in the same period last year. This is indicative of ADNIC's ability to retain its existing customers as well as acquire new ones.

Investment income has continued growing over the third quarter, with a growth of 48% during the nine-month period ended 30 September 2021 reaching AED 125.8 million compared to AED 85.0 million in the previous year. A normalisation of economic growth and recovery in dividend payouts have been key factors in the growth in investment returns this year.

We continue to reap the benefits of our hard work. ADNIC was recently been assigned a financial strength rating of A (Excellent) and a long-term issuer credit rating of "a" (Excellent) with a stable outlook by ratings agency AM Best. The company continued to forge multiple business partnerships across the UAE, maintaining our position of being one of the UAE's most trusted insurers.

ADNIC will continue to capitalize on its financial strength and robust solvency. As economic recovery continues, the outlook for growth in top and bottom line is positive. ADNIC will continue to invest in technologies and digital capabilities to adapt to current and post-covid market conditions.

On behalf of the Board of Directors, I would like to extend our sincere gratitude for the guidance received by the UAE's leadership and extend our sincere gratitude to His Highness Sheikh Khalifa Bin Zayed Al Nahyan, President of the UAE, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President and Prime Minister, and Ruler of Dubai, and His Highness Sheikh Mohamed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces.

I would like to thank all our partners and stakeholders for their continuous support and trust that helps ADNIC cement its position as one of the UAE's leading insurance companies.

I want to thank our employees for their hard work, dedication and their ability to provide a seamless service and look forward to celebrating the UAE's 50<sup>th</sup> anniversary as the country's reliable insurer.

  
**Sheikh Mohamed Bin Saif Al-Nahyan**  
**Chairman of the Board**

**Abu Dhabi National Insurance Company P.J.S.C.**  
**Chief Executive Officer's Statement**  
**For the nine-month period ended 30 September 2021**

I hereby present ADNIC's financial results for the nine-month period ended 30 September 2021.

Our net profit reached AED 333.7 million for the third quarter of 2021, a 18% increase compared to the same quarter last year. ADNIC has demonstrated increased operational efficiency which resulted in reduced costs and increased competitiveness, contributing to a solid net profit and gains in key metrics such as gross written premium and investment income.

I am proud of our achievements across the board, and we will continue to pursue new opportunities to deliver exceptional services to our customers, as well as contribute to numerous initiatives that have a positive impact on communities across the country to maintain our promise of being the UAE's reliable insurer.

**Key Financial Highlights**

***Gross Written Premiums***

For the period of nine months ended 30th September 2021, ADNIC's gross written premiums increased by 2.4% to AED 3.24 billion, compared to AED 3.17 billion for the same period in 2020.

***Premium Retention***

The overall premium retention ratio is 33.5% for the period of nine months ended 30<sup>th</sup> September 2021, compared to 32.7 % for the same period in 2020.

***Net Underwriting Income***

For the period of nine months ended 30<sup>th</sup> September 2021, ADNIC's underwriting income stood at AED 388.8 million, against AED 394.7 million for the same period in 2020.

***General and Administrative Expenses***

General and administrative expenses for the period of nine months ended 30<sup>th</sup> September 2021 stood at AED 181.0 million, compared to AED 196.9 million for the same period in 2020.

***Net Technical Profit***

Net technical profit for the period of nine months ended September 30<sup>th</sup>, 2021 increased by 3.9% to AED 209.8 million, against AED 201.8 million for the same period in 2020.

***Net Investment Income***

ADNIC's net investment and other income increased by 48% to AED 125.8 million for the period of nine months ended 30<sup>th</sup> September 2021, compared to AED 85.0 million for the same period in 2020.

***Net Profit***

For the period of nine months ended 30<sup>th</sup> September 2021, net profit increased by 18% to AED 333.7 million, compared to AED 282.8 million for the same period in 2020.

I wish to thank our clients and partners for the trust and confidence they continue to place in us as well as the board of directors and shareholders for their unwavering support.

Our success and achievements could not be possible without the dedication of ADNIC's management team and employees. To the entire team, I offer my sincere thanks for your commitment.

\_\_\_\_\_  
**Ahmad Idris**  
**Chief Executive Officer**





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**Independent Auditors' Report on Review of Condensed  
Consolidated Interim Financial Information**

To the Shareholders of Abu Dhabi National Insurance Company PJSC

*Introduction*

We have reviewed the accompanying 30 September 2021 condensed consolidated interim financial information of Abu Dhabi National Insurance Company PJSC (the "Company") and its subsidiary (collectively referred to as the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 September 2021;
- the condensed consolidated interim statement of profit or loss for the three-month and nine-month periods ended 30 September 2021;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2021;
- the condensed consolidated interim statement of changes in shareholders' equity for the nine-month period ended 30 September 2021;
- the condensed consolidated interim statement of cash flows for the nine-month period ended 30 September 2021; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated 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 condensed consolidated 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 September 2021 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Richard Ackland  
Registration No.: 1015  
Abu Dhabi, United Arab Emirates

Date: **08 NOV 2021**

# Abu Dhabi National Insurance Company PJSC and its subsidiary

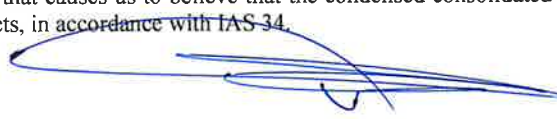
## Condensed consolidated interim statement of financial position

as at

		(Unaudited) 30 September 2021 AED'000	(Audited) 31 December 2020 AED'000
<b>Assets</b>			
Property and equipment		72,611	70,186
Financial assets at amortised cost	7	836,964	850,951
Financial assets at fair value through other comprehensive income	7	1,618,740	1,282,308
Financial assets at fair value through profit or loss	7	360,322	358,439
Investment properties		672,854	684,190
Statutory deposits	8	10,000	10,000
Insurance balances receivable	5	1,001,205	1,085,657
Reinsurers' share of unearned premiums reserve	6	1,050,957	1,007,567
Reinsurers' share of outstanding claims reserve	6	1,641,533	1,638,954
Reinsurers' share of mathematical reserve	6	2,660	-
Reinsurers' share of claims incurred but not reported reserve	6	255,434	358,930
Prepayments and other receivables	5	194,154	112,448
Deposits	8	153,143	274,851
Bank balances and cash	8	605,429	595,300
<b>Total assets</b>		<b>8,476,006</b>	<b>8,329,781</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		570,000	570,000
Share premium		110,925	110,925
Legal reserve		253,025	253,025
General reserve		1,000,000	1,000,000
Fair value reserve		153,684	155,252
Reinsurance default risk reserve		24,100	13,319
Retained earnings	9	604,253	404,548
<b>Total equity</b>		<b>2,715,987</b>	<b>2,507,069</b>
<b>Liabilities</b>			
Employees' end of service benefits		26,146	26,557
Bank overdraft	8	59,385	-
Other payables		223,949	288,389
Accounts payables		1,168,594	1,145,714
		<b>1,478,074</b>	<b>1,460,660</b>
<b>Technical reserves</b>			
Unearned premiums reserve	6	1,509,307	1,481,936
Outstanding claims reserve	6	2,284,076	2,319,993
Mathematical reserve	6	50,332	-
Claims incurred but not reported reserve	6	407,296	529,189
Allocated and unallocated loss adjustment expenses reserve	6	30,934	30,934
<b>Total technical reserves</b>		<b>4,281,945</b>	<b>4,362,052</b>
<b>Total liabilities</b>		<b>5,760,019</b>	<b>5,822,712</b>
<b>Total equity and liabilities</b>		<b>8,476,006</b>	<b>8,329,781</b>

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34.

  
**Chairman of the Board of Directors**

  
**Chief Executive Officer**

The notes set out on pages 8 to 23 form an integral part of this condensed consolidated interim financial information.

The independent auditors' report on review of the condensed consolidated interim financial information is set out on pages 1 and 2.



# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Condensed consolidated interim statement of profit or loss for the period ended 30 September (Unaudited)

		Three-month period ended 2021 AED'000	Three-month period ended 2020 AED'000	Nine-month period ended 2021 AED'000	Nine-month period ended 2020 AED'000
	<i>Note</i>				
<b>Underwriting income</b>					
Gross premiums written	14	571,096	603,930	3,242,014	3,166,270
Reinsurance share of gross premiums written	14	(401,156)	(447,673)	(2,156,292)	(2,132,223)
<b>Net premiums written</b>		<b>169,940</b>	156,257	<b>1,085,722</b>	1,034,047
Net transfer to unearned premiums reserve	14	185,738	169,248	16,019	(28,406)
Net transfer to mathematical reserve	14	(7,748)	-	(47,672)	-
<b>Net premiums earned</b>	14	<b>347,930</b>	325,505	<b>1,054,069</b>	1,005,641
Commission income earned	14	52,048	44,150	155,165	138,079
Commission expenses incurred	14	(41,159)	(37,003)	(115,811)	(104,589)
<b>Gross underwriting income</b>		<b>358,819</b>	332,652	<b>1,093,423</b>	1,039,131
Gross claims paid	14	(404,454)	(393,652)	(1,291,040)	(1,415,738)
Reinsurance share of claims paid	14	181,321	189,238	569,135	709,228
<b>Net claims paid</b>	14	<b>(223,133)</b>	(204,414)	<b>(721,905)</b>	(706,510)
Change in outstanding claims reserve		(47,290)	(55,781)	35,917	50,154
Change in reinsurance share of outstanding claims reserve		31,146	43,895	2,579	14,186
Net change in claims incurred but not reported reserve		1,723	13,661	18,397	35,859
<b>Net claims incurred</b>		<b>(237,554)</b>	(202,639)	<b>(665,012)</b>	(606,311)
<b>Underwriting income</b>		<b>121,265</b>	130,013	<b>428,411</b>	432,820
Other income related to underwriting activities	14	5,446	5,127	16,239	11,973
Other expenses related to underwriting activities	14	(18,186)	(16,728)	(55,819)	(50,085)
<b>Net underwriting income</b>	14	<b>108,525</b>	118,412	<b>388,831</b>	394,708
Income from investments, <i>net</i>	10	35,069	22,293	116,080	61,051
Income from investment properties (rental income), <i>net</i>	10	3,525	7,620	9,765	23,984
<b>Total income</b>		<b>147,119</b>	148,325	<b>514,676</b>	479,743
General and administrative expenses		(58,012)	(55,095)	(170,575)	(172,141)
Charge for expected credit losses of insurance balances receivable		(4,111)	(20)	(10,444)	(24,715)
<b>Profit before tax</b>		<b>84,996</b>	93,210	<b>333,657</b>	282,887
Tax expense		-	(35)	-	(35)
<b>Profit for the period</b>		<b>84,996</b>	93,175	<b>333,657</b>	282,852
<b>Earnings per share:</b>					
Basic and diluted earnings per share (AED)	11	<b>0.15</b>	0.16	<b>0.59</b>	0.50

The notes set out on pages 8 to 23 form an integral part of this condensed consolidated interim financial information.

The independent auditors' report on review of the condensed consolidated interim financial information is set out on pages 1 and 2.

## Abu Dhabi National Insurance Company PJSC and its subsidiary

### Condensed consolidated interim statement of profit or loss and other comprehensive income

for the period ended 30 September (Unaudited)

	<b>Three-month period ended 2021 AED'000</b>	Three-month period ended 2020 AED'000	<b>Nine-month period ended 2021 AED'000</b>	Nine-month period ended 2020 AED'000
Profit for the period	<b>84,996</b>	93,175	<b>333,657</b>	282,852
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to the consolidated statement of profit or loss:</i>				
Gain / (loss) on sale of equity investments at fair value through other comprehensive income, <i>net</i>	<b>27,513</b>	5,577	<b>76,329</b>	(81,844)
Change in fair value of equity investments at fair value through other comprehensive income, <i>net</i>	<b>(2,014)</b>	71,475	<b>35,324</b>	10,277
<i>Items that are or may be reclassified subsequently to the consolidated statement of profit or loss:</i>				
Change in fair value of debt investments at fair value through other comprehensive income, <i>net</i>	<b>(11,206)</b>	17,159	<b>(36,685)</b>	12,554
Debt investments measured at fair value through other comprehensive income – reclassified to profit or loss	<b>6</b>	114	<b>(207)</b>	(241)
<b>Other comprehensive income / (loss) for the period</b>	<b>14,299</b>	94,325	<b>74,761</b>	(59,254)
<b>Total comprehensive income for the period</b>	<b>99,295</b>	187,500	<b>408,418</b>	223,598

The notes set out on pages 8 to 23 form an integral part of this condensed consolidated interim financial information.

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## Abu Dhabi National Insurance Company PJSC and its subsidiary

Condensed consolidated interim statement of changes in shareholders' equity  
for the period ended 30 September (Unaudited)

	Share capital AED'000	Share premium AED'000	Legal reserve AED'000	General reserve AED'000	Fair value reserve AED'000	Reinsurance default risk reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2020 (Audited)	570,000	110,925	215,925	1,000,000	94,126	-	305,361	2,296,337
<i>Total comprehensive income:</i>								
Profit for the period	-	-	-	-	-	-	282,852	282,852
Other comprehensive income / (loss) for the period	-	-	-	-	22,590	-	(81,844)	(59,254)
Total comprehensive income for the period	-	-	-	-	22,590	-	201,008	223,598
<i>Transaction with owners of the Company:</i>								
Dividend paid (note 9)	-	-	-	-	-	-	(144,555)	(144,555)
Total transactions with owners of the Company	-	-	-	-	-	-	(144,555)	(144,555)
Balance at 30 September 2020 (Unaudited)	570,000	110,925	215,925	1,000,000	116,716	-	361,814	2,375,380
<b>Balance at 1 January 2021 (Audited)</b>	<b>570,000</b>	<b>110,925</b>	<b>253,025</b>	<b>1,000,000</b>	<b>155,252</b>	<b>13,319</b>	<b>404,548</b>	<b>2,507,069</b>
<i>Total comprehensive income:</i>								
Profit for the period	-	-	-	-	-	-	333,657	333,657
Other comprehensive (loss) / income for the period	-	-	-	-	(1,568)	-	76,329	74,761
<b>Total comprehensive (loss) / income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,568)</b>	<b>-</b>	<b>409,986</b>	<b>408,418</b>
<i>Transaction with owners of the Company:</i>								
Dividend paid (note 9)	-	-	-	-	-	-	(199,500)	(199,500)
Total transactions with owners of the Company	-	-	-	-	-	-	(199,500)	(199,500)
Transfer from retained earnings to reinsurance default risk reserve	-	-	-	-	-	10,781	(10,781)	-
<b>Balance at 30 September 2021 (Unaudited)</b>	<b>570,000</b>	<b>110,925</b>	<b>253,025</b>	<b>1,000,000</b>	<b>153,684</b>	<b>24,100</b>	<b>604,253</b>	<b>2,715,987</b>

The notes set out on pages 8 to 23 form an integral part of this condensed consolidated interim financial information.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Condensed consolidated interim statement of cash flows for the nine-month period ended 30 September (Unaudited)

	Note	2021 AED'000	2020 AED'000
<b>Cash flows from operating activities</b>			
<b>Profit for the period</b>		<b>333,657</b>	<b>282,852</b>
<i>Adjustments for:</i>			
Depreciation		12,746	14,393
Amortisation on financial assets at amortised cost		1,460	1,801
Charge for expected credit losses of insurance balances receivable (Reversal of) / charge for allowance for impairment loss on other financial assets		10,444	24,715
Fair value (gain) / loss on financial assets at fair value through profit or loss	10	(17,775)	14,614
Gain on sale of financial assets at fair value through profit or loss		(704)	-
Change in fair value of investment properties	10	7,673	7,998
Write off of property and equipment		5	42
Finance cost		521	-
Interest income	10	(23,536)	(29,328)
Dividend income	10	(89,359)	(60,158)
Provision for employees' end of service benefits		2,904	2,721
<b>Net cash generated from operations</b>		<b>237,850</b>	<b>260,203</b>
<i>Changes in:</i>			
Insurance balances receivable, prepayments and other receivables		(11,339)	24,643
Accounts and other payables		(41,560)	(56,851)
Unearned premiums reserve, net		(16,019)	28,406
Mathematical reserve, net		47,672	-
Gross outstanding claims and IBNR reserves		(157,810)	(40,234)
Reinsurers' share of outstanding claims and IBNR reserves		100,917	(59,965)
<b>Cash generated from operations</b>		<b>159,711</b>	<b>156,202</b>
Employees' end of service benefits paid		(3,315)	(6,619)
Interest paid		(521)	-
<b>Net cash generated from operating activities</b>		<b>155,875</b>	<b>149,583</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		790,365	540,853
Purchase of investments		(1,022,402)	(667,029)
Bank deposits withdrawn / (placed), net		121,892	(146,485)
Purchase of property and equipment		(11,512)	(14,387)
Interest received		26,372	29,194
Dividend income received	10	89,359	60,158
<b>Net cash used in investing activities</b>		<b>(5,926)</b>	<b>(197,696)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(199,500)	(144,555)
<b>Net cash used in financing activities</b>		<b>(199,500)</b>	<b>(144,555)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(49,551)</b>	<b>(192,668)</b>
Cash and cash equivalents at 1 January		595,827	782,518
<b>Cash and cash equivalents at 30 September</b>	8	<b>546,276</b>	<b>589,850</b>

Non-cash transactions include transfer from investment properties to property and equipment of AED 3,664 thousand.

The notes set out on pages 8 to 23 form an integral part of this condensed consolidated interim financial information.

The independent auditors' report on review of the condensed consolidated interim financial information is set out on pages 1 and 2.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 1 Legal status and activities

Abu Dhabi National Insurance Company PJSC (the 'Company') is a public joint stock company registered and incorporated in Abu Dhabi, United Arab Emirates, by Law No. (4) of 1972 as amended, and is governed by the provisions of the Federal Law No. (6) of 2007 concerning the Establishment of the Insurance Authority and Organisation of the Insurance Operations, the Federal Law No. (2) of 2015 concerning the Commercial Companies, Insurance Authority Board decision No. (25) of 2014 Pertinent to Financial Regulations for insurance companies and Insurance Authority Board of Directors' Decision No. (23) of 2019 concerning Instructions Organising Reinsurance Operations. The Company's principal activity is the transaction of insurance and reinsurance business of all classes and is registered with the Insurance Companies Register of Central Bank of UAE (previously the Insurance Authority) under registration No. 001. The registered office of the Company is located at Khalifa Street, ADNIC Building, P. O. Box 839, Abu Dhabi, UAE.

### 2 Basis of preparation

#### (a) Basis of consolidation

The condensed consolidated interim financial information comprises the financial results of the Company and those of its following subsidiary:

Subsidiary	Principal activity	Country of incorporation	Ownership
ADNIC International LTD	*Other activities auxiliary to insurance	United Kingdom	100%

\* The Company incorporated a wholly owned subsidiary on 3 July 2017 named ADNIC International LTD to operate as a representative office of the Company in London, England.

The subsidiary is fully consolidated from the date on which control is transferred to the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiary are prepared for the same reporting year / period as the Group, using consistent accounting policies.

#### (b) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Accordingly, this condensed consolidated interim financial information does not include all of the information required for a complete set of consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The results for the nine-month period ended 30 September 2021 are not necessarily indicative of the results for the year ending 31 December 2021.

#### (c) Basis of measurement

The condensed consolidated interim financial information has been prepared under the historical cost convention except for investment properties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are carried at fair values.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 2 Basis of preparation *(continued)*

#### *(d) Functional and reporting currency*

This condensed consolidated interim financial information is presented in United Arab Emirates Dirhams (“AED”), which is the Group’s functional currency. Except as indicated, financial information presented in AED has been rounded to the nearest thousand.

#### *(e) Use of judgments and estimates*

In preparing this condensed consolidated interim financial information, management has made judgments and estimates 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 assumption are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 December 2020, except the following estimate for mathematical reserve which is applicable from 1 January 2021.

#### *Mathematical reserve*

Considerable judgment by management is required in the estimation of mathematical reserve which is calculated for long term insurance contracts of Insurance of Persons and Fund Accumulation Operations of the Group (with policy term of more than one year), to cover all future claim liabilities as determined by actuarial valuation as at the statement of financial position date. The Group bases these estimates on standard industry and mortality tables that best reflect historical mortality experience adjusted where appropriate to reflect the Group’s own experiences.

### 3 Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2020.

### 4 New and amended standards and interpretations

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing this condensed consolidated interim financial information.

#### *IFRS 17 Insurance Contracts*

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Group plans to adopt the standard on the required effective date and is currently evaluating the expected impact.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 4 New and amended standards and interpretations *(continued)*

#### *Other standards*

The following new and amended standards are not expected to have a significant impact on the Group's condensed consolidated interim financial information, when effective:

<i>New standard or amendments</i>	<i>Effective date</i>
Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 – Onerous contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to IFRS 3 - Reference to Conceptual Framework	1 January 2022
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current	1 January 2023

### 5 Insurance balances receivable, prepayments and other receivables

	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Insurance balances receivable	1,149,681	1,235,087
<i>Less:</i> allowance for expected credit losses of insurance balances receivables	<b>(159,874)</b>	<b>(149,430)</b>
<i>Add:</i> Write offs during the year	<b>11,398</b>	-
Insurance balances receivable	<u><b>1,001,205</b></u>	<u><b>1,085,657</b></u>
<b><i>Prepayments and other receivables:</i></b>		
Deferred acquisition costs	<b>95,696</b>	77,868
Rental income receivables, <i>net</i>	<b>7,264</b>	5,350
Prepayments	<b>9509</b>	5,017
Other receivables, net of expected credit losses (i)	<b>81,685</b>	24,213
Prepayments and other receivables	<u><b>194,154</b></u>	<u><b>112,448</b></u>
Total insurance balances receivable, prepayments and other receivables	<u><b>1,195,359</b></u>	<u><b>1,198,105</b></u>

- (i) Other receivables are stated net of expected credit losses amounting to AED 2,569 thousand (31 December 2020: AED 1,764 thousand).

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 6 Insurance contract liabilities and reinsurance contract assets

	<i>(Unaudited)</i> 30 September 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
<b>Insurance contract liabilities</b>		
Unearned premiums reserve (i)	1,509,307	1,481,936
Outstanding claims reserve (ii)	2,315,010	2,350,927
Mathematical reserve	50,332	-
Claims incurred but not reported reserve	407,296	529,189
	<u>4,281,945</u>	<u>4,362,052</u>
<b>Reinsurance contract assets</b>		
Unearned premiums reserve	1,050,957	1,007,567
Outstanding claims reserve	1,641,533	1,638,954
Mathematical reserve	2,660	-
Claims incurred but not reported reserve	255,434	358,930
	<u>2,950,584</u>	<u>3,005,451</u>
<b>Insurance contract liabilities, net</b>		
Unearned premiums reserve (i)	458,350	474,369
Outstanding claims reserve (ii)	673,477	711,973
Mathematical reserve	47,672	-
Claims incurred but not reported reserve	151,862	170,259
	<u>1,331,361</u>	<u>1,356,601</u>

(i) Unearned premiums reserve includes:

	<i>(Unaudited)</i> 30 September 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Unearned premiums reserve, <i>gross</i>	1,461,978	1,383,086
Unearned premiums reserve, <i>net</i>	449,494	453,428
Premiums deficiency reserve, <i>gross</i>	-	49,106
Premiums deficiency reserve, <i>net</i>	1,322	9,158
Unexpired risk reserve, <i>gross</i>	47,325	49,739
Unexpired risk reserve, <i>net</i>	7,530	11,778
Unit linked funds reserve – <i>gross and net</i>	4	5

(ii) Outstanding claims reserve includes allocated and unallocated loss adjustment expenses reserve of AED 30,934 thousand (31 December 2020: AED 30,934 thousand).



# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 7 Investments

	<i>(Unaudited)</i> 30 September 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Financial assets at amortised cost (i)	836,964	850,951
Financial assets at fair value through other comprehensive income (ii)	1,618,740	1,282,308
Financial assets at fair value through profit or loss	360,322	358,439
	<u>2,816,026</u>	<u>2,491,698</u>

Geographical concentration of investments is as follows:

Within UAE	1,669,980	1,490,675
Outside UAE	1,146,046	1,001,023
	<u>2,816,026</u>	<u>2,491,698</u>

- (i) Financial assets at amortised cost are stated net of expected credit losses amounting to AED 240 thousand (31 December 2020: AED 588 thousand).
- (ii) Financial assets at fair value through other comprehensive income includes expected credit losses amounting to AED 180 thousand (31 December 2020: AED 393 thousand).

### 8 Cash and cash equivalents

	<i>(Unaudited)</i> 30 September 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Cash on hand	89	77
Statutory deposits (i), (ii)	10,000	10,000
Cash / call / current accounts with banks, including deposits (i)	758,772	870,842
Less: allowance for expected credit losses	(289)	(768)
	<u>768,572</u>	<u>880,151</u>
Total bank balances and cash	768,572	880,151
Less: statutory deposits	(10,000)	(10,000)
Less: deposits with original maturities of three months or more	(153,143)	(274,851)
	<u>605,429</u>	<u>595,300</u>
Bank balances and cash	605,429	595,300
Add: allowance for expected credit losses	232	527
	<u>605,661</u>	<u>595,827</u>
Less: bank overdraft repayable on demand and used for cash cash management purposes (iii)	(59,385)	-
	<u>546,276</u>	<u>595,827</u>
Cash and cash equivalents for the purpose of the condensed consolidated interim statement of cash flows	<u>546,276</u>	<u>595,827</u>

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 8 Cash and cash equivalents *(continued)*

Geographical concentration of cash and cash equivalents, statutory deposits and deposits with original maturities of three months or more, net of allowance for expected credit losses is as follows:

	<i>(Unaudited)</i> 30 September 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Within UAE	683,906	846,890
Outside UAE	84,666	33,261
	<u>768,572</u>	<u>880,151</u>

- (i) Interest rates on bank deposits range between 0.66% to 1.20% *(31 December 2020: 0.50% to 2.50%)*.
- (ii) In accordance with the requirements of Federal Law No. (6) of 2007, concerning Establishment of Insurance Authority (currently Central Bank of UAE) and Organization of its Operations, the Group maintains bank deposits of AED 10,000 thousand *(31 December 2020: AED 10,000 thousand)* which cannot be utilised without the consent of the Chairman of the UAE Insurance Authority's (currently Central Bank of UAE) Board of Directors.
- (iii) During the period, the Group has availed an overdraft facility of AED 200,000 thousand which is unsecured. Interest is payable at 3 months' EIBOR plus 1.6% per annum and the tenure of the facility is 12 months. As at reporting date the Group has utilised the facility up to AED 59,385 thousand.

### 9 Retained earnings

At the Annual General Assembly held on 21 March 2021 *(31 December 2020: held on 15 March 2020 relating to the results of the year ended 31 December 2019)*, the shareholders approved the distribution of cash dividend relating to the results for the year ended 31 December 2020 of AED 0.35 per share amounting to AED 199,500 thousand *(31 December 2020: AED 0.30 per share amounting to AED 144,555 thousand)*.

### 10 Net investments and other income

	<i>(Unaudited)</i> Three-month period ended 30 September		<i>(Unaudited)</i> Nine-month period ended 30 September	
	2021 AED'000	2020 AED'000	2021 AED'000	2020 AED'000
Income from investment properties (rental income), <i>net</i>	3,525	7,620	9,765	23,984
Dividend income	24,115	10,609	89,359	60,158
Net interest income on bank deposits and bonds	7,648	9,207	23,536	29,328
Decrease in fair value of investment properties	(2,558)	(2,666)	(7,673)	(7,998)
Net change in fair value of financial assets at fair value through profit or loss	8,793	7,259	17,775	(14,614)
Other expenses, <i>net</i>	(2,929)	(2,116)	(6,917)	(5,823)
Income from investments, <i>net</i>	<u>35,069</u>	<u>22,293</u>	<u>116,080</u>	<u>61,051</u>
Net investments and other income	<u>38,594</u>	<u>29,913</u>	<u>125,845</u>	<u>85,035</u>

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 11 Basic and diluted earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period.

	<i>(Unaudited)</i> Three-month period ended		<i>(Unaudited)</i> Nine-month period ended	
	30 September 2021	2020	30 September 2021	2020
Profit for the period used for calculating earnings per share (AED'000)	<u>84,996</u>	<u>93,175</u>	<u>333,657</u>	<u>282,852</u>
Ordinary shares outstanding during the period (shares in '000)	<u>570,000</u>	<u>570,000</u>	<u>570,000</u>	<u>570,000</u>
Basic and diluted earnings per share (AED)	<u>0.15</u>	<u>0.16</u>	<u>0.59</u>	<u>0.50</u>

### 12 Related parties

#### *Identity of related parties*

Related parties comprise major shareholders, associated companies, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Government of Abu Dhabi holds 24 percent shareholding in the Group through Mamoura Diversified Global Holding P.J.S.C.

Pricing policies and terms of these transactions are approved by management. The Group maintains significant balances with these related parties which arise from commercial transactions as follows:

*Balances with related parties included in the condensed consolidated interim statement of financial position are as follows:*

	30 September 2021 <i>(Unaudited)</i>			
	Directors and key management AED'000	Major shareholder AED'000	Others AED'000	Total AED'000
Insurance balances receivable, prepayments and other receivables	<u>249</u>	<u>-</u>	<u>112,341</u>	<u>112,590</u>
Accounts and other payables	<u>2</u>	<u>97</u>	<u>23,939</u>	<u>24,038</u>
End of service benefit payable	<u>2,682</u>	<u>-</u>	<u>-</u>	<u>2,682</u>
Cash and bank balances	<u>-</u>	<u>-</u>	<u>308,178</u>	<u>308,178</u>
Bank overdraft	<u>-</u>	<u>-</u>	<u>59,385</u>	<u>59,385</u>
Investments	<u>-</u>	<u>-</u>	<u>553,781</u>	<u>553,781</u>
Statutory deposits	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Insurance contract liabilities	<u>7</u>	<u>8</u>	<u>1,283,437</u>	<u>1,283,452</u>

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 12 Related parties (continued)

*Balances with related parties included in the condensed consolidated interim statement of financial position are as follows: (continued)*

	31 December 2020 (Audited)			
	Directors and key management AED'000	Major shareholder AED'000	Others AED'000	Total AED'000
Insurance balances receivable, prepayments and other receivables	274	-	187,251	187,525
Accounts and other payables	3	126	16,902	17,031
End of service benefit payable	2,158	-	-	2,158
Cash and bank balances	-	-	309,792	309,792
Investments	-	-	485,037	485,037
Statutory deposits	-	-	10,000	10,000
Insurance contract liabilities	204	59	1,348,610	1,348,873

Contingent liabilities issued in favor of related parties as at 30 September 2021 amounted to AED 94,590 thousand (31 December 2020: AED 94,265 thousand).

*Transactions with related parties during the period are as follows (Unaudited):*

	Nine-month period ended 30 September 2021			
	Directors and key management AED'000	Major shareholder AED'000	Others AED'000	Total AED'000
Premiums written	4	19	951,747	951,770
Claims incurred	27	-	356,187	356,214
Dividend income	-	-	15,195	15,195
Interest income	-	-	7,774	7,774
Directors' remuneration	5,800	-	-	5,800
Other investment income	-	-	126	126

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 12 Related parties (continued)

*Transactions with related parties during the period are as follows (Unaudited):*  
*(continued)*

	<b>Three-month period ended 30 September 2021</b>			
	<b>Directors and key management AED'000</b>	<b>Major shareholder AED'000</b>	<b>Others AED'000</b>	<b>Total AED'000</b>
	Premiums written	4	1	77,909
Claims incurred	27	-	101,827	101,854
Dividend income	-	-	3,655	3,655
Interest income	-	-	2,590	2,590
Other investment income	-	-	43	43

	<b>Nine-month period ended 30 September 2020</b>			
	<b>Directors and key management AED'000</b>	<b>Major shareholder AED'000</b>	<b>Others AED'000</b>	<b>Total AED'000</b>
	Premiums written	110	71	919,787
Claims incurred	24	44	303,357	303,425
Dividend income	-	-	9,274	9,274
Interest income	-	-	7,828	7,828
Directors' remuneration	5,800	-	-	5,800
Other investment income	-	-	125	125

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 12 Related parties (continued)

*Transactions with related parties during the period are as follows (Unaudited):*  
(continued)

	Three-month period ended 30 September 2020			
	Directors and key management	Major shareholder	Others	Total
	AED'000	AED'000	AED'000	AED'000
Premiums written	57	7	146,034	146,098
Claims incurred	1	(2)	53,074	53,073
Dividend income	-	-	495	495
Interest income	-	-	2,587	2,587
Other investment income	-	-	41	41

At the Annual General Assembly held on 21 March 2021, the shareholders approved Board of Directors' remuneration relating to the results for the year ended 31 December 2020 amounting to AED 5,800 thousand (31 December 2020: AED 5,800 thousand relating to the results for the year ended 31 December 2019).

*Compensation of key management personnel is as follows (Unaudited):*

	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2021	2020	2021	2020
	AED'000	AED'000	AED'000	AED'000
Salaries and short-term benefits	3,368	3,083	12,872	11,799
Employees' end of service benefits	114	422	524	653
	<b>3,482</b>	<b>3,505</b>	<b>13,396</b>	<b>12,452</b>

### 13 Fair value of financial instruments

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRS. It unifies the definition of fair value as 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.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 13 Fair value of financial instruments (continued)

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### *Assets measured at fair value – fair value hierarchy*

The table below analyses assets 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:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>30 September 2021 (Unaudited)</b>				
Financial assets at fair value through profit or loss	72,442	-	287,880	360,322
Financial assets at fair value through other comprehensive income	1,482,502	-	136,238	1,618,740
	<u>1,554,944</u>	<u>-</u>	<u>424,118</u>	<u>1,979,062</u>
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>31 December 2020 (Audited)</b>				
Financial assets at fair value through profit or loss	70,915	-	287,524	358,439
Financial assets at fair value through other comprehensive income	1,129,481	-	152,827	1,282,308
	<u>1,200,396</u>	<u>-</u>	<u>440,351</u>	<u>1,640,747</u>

The valuation techniques and inputs used in this condensed consolidated interim financial information are consistent with those described in the Group's last annual consolidated financial statements for the year ended 31 December 2020.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 13 Fair value of financial instruments *(continued)*

#### *Fair value of financial instruments measured at amortised cost*

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated interim statement of financial position approximate their fair values.

	<b>Carrying amount AED'000</b>	<b>Fair value AED'000</b>
<b>30 September 2021 <i>(Unaudited)</i></b>		
Financial assets at amortised cost	<u>836,964</u>	<u>863,339</u>
<b>31 December 2020 <i>(Audited)</i></b>		
Financial assets at amortised cost	<u>850,951</u>	<u>891,483</u>

Movement in level 3 for financial assets carried at fair value through profit or loss and financial assets at fair value through OCI is as follows:

	<i>(Unaudited)</i> <b>30 September 2021 AED'000</b>	<i>(Audited)</i> 31 December 2020 AED'000
Balance as at 1 January	440,351	499,121
Change in fair value	9,217	(16,050)
Additions	13,306	130,124
Transfers	-	(96,780)
Disposals	<u>(38,756)</u>	<u>(76,064)</u>
Balance as at period / year end	<u>424,118</u>	<u>440,351</u>

During the nine-month period ended 30 September 2021, there were no transfers from Level 3 to Level 1 *(31 December 2020: from Level 3 to Level 1 of AED 96,780 thousand)*.



# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 14 Segment information

The Group is organised into two main business segments:

Underwriting of commercial lines of business – incorporating all classes of general insurance including marine cargo, marine hull, aviation, energy, property and engineering; and

Underwriting of consumer line of business – incorporating all classes of insurance including accident, life, motor and medical.

	Nine-month period ended 30 September (Unaudited)					
	Commercial		Consumer		Total	
	2021	2020	2021	2020	2021	2020
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Gross premiums written	1,782,894	1,907,080	1,459,120	1,259,190	3,242,014	3,166,270
Less: reinsurance share of gross premiums written	(1,539,934)	(1,640,302)	(616,358)	(491,921)	(2,156,292)	(2,132,223)
Net premiums written	242,960	266,778	842,762	767,269	1,085,722	1,034,047
Net transfer to unearned premiums reserve	23,721	26,255	(7,702)	(54,661)	16,019	(28,406)
Net transfer to mathematical reserve	-	-	(47,672)	-	(47,672)	-
Net premiums earned	266,681	293,033	787,388	712,608	1,054,069	1,005,641
Commission income earned	108,394	83,593	46,771	54,486	155,165	138,079
Commission expenses incurred	(70,518)	(71,727)	(45,293)	(32,862)	(115,811)	(104,589)
Gross underwriting income	304,557	304,899	788,866	734,232	1,093,423	1,039,131
Gross claims paid	(389,525)	(589,515)	(901,515)	(826,223)	(1,291,040)	(1,415,738)
Less: reinsurance share of claims paid	258,217	409,035	310,918	300,193	569,135	709,228
Net claims paid	(131,308)	(180,480)	(590,597)	(526,030)	(721,905)	(706,510)
Net change in outstanding claims and incurred but not reported claims reserves	41,795	76,646	15,098	23,553	56,893	100,199
Net claims incurred	(89,513)	(103,834)	(575,499)	(502,477)	(665,012)	(606,311)
Underwriting income	215,044	201,065	213,367	231,755	428,411	432,820
Other underwriting income	11,681	9,475	4,558	2,498	16,239	11,973
Other underwriting expenses	(20,582)	(16,748)	(35,237)	(33,337)	(55,819)	(50,085)
Net underwriting income	206,143	193,792	182,688	200,916	388,831	394,708
Net investment and other income					125,845	85,035
General and administrative expenses					(170,575)	(172,141)
Charge for expected credit losses of insurance balances receivable					(10,444)	(24,715)
Profit before tax					333,657	282,887
Tax expense					-	(35)
Profit for the period					333,657	282,852

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 14 Segment information (continued)

	Three-month period ended 30 September (Unaudited)					
	Commercial		Consumer		Total	
	2021	2020	2021	2020	2021	2020
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Gross premiums written	339,742	389,134	231,354	214,796	571,096	603,930
Less: reinsurance share of gross premiums written	(296,995)	(356,556)	(104,161)	(91,117)	(401,156)	(447,673)
Net premiums written	42,747	32,578	127,193	123,679	169,940	156,257
Net transfer to unearned premiums reserve	38,492	56,143	147,246	113,105	185,738	169,248
Net transfer to mathematical reserve	-	-	(7,748)	-	(7,748)	-
Net premiums earned	81,239	88,721	266,691	236,784	347,930	325,505
Commission income earned	38,518	27,924	13,530	16,226	52,048	44,150
Commission expenses incurred	(25,564)	(23,519)	(15,595)	(13,484)	(41,159)	(37,003)
Gross underwriting income	94,193	93,126	264,626	239,526	358,819	332,652
Gross claims paid	(104,935)	(145,870)	(299,519)	(247,782)	(404,454)	(393,652)
Less: reinsurance share of claims paid	70,137	99,965	111,184	89,273	181,321	189,238
Net claims paid	(34,798)	(45,905)	(188,335)	(158,509)	(223,133)	(204,414)
Net change in outstanding claims and incurred but not reported claims reserves	(11,094)	(1,762)	(3,327)	3,537	(14,421)	1,775
Net claims incurred	(45,892)	(47,667)	(191,662)	(154,972)	(237,554)	(202,639)
Underwriting income	48,301	45,459	72,964	84,554	121,265	130,013
Other underwriting income	3,595	4,238	1,851	889	5,446	5,127
Other underwriting expenses	(6,933)	(5,817)	(11,253)	(10,911)	(18,186)	(16,728)
Net underwriting income	44,963	43,880	63,562	74,532	108,525	118,412
Net investment and other income					38,594	29,913
General and administrative expenses					(58,012)	(55,095)
Charge for expected credit losses of insurance balances receivable					(4,111)	(20)
Profit before tax					84,996	93,210
Tax expense					-	(35)
Profit for the period					84,996	93,175

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 14 Segment information *(continued)*

Details of segment assets and liabilities are presented below:

#### 30 September 2021 *(Unaudited)*

	Commercial AED'000	Consumer AED'000	Investments AED'000	Total AED'000
Segment assets	<u>2,838,037</u>	<u>1,338,109</u>	<u>4,299,860</u>	<u>8,476,006</u>
Segment liabilities	<u>4,192,242</u>	<u>1,555,981</u>	<u>11,796</u>	<u>5,760,019</u>

#### 31 December 2020 *(Audited)*

	Commercial AED'000	Consumer AED'000	Investments AED'000	Total AED'000
Segment assets	<u>3,426,399</u>	<u>828,730</u>	<u>4,074,652</u>	<u>8,329,781</u>
Segment liabilities	<u>4,531,197</u>	<u>1,277,504</u>	<u>14,011</u>	<u>5,822,712</u>

### 15 Financial risk management

The Group's risk management policies with regards to financial instruments are the same as those disclosed in the last annual consolidated financial statements of the Group for the year ended 31 December 2020.

### 16 Contingent liabilities and commitments

	<i>(Unaudited)</i> 30 September 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Commitments in respect of uncalled subscription of equities held as investments	<u>67,291</u>	<u>30,779</u>
Bank guarantees	<u>221,200</u>	<u>215,383</u>
Letters of credit	<u>384</u>	<u>384</u>

The above bank guarantees and letters of credit were issued in the normal course of business.

#### *Legal claims*

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of the business. Management, based on advice from independent loss adjusters, internal and external legal counsels, makes provision, where applicable, representing amounts expected to result in a probable outflow of economic resources.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 17 Impact of COVID-19

On 11 March 2020, the World Health Organization (“WHO”) officially declared COVID-19 a global pandemic. In light of the rapid spread of COVID-19 across the globe, various economies and sectors have faced significant disruptions and uncertainty and governments and authorities have instigated a host of measures to contain the spread of the virus.

This note outlines the steps taken by the Group to estimate the impact of COVID-19 and the judgements applied by management in assessing the values of assets and liabilities as at 30 September 2021.

#### *i) Assessment of expected credit loss*

The Group used a range of macro-economic factors in the assessment of ECL. The Group periodically reviews, and updates selected economic series and applies judgement in determining what constitutes reasonable and forward-looking estimates.

For the nine-month period ended 30 September 2021, the Group has used the mechanism to stress the probability scenario weightages to assess additional ECL requirements due to COVID-19 as in comparison to the scenario weightages used as of 31 December 2020.

In the context of COVID-19 crisis, Loss given Default (“LGD”) and Exposure at Default (“EAD”) estimates have also been assessed. This assessment has considered several aspects including cash situation and credit rating of the counterparties.

#### *ii) Liquidity risk management*

In response to COVID-19 outbreak, the Group continues to monitor and respond to all liquidity requirements that are presented. The Group continues to calibrate stress testing scenarios to current market conditions in order to assess the impact on the Group in the current extreme stress. As at the reporting date the liquidity position of the Group remains strong and is well placed to absorb and manage the impacts of this disruption. During the period, the Group has availed an overdraft facility from a commercial bank for its cash management purposes (*note 8*).

### 18 General

The condensed consolidated interim financial information of the Group was approved for issuance by the Board of Directors on 08 NOV 2021.