

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

Condensed consolidated interim financial information

*30 June 2019*

**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-Dhaheiri 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 P.J.S.C**  
**Board of Directors' Statement**  
**For the six-month period ended 30<sup>th</sup> June 2019**

On behalf of the Board of Directors of Abu Dhabi National Insurance Company (ADNIC), I would like to present our Board of Directors' Report and Audited Condensed Consolidated Interim Financial Information for the six-month period ended 30<sup>th</sup> June 2019.

ADNIC has delivered 29.5% growth in gross written premium during the first half of 2019 and 19.1% growth in net profit during the period April to June 2019.

As we move into the second half of 2019, the company will remain firmly focused on maintaining robust foundations to drive long-term sustainable growth and maximise value for shareholders, while increasing customer satisfaction and retention.

**Key Financial Highlights:**

***Cash Balances***

ADNIC's cash balances stood at AED 774.5 million as of 30<sup>th</sup> June 2019, compared to AED 611.1 million as of 31<sup>st</sup> March 2019, and to AED 854.6 million as of 31<sup>st</sup> December 2018.

***Investments***

Total investments including cash in time deposits, bank accounts and investment properties stood at AED 3.75 billion as of 30<sup>th</sup> June 2019, compared to AED 3.56 billion as of 31<sup>st</sup> March 2019, and to AED 3.75 billion as of 31<sup>st</sup> December 2018.

***Total Assets***

Total assets increased by 11.3% to AED 8.07 billion as of 30<sup>th</sup> June 2019, compared to AED 7.25 billion as of 31<sup>st</sup> December 2018.

***Gross Technical Reserves***

Gross technical reserves increased by 13.7% to AED 4.50 billion as of 30<sup>th</sup> June 2019, compared to AED 3.96 billion as of 31<sup>st</sup> December 2018.

***Shareholders' Equity***


The shareholders' equity position is AED 2.14 billion as of 30<sup>th</sup> June 2019, compared to AED 2.10 billion as of 31<sup>st</sup> December 2018.

***Basic and Diluted Earnings Per Share***

Basic and diluted earnings per share is AED 0.21, compared to basic and diluted earnings per share of AED 0.27 for the same period last year.

On behalf of the Board of Directors, I would like to 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, for their continued support.



 **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 six-month period ended 30<sup>th</sup> June 2019**

I hereby present ADNIC's financial results for the six-month period ended 30<sup>th</sup> June 2019.

ADNIC achieved significant gross written premium growth during the first half of 2019. Our net profit has grown to AED 66.0 million for the three months ending 30<sup>th</sup> June 2019 compared to AED 55.4 million during the same period last year. This performance is testament to the strength of our customer service proposition, technical excellence, product and service innovation and commitment to the community. Moving forward, we continue to focus on achieving our strategic targets, including investing in new products and service innovations to create additional value for customers and shareholders.

#### **Key Financial Highlights:**

##### ***Gross Written Premiums***

For the six-month period ended 30<sup>th</sup> June 2019, ADNIC's gross written premiums increased by 29.5% to AED 2.35 billion, compared to AED 1.81 billion for the same period in 2018.

##### ***Premium Retention***

The overall premium retention ratio reached 32.6% for the six-month period ended 30<sup>th</sup> June 2019, compared to 53.2 % for the same period in 2018.

##### ***Net Underwriting Income***

For the six-month period ended 30<sup>th</sup> June 2019, ADNIC's net underwriting profit is AED 165.4 million, against AED 193.1 million for the same period in 2018.

##### ***General and Administrative Expenses***

General and administrative expenses for six-month period ended 30<sup>th</sup> June 2019 stood at AED 125.9 million, compared to AED 112.3 million for the same period in 2018.

##### ***Net Technical Profit***

Net technical profit for the six-month period ended 30<sup>th</sup> June 2019 is AED 40.7 million, against AED 81.5 million for the same period in 2018.

## **Abu Dhabi National Insurance Company P.J.S.C.**

### **Chief Executive Officer's Statement**

#### **For the six-month period ended 30<sup>th</sup> June 2019**

##### ***Net Investment Income***

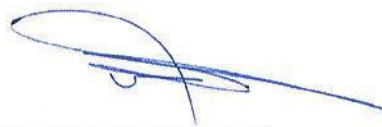
ADNIC's net investment and other income increased by 13.5% to AED 79.1 million for the six-month period ended 30<sup>th</sup> June 2019, compared to AED 69.7 million for the same period in 2018.

##### ***Net Profit***

For the six-month period ended 30<sup>th</sup> June 2019, net profit is AED 118.6 million, compared to AED 150.5 million for the same period in 2018. For the three-month period ended 30<sup>th</sup> June 2019, net profit grew by 19.1% to reach AED 66.0 million, compared to AED 55.4 million for the same period in 2018.

##### ***Appreciation***

I would like to thank ADNIC's Board of Directors and shareholders for their continued support, our clients and business partners for their patronage and our management team and employees for their diligent efforts. I am confident that we will continue to make further accomplishments and maximise shareholder value in the remainder of the year.



**Ahmad Idris**

**Chief Executive Officer**

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

### Condensed consolidated interim financial information

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## Independent Auditors' Report

To the Shareholders of Abu Dhabi National Insurance Company PJSC

### Report on Review of Condensed Consolidated Interim Financial Information

#### *Introduction*

We have reviewed the accompanying 30 June 2019 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 June 2019;
- the condensed consolidated interim statement of profit or loss for the three-month and six-month periods ended 30 June 2019;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for three-month and six-month periods ended 30 June 2019;
- the condensed consolidated interim statement of changes in shareholders' equity for the six-month period ended 30 June 2019;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2019; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of these 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.



**Abu Dhabi National Insurance Company PJSC and its subsidiary**  
*Independent Auditors' Report on Review of Condensed  
Consolidated Interim Financial Information for the  
six-month period ended 30 June 2019*

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2019 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

*Other matter*

The condensed consolidated interim financial information for the six-month period ended 30 June 2018 and the consolidated financial statements for the year ended 31 December 2018 were reviewed and audited respectively by another auditor who expressed an unmodified conclusion on the condensed consolidated interim financial information for the six-month period ended 30 June 2018 on 31 July 2018 and an unmodified opinion on the consolidated financial statements for the year ended 31 December 2018 on 12 February 2019.

KPMG Lower Gulf Limited

Saif Fayeze Shawer  
Registration No: 1131  
Abu Dhabi, United Arab Emirates  
Date: **31 JUL 2019**



# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Condensed consolidated interim statement of financial position

as at

		(Unaudited) 30 June 2019 AED'000	(Audited) 31 December 2018 AED'000
<b>Assets</b>			
Property and equipment		79,223	71,624
Financial assets at amortised cost	7	782,865	774,315
Financial assets at fair value through other comprehensive income	7	1,202,351	1,135,973
Financial assets at fair value through profit or loss	7	277,456	270,218
Investment properties		709,987	709,987
Statutory deposits	8	10,000	10,000
Insurance balances receivable	5	1,184,539	892,649
Reinsurers' share of unearned premiums reserve	6	1,167,136	739,584
Reinsurers' share of outstanding claims reserves	6	1,222,153	1,296,925
Reinsurers' share of claims incurred but not reported reserve	6	477,938	318,937
Prepayments and other receivables	5	189,281	185,417
Deposits	8	383,237	507,866
Bank balances and cash	8	381,247	336,769
<b>Total assets</b>		<b>8,067,413</b>	<b>7,250,264</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11	570,000	375,000
Share premium		110,925	-
Legal reserve		187,500	187,500
General reserve		1,000,000	850,000
Fair value reserve		112,722	85,914
Mandatory convertible bonds – equity component	11	-	305,925
Retained earnings		157,786	297,400
<b>Total equity</b>		<b>2,138,933</b>	<b>2,101,739</b>
<b>Liabilities</b>			
Employees' end of service benefits		32,955	31,600
Other payables		302,507	311,132
Mandatory convertible bonds – liability component		-	27,960
Accounts payable		1,092,460	819,743
		<b>1,427,922</b>	<b>1,190,435</b>
<b>Technical reserves</b>			
Unearned premiums reserve	6	1,833,446	1,284,135
Outstanding claims reserve	6	1,919,306	2,090,512
Claims incurred but not reported reserve	6	701,577	537,214
Allocated and unallocated loss adjustment expenses reserve	6	46,229	46,229
<b>Total technical reserves</b>		<b>4,500,558</b>	<b>3,958,090</b>
<b>Total liabilities</b>		<b>5,928,480</b>	<b>5,148,525</b>
<b>Total equity and liabilities</b>		<b>8,067,413</b>	<b>7,250,264</b>

The condensed consolidated interim financial information of the Group was authorised for issue and approved by the Board of Directors on 31 July 2019, and signed on their behalf by:

  
Chairman of the Board of Directors

  
Chief Executive Officer

The notes set out on pages 8 to 21 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 June (Unaudited)

		Three-month period ended 2019	Three-month period ended 2018	Six-month period ended 2019	Six-month period ended 2018
	Note	AED'000	AED'000	AED'000	AED'000
<b>Underwriting income</b>					
Gross premiums written	15	606,415	593,633	2,347,922	1,812,839
Reinsurance share of gross premiums	15	(410,003)	(266,217)	(1,583,279)	(847,913)
<b>Net premiums written</b>		<b>196,412</b>	<b>327,416</b>	<b>764,643</b>	<b>964,926</b>
Net transfer to unearned premiums reserve	15	106,256	27,470	(121,759)	(254,220)
<b>Net premiums earned</b>	<b>15</b>	<b>302,668</b>	<b>354,886</b>	<b>642,884</b>	<b>710,706</b>
Commissions earned		60,759	45,700	118,567	81,416
Commissions incurred		(41,573)	(35,602)	(76,580)	(71,427)
<b>Gross underwriting income</b>		<b>321,854</b>	<b>364,984</b>	<b>684,871</b>	<b>720,695</b>
Gross claims paid	15	(423,938)	(477,249)	(1,042,321)	(879,524)
Reinsurance share of claims paid	15	159,425	233,730	450,674	424,171
<b>Net claims paid</b>	<b>15</b>	<b>(264,513)</b>	<b>(243,519)</b>	<b>(591,647)</b>	<b>(455,353)</b>
Change in outstanding claims reserve		25,726	37,801	171,206	(74,567)
Change in reinsurance share of outstanding claims reserve		5,400	(84,195)	(74,773)	12,588
Net increase in incurred but not reported claims reserve		2,515	7,058	(5,361)	3,894
Net decrease in allocated and unallocated loss adjustment expenses reserve		-	5,768	-	6,468
<b>Net claims incurred</b>		<b>(230,872)</b>	<b>(277,087)</b>	<b>(500,575)</b>	<b>(506,970)</b>
<b>Underwriting income</b>		<b>90,982</b>	<b>87,897</b>	<b>184,296</b>	<b>213,725</b>
Other income related to underwriting activities		4,186	2,437	8,454	4,597
Other expenses related to underwriting activities		(14,055)	(12,734)	(27,312)	(25,230)
<b>Net underwriting income</b>		<b>81,113</b>	<b>77,600</b>	<b>165,438</b>	<b>193,092</b>
Income from investments	10	38,991	25,424	63,011	50,148
Income from investment properties	10	7,879	9,274	16,123	19,557
<b>Total income</b>		<b>127,983</b>	<b>112,298</b>	<b>244,572</b>	<b>262,797</b>
General and administrative expenses		(61,980)	(56,924)	(125,944)	(112,263)
<b>Profit for the period</b>		<b>66,003</b>	<b>55,374</b>	<b>118,628</b>	<b>150,534</b>
<b>Earnings per share:</b>					
Basic and diluted earnings per share (AED)	12	0.12	0.10	0.21	0.27

The notes set out on pages 11 to 24 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 4 and 5.

## 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 June (Unaudited)

	<b>Three-month period ended 2019</b>	Three-month period ended 2018	<b>Six-month period ended 2019</b>	Six-month period ended 2018
<i>Note</i>	<b>AED'000</b>	AED'000	<b>AED'000</b>	AED'000
Profit for the period	<b>66,003</b>	55,374	<b>118,628</b>	150,534
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to statement of profit or loss:</i>				
Gain on sale of financial assets at fair value through other comprehensive income	<b>8,986</b>	8,162	<b>10,058</b>	6,504
Changes in fair value of financial assets at fair value through other comprehensive income, net	<b>(2,139)</b>	(18,930)	<b>26,808</b>	1,004
Directors' remuneration	<i>13</i> -	-	<b>(5,800)</b>	(5,800)
Other comprehensive income / (loss) for the period	<b>6,847</b>	(10,768)	<b>31,066</b>	1,708
Total comprehensive income for the period	<b>72,850</b>	44,606	<b>149,694</b>	152,242

The notes set out on pages 11 to 24 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 4 and 5.

## Abu Dhabi National Insurance Company PJSC and its subsidiary

Condensed consolidated interim statement of changes in shareholders' equity  
for the six-months period ended 30 June (Unaudited)

	Share capital AED'000	Share premium AED'000	Legal reserve AED'000	General reserve AED'000	Fair value reserve AED'000	Mandatory convertible bond AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2018 (Audited)	375,000	-	187,500	750,000	93,191	305,925	263,983	1,975,599
<i>Total comprehensive income:</i>								
Profit for the period	-	-	-	-	-	-	150,534	150,534
Other comprehensive income for the period	-	-	-	-	1,004	-	704	1,708
Total comprehensive income for the period	-	-	-	-	1,004	-	151,238	152,242
<i>Transactions with owners of the Company:</i>								
Dividends paid (note 9)	-	-	-	-	-	-	(93,750)	(93,750)
Total transactions with owners of the Company	-	-	-	-	-	-	(93,750)	(93,750)
Transfer from retained earnings to general reserve (note 9)	-	-	-	100,000	-	-	(100,000)	-
Balance at 30 June 2018 (Unaudited)	375,000	-	187,500	850,000	94,195	305,925	221,471	2,034,091
<b>Balance at 1 January 2019 (Audited)</b>	<b>375,000</b>	<b>-</b>	<b>187,500</b>	<b>850,000</b>	<b>85,914</b>	<b>305,925</b>	<b>297,400</b>	<b>2,101,739</b>
<i>Total comprehensive income:</i>								
Profit for the period	-	-	-	-	-	-	118,628	118,628
Other comprehensive income for the period	-	-	-	-	26,808	-	4,258	31,066
Total comprehensive income for the period	-	-	-	-	26,808	-	122,886	149,694
<i>Transactions with owners of the Company:</i>								
Dividends paid (note 9)	-	-	-	-	-	-	(112,500)	(112,500)
Total transactions with owners of the Company	-	-	-	-	-	-	(112,500)	(112,500)
Conversion of mandatory convertible bonds (note 11)	195,000	110,925	-	-	-	(305,925)	-	-
Transfer from retained earnings to general reserve (note 9)	-	-	-	150,000	-	-	(150,000)	-
<b>Balance at 30 June 2019 (Unaudited)</b>	<b>570,000</b>	<b>110,925</b>	<b>187,500</b>	<b>1,000,000</b>	<b>112,722</b>	<b>-</b>	<b>157,786</b>	<b>2,138,933</b>

The notes set out on pages 11 to 24 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 six-month period ended 30 June (Unaudited)

	Note	2019 AED'000	2018 AED'000
<b>Cash flows from operating activities</b>			
Profit for the period		118,628	150,534
<i>Adjustments for:</i>			
Depreciation		9,732	6,623
Net impairment loss on insurance balances receivable		6,730	915
Allowance for impairment of other financial assets		1,703	-
Gain on sale of financial assets at fair value through profit or loss	10	-	(38)
Fair value gain on financial assets at fair value through profit or loss	10	(5,739)	(1,196)
Amortisation expense – net		1,172	1,688
Accretion on mandatory convertible bonds		1,290	992
Amortisation of transaction cost - mandatory convertible bonds		83	91
Provision for employees' end of service benefits		1,896	1,928
<b>Net cash generated from operations</b>		<b>135,495</b>	<b>161,537</b>
<i>Changes in:</i>			
Insurance balances receivable, prepayments and other receivables		(302,996)	(472,182)
Accounts payables		250,798	254,220
Unearned premiums reserve - net		121,760	246,192
Gross outstanding claims and IBNR reserves		(6,843)	114,954
Reinsurance share in outstanding claims and IBNR reserves		(84,229)	(63,337)
<b>Cash generated from operations</b>		<b>113,985</b>	<b>241,384</b>
Employees' end of service benefits paid		(541)	(1,949)
<b>Net cash generated from operating activities</b>		<b>113,444</b>	<b>239,435</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		408,211	282,353
Purchase of investments		(450,124)	(328,453)
Bank deposits withdrawn		124,629	104,064
Additions to property and equipment		(4,037)	(5,090)
<b>Net cash generated from investing activities</b>		<b>78,679</b>	<b>52,874</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(112,500)	(93,750)
Directors' remuneration		(5,800)	(5,800)
Interest paid on mandatory convertible bonds		(29,250)	(29,251)
<b>Net cash used in financing activities</b>		<b>(147,550)</b>	<b>(128,801)</b>
<b>Net increase in cash and cash equivalents</b>		<b>44,573</b>	<b>163,508</b>
Cash and cash equivalents at 1 January		336,769	213,504
<b>Cash and cash equivalents at 30 June</b>	8	<b>381,342</b>	<b>377,012</b>

The notes set out on pages 11 to 24 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 4 and 5.

# 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 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 which has come into effect from 1 July 2015, Insurance Authority Board decision No. (25) of 2014 pertinent to Financial Regulations for insurance companies and Insurance Authority's Board of Directors Decision No. (23) of 2019 Concerning Instructions Organizing Reinsurance Operations. The Company's principal activity is the transaction of insurance and reinsurance business of all classes. The registered office of the Company is Khalifa Street, ADNIC Building, P. O. Box 839, Abu Dhabi, UAE.

### 2 Basis of preparation

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

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, these do not include all of the information required for a complete set of 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 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS). The results for the six-month period ended 30 June 2019 are not necessarily indicative of the results for the year ending 31 December 2019.

#### (b) *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.

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

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

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

In preparing the condensed consolidated interim financial information, significant judgments made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2018.

### 3 Changes in accounting policies, estimates and judgements

The Group has consistently applied the accounting policies as applied by the Group in the annual consolidated financial statements for the year ended 31 December 2018, except the following accounting policies which are applicable from 1 January 2019:

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 3 Changes in accounting policies, estimates and judgements (*continued*)

#### IFRS 16 Leases

The Group has adopted IFRS 16 'Leases', issued in January 2016, with the date of initial application of 1 January 2019. IFRS 16 introduces significant changes to lessee accounting. It removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short term leases and leases of low value assets.

#### *Lessee accounting*

The Group initially measures the right-of-use asset at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

The Group initially measures the lease liability at the present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

The Group has elected to apply the expedient allowed by IFRS 16 on its general requirements to short-term leases (i.e. one that does not include a purchase option and has a lease term at commencement date of 12 months or less) and leases of low value assets. For this the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term or another systematic basis if that basis is representative of the pattern of the lessee's benefits, similar to the current accounting for operating leases.

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated. The Group has assessed that the impact of IFRS 16 is not material on retained earnings as at the reporting date and has presented, right of use assets within 'Property and equipment' and lease liabilities within 'Other payables in the condensed consolidated interim statement of financial position.

#### *Impacts on condensed consolidated interim financial information*

As a result of initially applying IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised AED 11,658 thousand of right-of-use assets (included in property and equipment) and AED 11,731 thousand of lease liabilities as at 30 June 2019.

Further, in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the six-month period ended 30 June 2019, the Group recognised AED 2,771 thousand of depreciation charges and AED 406 thousand of interest costs from these leases.

### 4 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.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 4 Basis of consolidation *(continued)*

The subsidiary is fully consolidated from the date on which control is transferred to the Group. 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. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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



# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

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

	<i>(Unaudited)</i>	<i>(Audited)</i>
	30 June	31 December
	2019	2018
	AED'000	AED'000
Insurance receivables	1,325,223	1,034,907
<i>Less:</i> allowance for impairment of insurance receivables	<b>(140,684)</b>	(142,258)
Insurance balances receivable	<u>1,184,539</u>	<u>892,649</u>
<i>Prepayments and other receivables:</i>		
Deferred acquisition costs	103,363	81,669
Rental income receivables, net	32,110	41,643
Prepayments	27,783	40,271
Other receivables, net of provision	26,025	21,834
Prepayments and other receivables	<u>189,281</u>	<u>185,417</u>
Total insurance receivables, prepayments and other receivables	<u><u>1,373,820</u></u>	<u><u>1,078,066</u></u>

### 6 Insurance contract liabilities and reinsurance contract assets

	<i>(Unaudited)</i>	<i>(Audited)</i>
	30 June	31 December
	2019	2018
	AED'000	AED'000
<b>Insurance contract liabilities</b>		
Unearned premiums reserve (ii)	1,833,446	1,284,135
Outstanding claims reserve (i)	1,919,306	2,090,512
Claims incurred but not reported reserve	701,577	537,214
	<u>4,454,329</u>	<u>3,911,861</u>
<b>Re-insurance contract assets</b>		
Unearned premiums reserve	1,167,136	739,584
Outstanding claims reserve	1,222,153	1,296,925
Claims incurred but not reported reserve	477,938	318,937
	<u>2,867,227</u>	<u>2,355,446</u>
<b>Insurance liabilities - net</b>		
Unearned premiums reserve (ii)	666,310	544,551
Outstanding claims reserve (i)	743,382	839,816
Claims incurred but not reported reserve	223,639	218,277
	<u>1,633,331</u>	<u>1,602,644</u>

- (i) Outstanding claims reserve includes allocated and unallocated loss adjustment expenses reserve of AED 46,229 thousand (31 December 2018: AED 46,229 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 (continued)

(ii) Unearned premiums reserve includes:

	<i>(Unaudited)</i> 30 June 2019 AED'000	<i>(Audited)</i> 31 December 2018 AED'000
Premiums deficiency reserve - gross	91,500	83,800
Premiums deficiency reserve - net	22,500	25,400
Unexpired risk reserve - gross	48,022	46,438
Unexpired risk reserve - net	16,260	18,809

### 7 Investments

	<i>(Unaudited)</i> 30 June 2019 AED'000	<i>(Audited)</i> 31 December 2018 AED'000
Financial assets at amortised cost	782,865	774,315
Financial assets at fair value through other comprehensive income	1,202,351	1,135,973
Financial assets at fair value through profit or loss	277,456	270,218
	<u>2,262,672</u>	<u>2,180,506</u>
Geographical concentration of investments is as follows:		
Within UAE	1,336,078	1,244,297
Outside UAE	926,594	936,209
	<u>2,262,672</u>	<u>2,180,506</u>

### 8 Cash and cash equivalents

	<i>(Unaudited)</i> 30 June 2019 AED'000	<i>(Audited)</i> 31 December 2018 AED'000
Cash on hand	69	87
Statutory deposits	10,000	10,000
Cash / call / current accounts with local banks, including deposits	764,510	844,548
Less: allowance for impairment	(95)	-
Total bank balances and cash	774,484	854,635
Less: statutory deposits	(10,000)	(10,000)
Less: deposits with original maturities of three months or more	(383,237)	(507,866)
Bank balances and cash	381,247	336,769
Add: allowance for impairment	95	-
Cash and cash equivalents for the purpose of the condensed consolidated interim statement of cash flows	<u>381,342</u>	<u>336,769</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 is as follows:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<b>30 June</b>	31 December
	<b>2019</b>	2018
	<b>AED'000</b>	AED'000
Within UAE	<b>753,906</b>	832,599
Outside UAE	<b>20,578</b>	22,036
	<b>774,484</b>	854,635

Interest rates on bank deposits range between 1.50% and 4.00% (31 December 2018: 2.00% to 4.00%).

In accordance with the requirements of Federal Law No. (6) of 2007, concerning establishment of Insurance Authority and organisation of its operations, the Group maintains a bank deposit of AED 10 million (31 December 2018: AED 10 million) which cannot be utilised without the consent of the UAE Insurance Authority.

### 9 Retained earnings

At the Annual General Assembly held on 19 March 2019 (2018: 19 March 2018 relating to the results of the year ended 31 December 2017), the Shareholders approved the distribution of cash dividends relating to the results of 2018 of AED 0.30 per share amounting to AED 112,500 thousand (2018: AED 0.25 per share amounting to AED 93,750 thousand).

At the Annual General Assembly held on 19 March 2019, the Shareholders approved the board of directors' remuneration relating to the results of 2018 amounting to AED 5,800 thousand (2018: AED 5,800 thousand relating to the results of the year ended 31 December 2017).

The Board of Directors proposed a transfer of AED 150,000 thousand (2018: AED 100,000 thousand) from retained earnings to general reserve, which was approved in the Annual General Assembly held on 19 March 2019.

### 10 Net investments and other income

	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<b>Six-month</b>	Six-month
	<b>period ended</b>	period ended
	<b>30 June</b>	30 June
	<b>2019</b>	2018
	<b>AED'000</b>	AED'000
Income from investment properties	<b>16,123</b>	19,557
Dividend income	<b>44,101</b>	44,351
Net interest income on bank deposits and bonds	<b>24,703</b>	17,867
Changes in fair value of financial assets at fair value through profit or loss	<b>5,739</b>	1,196
Gain on sale of financial assets at fair value through profit or loss	-	38
Other expenses, net	<b>(11,532)</b>	(13,304)
Income from investments, net	<b>63,011</b>	50,148
	<b>79,134</b>	69,705

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 11 Mandatory convertible bonds

During 2016, the Company issued mandatory convertible bonds with a nominal value amounting to AED 390,000 thousand that were convertible into new ordinary shares at the end of the third year from the date of issue being 15 June 2016 at the rate of AED 2 per share. The proceeds received from the issuance of mandatory convertible bonds have been split between a liability component arising from present value of contractual interest payments and an equity component, representing the residual value attributable to the future delivery of the ordinary shares of the Company. The bonds were bearing interest at a fixed rate of 7.5% per annum, payable annually in arrears, commencing on 15 June 2017 until the conversion date in the current period. On 15 June 2019, these mandatory convertible bonds were converted to 195,000 thousand ordinary shares as per the conversion price of AED 2. Consequently, the current share capital of the Company increased from AED 375,000 thousand to AED 570,000 thousand. A reconciliation between the amounts presented in the statement of financial position is as follows:

	<i>Liability component AED '000</i>	<i>Equity component AED '000</i>	<i>Share capital AED '000</i>	<i>Share premium AED '000</i>
Balance at 1 January 2019	27,960	305,925	375,000	-
Accretion expense	1,290	-	-	-
Interest paid	(29,250)	-	-	-
Conversion of mandatory convertible bonds	-	(305,925)	195,000	110,925
	<u>-</u>	<u>-</u>	<u>570,000</u>	<u>110,925</u>
Balance at 30 June 2019	<u>-</u>	<u>-</u>	<u>570,000</u>	<u>110,925</u>

### 12 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) Three months ended 30 June</i>		<i>(Unaudited) Six months ended 30 June</i>	
	<i>2019 AED'000</i>	<i>2018 AED'000</i>	<i>2019 AED'000</i>	<i>2018 AED'000</i>
Profit for the period	66,003	55,374	118,628	150,534
Accretion recognised during the period on mandatory convertible bonds	590	518	1,290	992
	<u>66,593</u>	<u>55,892</u>	<u>119,918</u>	<u>151,526</u>
Profit for the period used for calculating basic and diluted earnings per share	<u>66,593</u>	<u>55,892</u>	<u>119,918</u>	<u>151,526</u>
Ordinary shares outstanding during the period	<u>570,000</u>	<u>570,000</u>	<u>570,000</u>	<u>570,000</u>
Basic and diluted earnings per share (AED)	<u>0.12</u>	<u>0.10</u>	<u>0.21</u>	<u>0.27</u>

### 13 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 Abu Dhabi Investment Council.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 13 Related parties (continued)

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:*

	<i>30 June 2019 (Unaudited)</i>			
	<b>Directors and key management AED'000</b>	<b>Major shareholder AED'000</b>	<b>Others AED'000</b>	<b>Total AED'000</b>
Insurance receivables, prepayments and other receivables	327	3,334	281,151	284,812
Accounts payables	1	-	6,915	6,916
Cash and bank balances	-	-	591,979	591,979
Investments	-	-	381,754	381,754
Statutory deposits	-	-	10,000	10,000
Insurance contract liabilities	69	71	663,376	663,516

Others comprise of companies controlled by the directors and major shareholders.

	<i>31 December 2018 (Audited)</i>			
	<i>Directors and key management AED'000</i>	<i>Major shareholder AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
Insurance receivables, prepayments and other receivables	285	-	163,799	164,084
Accounts payables	18	72	24,198	24,288
Cash and bank balances	-	-	515,751	515,751
Investments	-	-	353,104	353,104
Statutory deposits	-	-	10,000	10,000
Insurance contract liabilities	18	1,426	341,262	342,706

Contingent liabilities issued in favor of related parties as at 30 June 2019 amounted to AED 77,869 thousand (31 December 2018: AED 69,956 thousand).

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 13 Related parties (continued)

Transactions with related parties during the period are as follows:

	<i>Six-month period ended 30 June 2019 (Unaudited)</i>			
	<i>Directors and key management</i>	<i>Major shareholder</i>	<i>Others</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Premiums written	128	83	707,798	708,009
Claims incurred	7	8	111,197	111,212
Dividend income	-	-	6,064	6,064
Interest income	-	-	10,497	10,497
Directors remuneration	5,800	-	-	5,800
Other investment income	-	-	92	92

	<i>Six-month period ended 30 June 2018 (Unaudited)</i>			
	<i>Directors and key management</i>	<i>Major shareholder</i>	<i>Others</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Premiums written	12	3,420	251,044	254,476
Claims incurred	-	1,555	67,630	69,185
Dividend income	-	-	6,492	6,492
Interest income	-	-	6,574	6,574
Directors remuneration	5,800	-	-	5,800
Other investment income	-	-	96	96

Compensation of key management personnel is as follows:

	<i>(Unaudited) Six-month period ended</i>	<i>(Unaudited) Six-month period ended</i>
	<i>30 June 2019 AED'000</i>	<i>30 June 2018 AED'000</i>
Salaries and short-term benefits	8,815	7,637
Staff end of service benefits	226	230
	<b>9,041</b>	<b>7,867</b>

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 14 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 IFRSs. 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.

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.

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 June 2019 (Unaudited)</b>				
Financial assets at fair value				
through profit or loss	-	-	277,456	277,456
Financial assets at fair value through OCI	1,010,906	-	191,446	1,202,352
	<u>1,010,906</u>	<u>-</u>	<u>468,902</u>	<u>1,479,808</u>
<b>31 December 2018 (Audited)</b>				
Financial assets at fair value				
through profit or loss	-	-	270,218	270,218
Financial assets at fair value through OCI	904,392	-	231,581	1,135,973
	<u>904,392</u>	<u>-</u>	<u>501,799</u>	<u>1,406,191</u>

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 14 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 financial information approximate their fair values.

	<b>Carrying Amount AED'000</b>	<b>Fair value AED'000</b>
<i>30 June 2019 (Unaudited)</i>		
Financial assets at amortised cost	<u>782,865</u>	<u>795,667</u>
<i>31 December 2018 (Audited)</i>		
Financial assets at amortised cost	<u>774,315</u>	<u>766,738</u>

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

	<i>(Unaudited)</i> <b>30 June 2019 AED'000</b>	<i>(Audited)</i> 31 December 2018 AED'000
Balance as at 1 January	501,799	421,522
Change in fair value	(10,982)	1,128
Additions	23,797	125,647
Transfers	(18,275)	-
Disposals	(27,437)	(46,498)
Balance at	<u>468,902</u>	<u>501,799</u>

During the six-month period ended 30 June 2019, there were transfers from Level 3 to Level 1 of AED 18,275 thousand *(31 December 2018: Nil)*.



# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 15 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, motor and medical.

	Six-month period ended 30 June (Unaudited)					
	Commercial		Consumer		Total	
	30 June 2019 AED'000	30 June 2018 AED'000	30 June 2019 AED'000	30 June 2018 AED'000	30 June 2019 AED'000	30 June 2018 AED'000
Gross written premium	1,295,856	933,460	1,052,066	879,379	2,347,922	1,812,839
Less: reinsurance premium ceded	(1,086,894)	(717,022)	(496,385)	(130,891)	(1,583,279)	(847,913)
Net written premium	208,962	216,438	555,681	748,488	764,643	964,926
Net change in unearned premium reserves	(36,860)	(29,453)	(84,899)	(224,767)	(121,759)	(254,220)
Net premium earned	172,102	186,985	470,782	523,721	642,884	710,706
Gross claims paid	(388,836)	(402,004)	(653,485)	(477,520)	(1,042,321)	(879,524)
Less: reinsurance share of claims paid	267,956	292,642	182,718	131,529	450,674	424,171
Net claims paid	(120,880)	(109,362)	(470,767)	(345,991)	(591,647)	(455,353)
Net change in outstanding claims and incurred but not reported claims reserves	46,886	3,275	44,186	(54,892)	91,072	(51,617)
Net claims incurred	(73,994)	(106,087)	(426,581)	(400,883)	(500,575)	(506,970)
Commission income earned	77,022	56,415	41,545	25,001	118,567	81,416
Commission expenses incurred	(52,856)	(49,994)	(23,724)	(21,433)	(76,580)	(71,427)
Net commissions expense	24,166	6,421	17,821	3,568	41,987	9,989
Other underwriting income	5,567	2,908	2,887	1,689	8,454	4,597
Other underwriting expenses	(8,427)	(9,112)	(18,885)	(16,118)	(27,312)	(25,230)
Net other underwriting expense	(2,860)	(6,204)	(15,998)	(14,429)	(18,858)	(20,633)
Net underwriting income	119,414	81,115	46,024	111,977	165,438	193,092
Net investments and other income					79,134	69,705
General and administrative expenses					(125,944)	(112,263)
Profit for the period					118,628	150,534

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 15 Segment information (continued)

Assets and liabilities of the Group are commonly used across the segments. There were no transactions between the segments.

	Three-month period ended 30 June (Unaudited)					
	Commercial		Consumer		Total	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Gross written premium	362,453	261,860	243,962	331,773	606,415	593,633
Less: reinsurance premium ceded	(296,453)	(194,548)	(113,550)	(71,669)	(410,003)	(266,217)
Net written premium	66,000	67,312	130,412	260,104	196,412	327,416
Net change in unearned premium reserves	12,788	19,325	93,468	8,145	106,256	27,470
Net premium earned	78,788	86,637	223,880	268,249	302,668	354,886
Gross claims paid	(109,922)	(223,920)	(314,016)	(253,329)	(423,938)	(477,249)
Less: reinsurance share of claims paid	64,711	179,838	94,714	53,892	159,425	233,730
Net claims paid	(45,211)	(44,082)	(219,302)	(199,437)	(264,513)	(243,519)
Net change in outstanding claims and incurred but not reported claims reserves	21,418	(5,909)	12,223	(27,659)	33,641	(33,568)
Net claims incurred	(23,793)	(49,991)	(207,079)	(227,096)	(230,872)	(277,087)
Commission income earned	39,202	32,277	21,557	13,423	60,759	45,700
Commission expenses incurred	(28,898)	(24,408)	(12,675)	(11,194)	(41,573)	(35,602)
Net commissions income	10,304	7,869	8,882	2,229	19,186	10,098
Other underwriting income	2,739	1,405	1,447	1,032	4,186	2,437
Other underwriting expenses	(4,261)	(4,237)	(9,794)	(8,497)	(14,055)	(12,734)
Net other underwriting expenses	(1,522)	(2,832)	(8,347)	(7,465)	(9,869)	(10,297)
Net underwriting income	63,777	41,683	17,336	35,917	81,113	77,600
Net investments and other income					46,870	34,698
General and administrative expenses					(61,980)	(56,924)
Profit for the period					66,003	55,374

### 16 Contingent liabilities and commitments

	(Unaudited) 30 June 2019 AED'000	(Audited) 31 December 2018 AED'000
Commitments in respect of uncalled subscription of equities held as investments	75,500	99,118
Bank guarantees	169,153	160,139
Letters of credit	386	386

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

# Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information

## 16 Contingent liabilities and commitments *(continued)*

### *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.