

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

Condensed consolidated interim financial information

*30 June 2022*

**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 Mrs. Futoon Hamdan Mohamed Al-Mazrouei
<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

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**Abu Dhabi National Insurance Company P.J.S.C.**  
**Board of Directors' Statement**  
**For the six-month period ended 30 June 2022**

The Board of Directors is pleased to report Abu Dhabi National Insurance Company's financial results for the six months ended 30 June 2022. ADNIC continued to delivery steady performance in the face of challenging global economic conditions.

ADNIC delivered a robust second quarter in terms of top-line growth with Gross Written Premiums higher by 20.9% to AED 3.23 billion. Loss ratios were broadly stable despite pricing pressures in certain lines as well as normalised consumer behaviour. As a result, Net Underwriting Income for the first half of the year was AED 253.9 mio. The quarter-on-quarter growth in Net Underwriting Income was 24.2%, due to a well-diversified book of business. Investment Income was impacted by high mark to market volatility across several asset classes with most major asset classed down between 10% and 20% for the year to date. Net Profit for the first half of the year was AED 186.9 mio compared to AED 248.7 mio in the prior year. Our expense management continues to be strong and growth in expenses lower than premium growth, despite the continued cost from compliance such as IFRS 17 implementation and investments into new technologies and capabilities.

As we move into the second half of the year, we are optimistic about our future outlook and will continue to invest in the latest technologies to adapt to current and future market needs, as well as meet the UAE's government aspirations.

On behalf of the Board of Directors, I would like to thank all our partners and stakeholders for their continuous support that helps ADNIC be one of the UAE's most trusted insurers. We are grateful for the guidance received by the UAE's leadership and extend our sincere gratitude to His Highness Sheikh Mohamed Bin Zayed Al Nahyan, President of the UAE and His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President and Prime Minister, and Ruler of Dubai. We will continue to walk on the path laid by the late Sheikh Khalifa bin Zayed Al Nahyan and help in our country's journey towards global excellence.

I want to thank our employees for their hard work, dedication and their ability to provide exceptional services. To our customers and shareholders, thank you for your continued trust in us.



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**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 June 2022**

I hereby present ADNIC's financial results for the six-month period ended 30 June 2022.

Our net profit reached AED 186.9 million for the first half of 2022. This year, we are witnessing a continued trend of market stabilisation and normalization of customer behaviour after two pandemic affected years. ADNIC is successfully navigating the market and continues to develop new sales and service capabilities, which allowed for the significant growth in both the Commercial and Consumer lines of the business.

We are proud to be one of the leaders in the UAE insurance sector which is evident in our financial performance, standard of services, technological innovation and market share.

We will continue to engage strongly with all stakeholders with our various initiatives in areas including emiratisation, health & wellbeing, climate change and giving back to the local community. Over the past few months, we have renewed our partnerships with several CSR initiatives and Emirates Nature-WWF, developed a UAE national talent programme called 'Emkanati', and deployed our health and wellness app 'LiveWell' for customers.

With 2022 being the company's 50th anniversary, we will continue to be engaged in initiatives that contribute to the betterment of society and support the UAE's various strategic projects as both ADNIC and the country begin their journey towards the next 50 years.

**Key Financial Highlights**

***Gross Written Premiums***

For the six-month period ended 30 June 2022, ADNIC's gross written premiums increased by 20.9% to AED 3.23 billion, compared to AED 2.67 billion for the same period in 2021.

***Premium Retention***

The overall premium retention ratio is 31.9% for the six-month period ended 30 June 2022, compared to 34.3% for the same period in 2021.

***Net Underwriting Income***

For the six-month period ended 30 June 2022, ADNIC's net underwriting income stood at AED 253.9 million, against AED 280.3 million for the same period in 2021.

***General and Administrative Expenses***

General and administrative expenses for the six-month period ended 30 June 2022 stood at AED 129.0 million, compared to AED 118.9 million for the same period in 2021.

***Net Technical Profit***

Net technical profit for the six-month period ended 30 June 2022 was AED 124.9 million, against AED 161.4 million for the same period in 2021.

***Net Investment Income***

ADNIC's net investment and other income was AED 62.0 million for the six-month period ended 30 June 2022, compared to AED 87.3 million for the same period in 2021

***Net Profit***

For the six-month period ended 30 June 2022, net profit was AED 186.9 million, compared to AED 248.7 million for the same period in 2021.

I would like to end by thanking our clients, partners and shareholders for the continuous trust and confidence they have placed in us.

I would also like to thank our Board of Directors for the guidance and support, and our management team and employees for the hard work and dedication which is the driving force behind our achievements and success.



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**Ahmad Idris**  
**Chief Executive Officer**



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

## To the Shareholders of Al Wathba National Insurance Company PJSC

### Introduction

We have reviewed the accompanying 30 June 2022 condensed consolidated interim financial information of Al Wathba National Insurance Company PJSC (the "Company") and its subsidiary (the "Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 30 June 2022;
- the condensed consolidated interim statement of profit or loss for the three month and six-month periods ended 30 June 2022;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2022;
- the condensed consolidated interim statement of changes in shareholders' equity for the six-month period ended 30 June 2022;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2022; 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 June 2022 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: 09 AUG 2022



# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Condensed consolidated interim statement of financial position

as at

		(Unaudited) 30 June 2022 AED'000	(Audited) 31 December 2021 AED'000
	Notes		
<b>Assets</b>			
Property and equipment		75,990	83,368
Financial assets at amortised cost	7	876,769	759,325
Financial assets at fair value through other comprehensive income	7	1,773,662	1,865,607
Financial assets at fair value through profit or loss	7	379,976	378,031
Investment properties		663,912	663,711
Statutory deposits	8	10,000	10,000
Insurance balances receivable	5	1,495,882	945,724
Reinsurers' share of unearned premiums reserve	6	1,464,832	772,391
Reinsurers' share of outstanding claims reserve	6	1,849,311	1,670,971
Reinsurers' share of mathematical reserve	6	14,464	2,854
Reinsurers' share of claims incurred but not reported reserve	6	276,007	253,816
Prepayments and other receivables	5	170,684	178,488
Deposits	8	172,249	243,440
Cash and cash equivalents	8	515,553	778,549
<b>Total assets</b>		<b>9,739,291</b>	<b>8,606,275</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		570,000	570,000
Share premium		110,925	110,925
Legal reserve		285,000	285,000
General reserve		1,000,000	1,000,000
Fair value reserve		(85,788)	195,219
Reinsurance default risk reserve		37,552	26,563
Retained earnings		666,275	643,746
<b>Total equity</b>		<b>2,583,964</b>	<b>2,831,453</b>
<b>Liabilities</b>			
Employees' end of service benefits		23,623	24,106
Bank overdraft	8	40,347	56,393
Other payables		416,791	228,899
Accounts payables		1,274,139	1,250,063
		<b>1,754,900</b>	<b>1,559,461</b>
<b>Technical reserves</b>			
Unearned premiums reserve	6	2,086,035	1,231,830
Outstanding claims reserve	6	2,459,047	2,328,252
Mathematical reserve	6	415,588	232,924
Claims incurred but not reported reserve	6	407,141	389,739
Allocated and unallocated loss adjustment expenses reserve	6	32,616	32,616
<b>Total technical reserves</b>		<b>5,400,427</b>	<b>4,215,361</b>
<b>Total liabilities</b>		<b>7,155,327</b>	<b>5,774,822</b>
<b>Total equity and liabilities</b>		<b>9,739,291</b>	<b>8,606,275</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 31.

  
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 June (Unaudited)

		Three-month period ended 2022	Three-month period ended 2021	Six-month period ended 2022	Six-month period ended 2021
	Note	AED'000	AED'000	AED'000	AED'000
<b>Underwriting income</b>					
Gross written premiums	14	946,990	773,387	3,228,534	2,670,918
Reinsurers' share of gross written premiums	14	(488,544)	(481,278)	(2,197,883)	(1,755,136)
<b>Net written premiums</b>		<b>458,446</b>	<b>292,109</b>	<b>1,030,651</b>	<b>915,782</b>
Net transfer to unearned premiums reserve	14	64,069	82,611	(161,764)	(169,719)
Net transfer to mathematical reserve	14	(175,973)	(21,218)	(171,054)	(39,924)
<b>Net premiums earned</b>	14	<b>346,542</b>	<b>353,502</b>	<b>697,833</b>	<b>706,139</b>
Commission income earned	14	62,115	47,014	113,916	103,117
Commission expenses incurred	14	(52,224)	(37,172)	(99,695)	(74,652)
<b>Gross underwriting income</b>		<b>356,433</b>	<b>363,344</b>	<b>712,054</b>	<b>734,604</b>
Gross claims paid	14	(440,481)	(435,023)	(875,999)	(886,586)
Reinsurers' share of claims paid	14	198,159	177,624	394,145	387,814
<b>Net claims paid</b>	14	<b>(242,322)</b>	<b>(257,399)</b>	<b>(481,854)</b>	<b>(498,772)</b>
Change in outstanding claims reserve		(35,403)	(57,067)	(130,795)	83,207
Change in reinsurers' share of outstanding claims reserve		67,796	84,357	178,340	(28,567)
Net change in claims incurred but not reported reserve		(3,182)	(17,101)	4,789	16,674
<b>Net claims incurred</b>		<b>(213,111)</b>	<b>(247,210)</b>	<b>(429,520)</b>	<b>(427,458)</b>
<b>Underwriting income</b>		<b>143,322</b>	<b>116,134</b>	<b>282,534</b>	<b>307,146</b>
Other income related to underwriting activities	14	7,230	5,480	14,395	10,793
Other expenses related to underwriting activities	14	(22,494)	(18,487)	(43,000)	(37,633)
<b>Net underwriting income</b>	14	<b>128,058</b>	<b>103,127</b>	<b>253,929</b>	<b>280,306</b>
Income from investments, <i>net</i>	10	35,073	46,370	55,288	81,011
Income from investment properties (rental income), <i>net</i>	10	3,074	2,930	6,734	6,240
<b>Total income</b>		<b>166,205</b>	<b>152,427</b>	<b>315,951</b>	<b>367,557</b>
General and administrative expenses		(62,289)	(53,238)	(123,886)	(112,563)
Charge for expected credit losses of insurance balances receivable		(1,623)	15,862	(5,117)	(6,333)
<b>Profit for the period</b>		<b>102,293</b>	<b>115,051</b>	<b>186,948</b>	<b>248,661</b>
<b>Earnings per share:</b>					
Earnings per share (AED)	11	0.18	0.20	0.33	0.44

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 June (Unaudited)

	Three-month period ended 2022 AED'000	Three-month period ended 2021 AED'000	Six-month period ended 2022 AED'000	Six-month period ended 2021 AED'000
Profit for the period	102,293	115,051	186,948	248,661
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to the consolidated statement of profit or loss:</i>				
Gain on sale of equity investments at fair value through other comprehensive income, <i>net</i>	34,784	30,376	74,570	48,816
Change in fair value of equity investments at fair value through other comprehensive income, <i>net</i>	(251,051)	2,220	(234,990)	37,338
<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>	(22,555)	(1,123)	(45,913)	(25,479)
Debt investments measured at fair value through other comprehensive income – reclassified to profit or loss	(52)	(108)	(104)	(213)
<b>Other comprehensive (loss) / income for the period</b>	<b>(238,874)</b>	<b>31,365</b>	<b>(206,437)</b>	<b>60,462</b>
<b>Total comprehensive (loss) / income for the period</b>	<b>(136,581)</b>	<b>146,416</b>	<b>(19,489)</b>	<b>309,123</b>

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 changes in shareholders' equity  
for the 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	Reinsurance default risk reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2021 (Audited)	570,000	110,925	253,025	1,000,000	155,252	13,319	404,548	2,507,069
<i>Total comprehensive income:</i>								
Profit for the period	-	-	-	-	-	-	248,661	248,661
Other comprehensive income for the period	-	-	-	-	11,646	-	48,816	60,462
Total comprehensive income for the period	-	-	-	-	11,646	-	297,477	309,123
<i>Transactions 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	-	-	-	-	-	8,776	(8,776)	-
Balance at 30 June 2021 (Unaudited)	570,000	110,925	253,025	1,000,000	166,898	22,095	493,749	2,616,692
<b>Balance at 1 January 2022 (Audited)</b>	<b>570,000</b>	<b>110,925</b>	<b>285,000</b>	<b>1,000,000</b>	<b>195,219</b>	<b>26,563</b>	<b>643,746</b>	<b>2,831,453</b>
<i>Total comprehensive income:</i>								
Profit for the period	-	-	-	-	-	-	186,948	186,948
Other comprehensive (loss) / income for the period	-	-	-	-	(281,007)	-	74,570	(206,437)
<b>Total comprehensive (loss) / income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(281,007)</b>	<b>-</b>	<b>261,518</b>	<b>(19,489)</b>
<i>Transaction with owners of the Company:</i>								
Dividend paid (note 9)	-	-	-	-	-	-	(228,000)	(228,000)
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(228,000)</b>	<b>(228,000)</b>
Transfer from retained earnings to reinsurance default risk reserve	-	-	-	-	-	10,989	(10,989)	-
<b>Balance at 30 June 2022 (Unaudited)</b>	<b>570,000</b>	<b>110,925</b>	<b>285,000</b>	<b>1,000,000</b>	<b>(85,788)</b>	<b>37,552</b>	<b>666,275</b>	<b>2,583,964</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 six-month period ended 30 June (Unaudited)

	Notes	2022 AED'000	2021 AED'000
<b>Cash flows from operating activities</b>			
<b>Profit for the period</b>		<b>186,948</b>	248,661
<i>Adjustments for:</i>			
Depreciation		9,671	8,544
Amortisation on financial assets at amortised cost		(116)	1,025
Net impairment loss on insurance balances receivable		5,117	6,333
Reversal of allowance for impairment loss on other financial assets		(432)	(623)
Fair value loss / (gain) on financial assets at fair value through profit or loss	10	19,829	(8,982)
Gain on sale of financial assets at fair value through profit or loss		(3,813)	(137)
Change in fair value of investment properties	10	-	5,115
Write off of property and equipment		-	5
Finance cost		444	357
Interest income	10	(14,898)	(15,888)
Dividend income	10	(60,377)	(65,244)
Provision for employees' end of service benefits		2,146	2,119
<b>Net cash generated from operations</b>		<b>144,519</b>	181,285
<i>Changes in:</i>			
Insurance balances receivable, prepayments and other receivables		(546,866)	(338,573)
Accounts and other payables		211,968	(18,839)
Unearned premiums reserve, net		161,764	169,719
Mathematical reserve, net		171,054	39,924
Gross outstanding claims and IBNR reserves		148,197	(156,785)
Reinsurers' share of outstanding claims and IBNR reserves		(200,531)	85,471
<b>Cash generated from / (used in) operations</b>		<b>90,105</b>	(37,798)
Employees' end of service benefits paid		(2,629)	(2,231)
Interest paid		(444)	(357)
<b>Net cash generated from / (used in) operating activities</b>		<b>87,032</b>	(40,386)
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		494,936	557,995
Purchase of investments		(744,527)	(757,495)
Bank deposits withdrawn / (placed), net		71,204	188,391
Additions to property and equipment		(2,293)	(5,989)
Additions to investment properties		(201)	-
Interest received		14,294	18,510
Dividend income	10	60,377	65,244
<b>Net cash (used in) / generated from investing activities</b>		<b>(106,210)</b>	66,656
<b>Cash flows from financing activities</b>			
Dividend paid		(228,000)	(199,500)
<b>Net cash used in financing activities</b>		<b>(228,000)</b>	(199,500)
<b>Net decrease in cash and cash equivalents</b>		<b>(247,178)</b>	(173,230)
Cash and cash equivalents at 1 January		722,481	595,827
<b>Cash and cash equivalents at 30 June</b>	8	<b>475,303</b>	422,597

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 (as amended) concerning the Establishment of the Insurance Authority and Organisation of the Insurance Operations, the Federal Law No. (2) of 2015 (as amended) concerning the Commercial Companies, Central Bank of UAE Board of Directors’ Decision No. (25) of 2014 Pertinent to Financial Regulations for insurance companies and Central Bank of UAE 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 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 (together the “Group”):

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 Limited 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 2021, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The results for the six-month period ended 30 June 2022 are not necessarily indicative of the results for the year ending 31 December 2022.

The Group is required, for the six-month period ended 30 June 2022, to be in compliance with the provisions of the UAE Federal Law No. (2) of 2015 (as amended). On 20 September 2021, the UAE Federal Decree Law No. (32) of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. (2) of 2015 (as amended). The Group has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No. (32) of 2021.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

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

#### *(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.

#### *(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 2021.

### 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 2021.

### 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 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing this condensed consolidated interim financial statements.

#### **Forthcoming requirements**

##### ***IFRS 17 Insurance Contracts***

In May 2017, the IASB issued IFRS 17 Insurance Contracts (“IFRS 17”), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (“IFRS 4”) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

# 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)*

#### Forthcoming requirements *(continued)*

##### *IFRS 17 Insurance Contracts (continued)*

The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration 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.

<i>Other new standards or amendments</i>	<i>Effective date</i>
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 – Definition of Accounting Estimate	1 January 2023
Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

#### **New currently effective requirements**

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 standards or amendments</i>	<i>Effective date</i>
Amendment to IFRS 16 – COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to IAS 37 – Onerous contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Insight Intended Use	1 January 2022
Amendments to IFRS 3 – Reference to the Conceptual Framework	1 January 2022



# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

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

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Insurance balances receivable	1,643,310	1,088,035
<i>Less:</i> allowance for expected credit losses of insurance balances receivable	(147,428)	(153,708)
<i>Add:</i> write offs during the period / year	-	11,397
	<u>1,495,882</u>	<u>945,724</u>
<b><i>Prepayments and other receivables:</i></b>		
Deferred acquisition costs	119,365	93,764
Rental income receivables, <i>net</i>	3,070	9,922
Prepayments	13,438	6,103
Other receivables, <i>net of expected credit losses (i)</i>	34,811	68,699
	<u>170,684</u>	<u>178,488</u>
Prepayments and other receivables	170,684	178,488
Total insurance balances receivable, prepayments and other receivables	<u>1,666,566</u>	<u>1,124,212</u>

(i) Other receivables are stated net of expected credit losses amounting to AED 2,577 thousand (31 December 2021: AED 2,581 thousand).

### 6 Insurance contract liabilities and reinsurance contract assets

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
<b>Insurance contract liabilities</b>		
Unearned premiums reserve (i)	2,086,035	1,231,830
Outstanding claims reserve	2,459,047	2,328,252
Mathematical reserve	415,588	232,924
Claims incurred but not reported reserve	407,141	389,739
Allocated and unallocated loss adjustment expenses reserve	32,616	32,616
	<u>5,400,427</u>	<u>4,215,361</u>
<b>Reinsurance contract assets</b>		
Unearned premiums reserve	1,464,832	772,391
Outstanding claims reserve	1,849,311	1,670,971
Mathematical reserve	14,464	2,854
Claims incurred but not reported reserve	276,007	253,816
	<u>3,604,614</u>	<u>2,700,032</u>

# 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)

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
<b>Insurance contract liabilities, net</b>		
Unearned premiums reserve (i)	621,203	459,439
Outstanding claims reserve	609,736	657,281
Mathematical reserve	401,124	230,070
Claims incurred but not reported reserve	131,134	135,923
Allocated and unallocated loss adjustment expenses reserve	32,616	32,616
	<u>1,795,813</u>	<u>1,515,329</u>
(i) Unearned premiums reserve includes:		
Unearned premiums reserve, gross	2,043,801	1,191,095
Unearned premiums reserve, net	614,149	453,130
Premiums deficiency reserve, gross	-	-
Premiums deficiency reserve, net	-	44
Unexpired risk reserve, gross	42,234	40,735
Unexpired risk reserve, net	7,054	6,265

### 7 Investments

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Financial assets at amortised cost (i)	876,769	759,325
Financial assets at fair value through other comprehensive income (ii)	1,773,662	1,865,607
Financial assets at fair value through profit or loss	379,976	378,031
	<u>3,030,407</u>	<u>3,002,963</u>
Geographical concentration of investments is as follows:		
Within UAE	1,639,684	1,630,484
Outside UAE	1,390,723	1,372,479
	<u>3,030,407</u>	<u>3,002,963</u>

(i) Financial assets at amortised cost are stated net of expected credit losses amounting to AED 217 thousand (31 December 2021: AED 303 thousand).

(ii) Financial assets at fair value through other comprehensive income includes expected credit losses amounting to AED 87 thousand (31 December 2021: AED 190 thousand).

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 8 Cash and cash equivalents

	<i>(Unaudited)</i> <b>30 June</b> <b>2022</b> <b>AED'000</b>	<i>(Audited)</i> 31 December 2021 AED'000
Cash on hand	67	80
Statutory deposits (i), (ii)	10,000	10,000
Cash / call / current accounts with banks, including deposits (i)	687,856	1,022,271
Less: allowance for expected credit losses	(121)	(362)
	<hr/>	<hr/>
Total bank balances, deposits and cash	697,802	1,031,989
Less: statutory deposits	(10,000)	(10,000)
Less: deposits with original maturities of three months or more	(172,249)	(243,440)
	<hr/>	<hr/>
Cash and cash equivalents in the condensed consolidated interim statement of financial position	515,553	778,549
Add: allowance for expected credit losses	97	325
	<hr/>	<hr/>
	515,650	778,874
Less: bank overdrafts repayable on demand and used for cash management purposes (iii)	(40,347)	(56,393)
	<hr/>	<hr/>
Cash and cash equivalents for the purpose of the condensed consolidated interim statement of cash flows	475,303	722,481
	<hr/> <hr/>	<hr/> <hr/>

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> <b>30 June</b> <b>2022</b> <b>AED'000</b>	<i>(Audited)</i> 31 December 2021 AED'000
Within UAE	599,571	984,533
Outside UAE	98,231	47,456
	<hr/>	<hr/>
	697,802	1,031,989
	<hr/> <hr/>	<hr/> <hr/>

- (i) Interest rates on bank deposits range between 0.95% to 2.30% (31 December 2021: 0.40% to 1.20%).
- (ii) In accordance with the requirements of Federal Law No. (6) of 2007 (as amended) concerning Establishment of Insurance Authority and Organization of its Operations, the Group maintains bank deposits of AED 10,000 thousand (31 December 2021: AED 10,000 thousand) which cannot be utilised without the consent of the Assistant Governor of the Banking and Insurance Supervision Department of Central Bank of UAE.
- (iii) The Group has availed an overdraft facility of AED 200,000 thousand which is unsecured. Interest is payable at 3 months' EIBOR plus 1.60% per annum and the tenure of the facility is 12 months. As at reporting date the Group has utilised the facility up to AED 40,347 thousand (31 December 2021: AED 56,393 thousand).

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 9 Retained earnings

At the Annual General Assembly held on 15 March 2022 (31 December 2021: held on 21 March 2021 relating to the results of the year ended 31 December 2020), the shareholders approved the distribution of cash dividend relating to the results for the year ended 31 December 2021 of AED 0.40 per share amounting to AED 228,000 thousand (31 December 2021: AED 0.35 per share amounting to AED 199,500 thousand).

### 10 Net investments and other income (Unaudited)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Income from investment properties (rental income), <i>net</i>	3,074	2,930	6,734	6,240
Dividend income	34,817	36,700	60,377	65,244
Net interest income on bank deposits and bonds	7,472	7,540	14,898	15,888
Increase / (decrease) in fair value of investment properties	1,909	(2,557)	-	(5,115)
Net change in fair value of financial assets at fair value through profit or loss	(10,712)	6,807	(19,829)	8,982
Gain on disposal of financial assets at amortised cost	-	-	86	-
Gain on disposal of financial assets at fair value through profit or loss	3,740	247	3,813	137
Other expenses, <i>net</i>	(2,153)	(2,367)	(4,057)	(4,125)
Income from investments, <i>net</i>	35,073	46,370	55,288	81,011
Net investments and other income	38,147	49,300	62,022	87,251

### 11 Earnings per share (Unaudited)

Earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period.

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022	2021	2021	2021
Profit for the period used for calculating earnings per share (AED'000)	102,293	115,051	186,948	248,661
Ordinary shares outstanding during the period (shares in '000)	570,000	570,000	570,000	570,000
Earnings per share (AED)	0.18	0.20	0.33	0.44

There is no dilution effect to the basic earnings per share.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 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 June 2022 (Unaudited)			
	Directors and key management AED'000	Major shareholder AED'000	Others AED'000	Total AED'000
Insurance balances receivable, prepayments and other receivables	45	8	198,450	198,503
Accounts and other payables	3	96	16,261	16,360
Employees' end of service benefits payable	3,143	-	-	3,143
Cash and bank balances	-	-	449,796	449,796
Bank overdraft	-	-	40,347	40,347
Investments	-	118,963	335,187	454,150
Statutory deposits	-	-	10,000	10,000
Insurance contract liabilities	580	10	1,198,128	1,198,718
	31 December 2021 (Audited)			
	Directors and key management AED'000	Major shareholder AED'000	Others AED'000	Total AED'000
Insurance balances receivable, prepayments and other receivables	289	-	141,901	142,190
Accounts and other payables	2	96	56,474	56,572
Employees' end of service benefits payable	2,798	-	-	2,798
Cash and bank balances	-	-	351,135	351,135
Bank overdraft	-	-	56,393	56,393
Investments	-	119,202	353,047	472,249
Statutory deposits	-	-	10,000	10,000
Insurance contract liabilities	100	11	1,125,860	1,125,971

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 12 Related parties (continued)

Contingent liabilities issued in favor of related parties as at 30 June 2022 amounted to AED 100.12 million (31 December 2021: AED 99.05 million).

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

	Six-month period ended 30 June 2022			
	Directors and key management AED'000	Major shareholder AED'000	Others AED'000	Total AED'000
Premiums written	6	30	840,590	840,626
Claims incurred	-	-	291,454	291,454
Dividend income	-	-	2,389	2,389
Interest income	-	1,868	1,596	3,464
Directors' remuneration	5,800	-	-	5,800
Other investment income	-	-	84	84

	Three-month period ended 30 June 2022			
	Directors and key management AED'000	Major shareholder AED'000	Others AED'000	Total AED'000
Premiums written	-	-	102,989	102,989
Claims incurred	-	-	113,014	113,014
Interest income	-	946	948	1,894
Other investment income	-	-	43	43

# 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)

	Six-month period ended 30 June 2021			
	Directors and key management AED'000	Major shareholder AED'000	Others AED'000	Total AED'000
Premiums written	-	18	873,838	873,856
Claims incurred	-	-	254,360	254,360
Dividend income	-	-	11,540	11,540
Interest income	-	-	5,184	5,184
Directors' remuneration	5,800	-	-	5,800
Other investment income	-	-	83	83

  

	Three-month period ended 30 June 2021			
	Directors and key management AED'000	Major shareholder AED'000	Others AED'000	Total AED'000
Premiums written	(17)	(5)	133,964	133,942
Claims incurred	-	-	102,025	102,025
Dividend income	-	-	6,631	6,631
Interest income	-	-	2,579	2,579
Other investment income	-	-	42	42

At the Annual General Assembly held on 15 March 2022, the shareholders approved Board of Directors' remuneration relating to the results for the year ended 31 December 2021 amounting to AED 5,800 thousand (31 December 2021: AED 5,800 thousand relating to the results for the year ended 31 December 2020).

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

	Three-month period ended 30 June		Six-month period ended 30 June	
	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Salaries and short-term benefits	3,460	6,130	11,595	9,504
Employees' end of service benefits	119	114	345	410
	<b>3,579</b>	<b>6,244</b>	<b>11,940</b>	<b>9,914</b>

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 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 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 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 June 2022 (Unaudited)</b>				
Financial assets at fair value through profit or loss	114,747	-	265,229	379,976
Financial assets at fair value through other comprehensive income	1,587,588	15,843	170,231	1,773,662
	<u>1,702,335</u>	<u>15,843</u>	<u>435,460</u>	<u>2,153,638</u>
<b>31 December 2021 (Audited)</b>				
Financial assets at fair value through profit or loss	95,185	-	282,846	378,031
Financial assets at fair value through other comprehensive income	1,621,573	45,466	198,568	1,865,607
	<u>1,716,758</u>	<u>45,466</u>	<u>481,414</u>	<u>2,243,638</u>



# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

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

#### *Assets measured at fair value – fair value hierarchy (continued)*

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 2021.

#### *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 June 2022 (Unaudited)</b>		
Financial assets at amortised cost	<u>876,769</u>	<u>825,803</u>
<b>31 December 2021 (Audited)</b>		
Financial assets at amortised cost	<u>759,325</u>	<u>780,011</u>

Movement in Level 3 for financial assets carried at fair value through profit or loss and financial assets at fair value through other comprehensive income is as follows:

	<i>(Unaudited)</i> <b>30 June 2022 AED'000</b>	<i>(Audited)</i> <b>31 December 2021 AED'000</b>
Balance as at 1 January	481,414	440,351
Change in fair value of financial assets	(52,540)	10,897
Additions	20,241	89,804
Disposals	(13,655)	(59,638)
Balance as at period / year-end	<u>435,460</u>	<u>481,414</u>

# 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.

	Six-month period ended 30 June (Unaudited)					
	Commercial		Consumer		Total	
	30 June 2022 AED'000	30 June 2021 AED'000	30 June 2022 AED'000	30 June 2021 AED'000	30 June 2022 AED'000	30 June 2021 AED'000
Gross written premiums	1,885,984	1,443,152	1,342,550	1,227,766	3,228,534	2,670,918
Less: reinsurers' share of gross written premiums	(1,646,888)	(1,242,939)	(550,995)	(512,197)	(2,197,883)	(1,755,136)
Net written premiums	239,096	200,213	791,555	715,569	1,030,651	915,782
Net transfer to unearned premiums reserve	(37,730)	(14,771)	(124,034)	(154,948)	(161,764)	(169,719)
Net transfer to mathematical reserve	-	-	(171,054)	(39,924)	(171,054)	(39,924)
Net premiums earned	201,366	185,442	496,467	520,697	697,833	706,139
Gross claims paid	(235,713)	(284,590)	(640,286)	(601,996)	(875,999)	(886,586)
Less: reinsurers' share of claims paid	155,557	188,080	238,588	199,734	394,145	387,814
Net claims paid	(80,156)	(96,510)	(401,698)	(402,262)	(481,854)	(498,772)
Net change in outstanding claims and incurred but not reported claims reserves	24,958	52,889	27,376	18,425	52,334	71,314
Net claims incurred	(55,198)	(43,621)	(374,322)	(383,837)	(429,520)	(427,458)
Commission income earned	79,344	69,876	34,572	33,241	113,916	103,117
Commission expenses incurred	(55,848)	(44,954)	(43,847)	(29,698)	(99,695)	(74,652)
Net commissions income	23,496	24,922	(9,275)	3,543	14,221	28,465
Other underwriting income	9,944	8,086	4,451	2,707	14,395	10,793
Other underwriting expenses	(16,136)	(13,649)	(26,864)	(23,984)	(43,000)	(37,633)
Net other underwriting income	(6,192)	(5,563)	(22,413)	(21,277)	(28,605)	(26,840)
Net underwriting income	163,472	161,180	90,457	119,126	253,929	280,306
Net investment and other income					62,022	87,251
General and administrative expenses					(123,886)	(112,563)
Charge for expected credit losses of insurance balances receivable					(5,117)	(6,333)
Profit for the period					186,948	248,661

# 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 June (Unaudited)					
	Commercial		Consumer		Total	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Gross written premiums	469,555	368,459	477,435	404,928	946,990	773,387
Less: reinsurers' share of gross written premiums	(355,332)	(269,450)	(133,212)	(211,828)	(488,544)	(481,278)
Net written premiums	114,223	99,009	344,223	193,100	458,446	292,109
Net transfer to unearned premiums reserve	(14,284)	(9,932)	78,353	92,543	64,069	82,611
Net transfer to mathematical reserve	-	-	(175,973)	(21,218)	(175,973)	(21,218)
Net premiums earned	99,939	89,077	246,603	264,425	346,542	353,502
Gross claims paid	(123,384)	(135,132)	(317,097)	(299,891)	(440,481)	(435,023)
Less: reinsurers' share of claims paid	82,321	80,043	115,838	97,581	198,159	177,624
Net claims paid	(41,063)	(55,089)	(201,259)	(202,310)	(242,322)	(257,399)
Net change in outstanding claims and incurred but not reported claims reserves	15,304	7,636	13,907	2,553	29,211	10,189
Net claims incurred	(25,759)	(47,453)	(187,352)	(199,757)	(213,111)	(247,210)
Commission income earned	42,725	32,615	19,390	14,399	62,115	47,014
Commission expenses incurred	(26,410)	(22,480)	(25,814)	(14,692)	(52,224)	(37,172)
Net commissions income	16,315	10,135	(6,424)	(293)	9,891	9,842
Other underwriting income	5,564	3,918	1,666	1,562	7,230	5,480
Other underwriting expenses	(9,118)	(6,498)	(13,376)	(11,989)	(22,494)	(18,487)
Net other underwriting expense	(3,554)	(2,580)	(11,710)	(10,427)	(15,264)	(13,007)
Net underwriting income	86,941	49,179	41,117	53,948	128,058	103,127
Net investment and other income					38,147	49,300
General and administrative expenses					(62,289)	(53,238)
(Charge for) / release of expected credit losses of insurance balances receivable					(1,623)	15,862
Profit for the period					102,293	115,051

Details of segment assets and liabilities as at 30 June 2022 is presented below:

	Commercial AED'000	Consumer AED'000	Investments AED'000	Total AED'000
<b>30 June 2022 (Unaudited)</b>				
Segment assets	3,617,834	1,711,002	4,410,455	9,739,291
Segment liabilities	4,718,274	2,425,430	11,623	7,155,327
	Commercial AED'000	Consumer AED'000	Investments AED'000	Total AED'000
<b>31 December 2021 (Audited)</b>				
Segment assets	2,747,963	1,141,825	4,716,487	8,606,275
Segment liabilities	3,991,058	1,770,577	13,187	5,774,822

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 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 2021.

### 16 Contingent liabilities and commitments

	<i>(Unaudited)</i> 30 June 2022 AED'000	<i>(Audited)</i> 31 December 2021 AED'000
Commitments in respect of uncalled subscription of equities held as investments	77,980	54,152
Bank guarantees	237,449	232,985
Letters of credit	384	384

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.

### 17 Capital risk management

The solvency regulations identify the required solvency margins to be held in addition to insurance liabilities. The solvency margins (presented in the table below) must be maintained at all times throughout the year. The Group is subject to solvency regulations which it has complied with during the period. The Group has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Group and the total capital held to meet these required Solvency Margins as defined in the regulations. In accordance with Circular No. CBUAE/BSD/N/2022/923 of CBUAE dated 28 February 2022, the Group has disclosed the solvency position for the immediately preceding period as the current period solvency position is not finalised.

# Abu Dhabi National Insurance Company PJSC and its subsidiary

## Notes to the condensed consolidated interim financial information

### 17 Capital risk management (continued)

	(Unaudited) 31 March 2022 AED'000	(Audited) 31 December 2021 AED'000
Total capital held by the Group	570,000	570,000
Minimum regulatory capital for an insurance company	100,000	100,000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	1,112,277	1,052,921
Minimum Guarantee Fund (MGF)	480,919	485,239
<i>Own funds</i>		
Basic own funds	2,262,223	2,342,071
Own funds eligible to meet MCR, SCR, MGF	2,262,223	2,342,071
MCR solvency margin - (surplus)	2,162,223	2,242,071
SCR solvency margin - (surplus)	1,149,946	1,289,150
MGF solvency margin - (surplus)	1,781,304	1,856,832

### 18 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 June 2022.

#### 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 six-month period ended 30 June 2022, 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 2021.

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. The Group has availed an overdraft facility from a commercial bank for its cash management purposes (note 8).

### 19 General

The condensed consolidated interim financial information of the Group was approved for issuance by the Board of Directors on 09 August 2022.