

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

Review report and condensed consolidated interim financial
information

For the nine-month period ended 30 September 2024

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

Abu Dhabi National Insurance Company P.J.S.C.
Board of Directors' Statement
For the nine-month period ended 30 September 2024

The Board of Directors is pleased to present the financial results of Abu Dhabi National Insurance Company ("ADNIC") for the nine-month period ended 30 September 2024.

The company has successfully completed the strategic acquisition of a 51% stake in Allianz Saudi Fransi Cooperative Insurance Company ("ASF") in Saudi Arabia, gaining control of ASF as of April 17, 2024. The financial results now include the consolidation of ASF's results from the effective date of the acquisition.

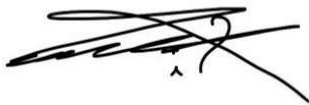
ADNIC along with ASF ("Group") have demonstrated strong operating performance with net insurance service results totalling AED 308.5 million a growth of 13.7% year on year. These solid results were achieved despite the major flood events earlier in the year and serve to underpin ADNIC's resilience in the face of major adverse circumstances. Insurance revenue continues to show impressive growth reaching AED 5.2 billion, a year on year growth of 57.2%.

Group consolidated net investment income for the nine-month period was AED 202.3 million, reflecting an increase of 27.3% year on year. We continue to seek optimal asset allocation strategies in light of an ever changing regional and global financial landscape.

As a result of strong underwriting and investment performance, the Group has achieved a net profit before tax of AED 342.5 million, marking a 13.5% increase compared to the same period last year.

We would like to express our gratitude to the UAE's leadership for their unwavering support and guidance. Our heartfelt thanks goes to His Highness Sheikh Mohamed Bin Zayed Al Nahyan, President of the UAE; His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President, Prime Minister, and Ruler of Dubai; His Highness Sheikh Mansour Bin Zayed Al Nahyan, Vice President, Deputy Prime and Chairman of the Presidential Court; and His Highness Sheikh Khaled Bin Mohamed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi.

As we approach the end of the year, ADNIC's solid financial foundation, and highly skilled management team, positions us to capitalize on suitable emerging opportunities in the insurance sector. Our international expansion reflects our commitment to delivering sustainable value to shareholders while supporting the ongoing growth of the region's insurance industry as we strive to become the region's leading insurer.



Sheikh Mohamed Bin Saif Al-Nahyan
Chairman of the Board

Abu Dhabi National Insurance Company P.J.S.C.
Chief Executive Officer's Statement
For the nine-month period ended 30 September 2024

I am very pleased to present the current state of affairs of Abu Dhabi National Insurance Company PJSC for the nine-month period ended 30 September 2024. ADNIC continues to deliver outstanding performance in 2024, highlighted by solid financial results and successful execution of key strategic growth initiatives.

During this quarter and following the successful completion of the acquisition transaction we accelerated our efforts towards successful integration of our newly acquired subsidiary Allianz Saudi Fransi Cooperative Insurance Company (ASF) in Saudi Arabia. We are rapidly moving towards aligning this operation to the overall ADNIC operating rhythm aiming to offer industry-leading solutions across all major insurance lines. ADNIC continues to maintain and invest towards a sophisticated Enterprise Risk Management framework and market leading comprehensive Reinsurance Risk Transfer programs. We are also moving ahead with establishing a dedicated Artificial Intelligence specific data management unit to ensure continuous delivery of optimal risk reward financial returns.

All the financials discussed here follow the full consolidation of ASF performance from the date of the transaction's completion

Key financial highlights

Insurance Revenue has grown by 57.2% year on year to reach an all time high of AED 5.2 Billion. This reflects our continuous excellence in the provision of corporate insurance solutions for mega projects as well as our underlying multi-channel, product line and territory infrastructure and readiness.

Insurance Service Result has grown by 13.7% year on year to reach AED 308.5 Million. While the insurance market in UAE was tremendously impacted by the flood events ADNIC was the only top tier UAE listed company able to deliver double-digit growth in this critical KPI which reflects the robustness and strong underwriting and analytical discipline in the way our business is managed and produced.

Net Investment Income has grown by 27.3% year on year to reach AED 202.3 Million. It reflects the resilience of our underlying asset allocation mix to the emerging market conditions and trends.

Net Financial Result which is the consolidated output of all of the above after incorporation of the IFRS-17 required risk charge and discounting adjustments has grown by 18.4% year on year to reach AED 508.7 Million.

Profit Before Tax has grown by 13.5% year on year to AED 342.5 Million. Tax expense for the year is AED 34.7 Million yielding a **Profit After Tax** for the year of AED 307.8 Million.

Finally, I would also like to highlight that automation and simplicity remain a core part of our strategy. We also recognise that this is not just about creating new products or services but also about making them accessible to everyone. In parallel, we understand that the transformation towards a better future should

begin at the very core of our business and that's why we've also taken decisive steps across our operations to make this a reality with innovative solutions.

I would like to thank our Board of Directors for their continuous support and guidance. I also extend my sincere gratitude to our exceptional team for their dedication, and to our valued clients and partners for their enduring trust. All their collective contributions have been vital to our continued success. By staying true to our values and embracing innovation, we are confident in delivering long-term value for our stakeholders and solidifying ADNIC's position as a regional market leader.

A handwritten signature in black ink, consisting of stylized, overlapping letters that appear to be 'CM'.

Charalampos Mylonas
Chief Executive Officer

Abu Dhabi National Insurance Company PJSC

Composition of Board of Directors

Chairman:	Sheikh Mohamed Bin Saif Al-Nahyan
Vice Chairman:	Sheikh Theyab Bin Tahnoon Al-Nahyan
Members:	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
Chief Executive Officer:	Mr. Charalampos Mylonas
Address:	P.O. Box 839 Abu Dhabi United Arab Emirates
External auditors:	Deloitte & Touche (M.E.)

Abu Dhabi National Insurance Company PJSC and its subsidiaries

Condensed consolidated interim financial information

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REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The Board of Directors
Abu Dhabi National Insurance Company PJSC
United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of **Abu Dhabi National Insurance Company PJSC P.S.C.** (the “Company”) and its subsidiaries (the “Group”) as of 30 September 2024, and the related statements of profit or loss, comprehensive income, changes in shareholder’s equity and cash flows for the nine months period then ended and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Other Matter

The interim financial information of the Group for the nine months period ended 30 September 2023 and the consolidated financial statements of the Group for the year ended 31 December 2023 were reviewed and audited respectively by another auditor who expressed an unmodified conclusion on that information and an unmodified opinion on those statements on 13 November 2023 and 12 February 2024 respectively.

Deloitte & Touche (M.E.)



Firas Anabtawi
Registration No.: 5482
11 November 2024
Dubai
United Arab Emirates

Abu Dhabi National Insurance Company PJSC and its subsidiaries

Condensed consolidated interim statement of financial position

as at

		30 September 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Assets			
Property and equipment		78,532	77,598
Goodwill	2	88,380	-
Financial assets for unit linked contracts	6	481,446	-
Financial assets at amortised cost	6	1,303,356	1,146,479
Financial assets at fair value through other comprehensive income	6	2,258,388	1,529,033
Financial assets at fair value through profit or loss	6	390,766	347,305
Investment properties		671,210	670,987
Statutory deposits	9	68,800	10,000
Insurance contract assets	7	110,763	14,491
Reinsurance contract assets	7	5,723,062	2,729,109
Prepayments and other receivables	8	93,101	34,001
Deferred tax asset		2,897	-
Deposits	9	293,158	121,721
Cash and cash equivalents	9	440,768	1,035,637
Total assets		12,004,627	7,716,361
Equity and liabilities			
Equity			
Share capital		570,000	570,000
Share premium		110,925	110,925
Legal reserve		285,000	285,000
Insurance finance reserve		42,948	51,628
Fair value reserve		(142,979)	(173,518)
General reserve		1,000,000	1,000,000
Reinsurance default risk reserve		78,301	59,998
Retained earnings		1,059,556	1,015,055
Treasury Shares		(2,708)	-
Net equity attributable to the owners of the Company		3,001,043	2,919,088
Non-Controlling Interest	20	388,024	-
Total Equity		3,389,067	2,919,088
Liabilities			
Insurance contract liabilities	7	8,243,488	4,633,613
Reinsurance contract liabilities	7	88,630	4,400
Employees' end of service benefits		41,782	22,465
Other payables		241,660	136,795
Total liabilities		8,615,560	4,797,273
Total equity and liabilities		12,004,627	7,716,361

To the best of our knowledge, the condensed consolidated interim financial information present fairly in all material respects the financial condition, results of operation and cashflows of the Group as of, and for, the periods presented therein.



Chairman of the Board of Directors



Chief Executive Officer

The notes set out on pages 7 to 37 form an integral part of this condensed consolidated interim financial information.

The report on review of the condensed consolidated interim financial information is set out on page 1.

Abu Dhabi National Insurance Company PJSC and its subsidiaries

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

		Three-month period ended 2024	Three-month period ended 2023	Nine-month period ended 2024	Nine-month period ended 2023
	<i>Note</i>	AED'000	AED'000	AED'000	AED'000
Insurance revenue		1,948,085	1,196,034	5,241,814	3,334,424
Insurance service expenses		(2,649,484)	(762,729)	(6,074,813)	(2,269,325)
Income from reinsurance contracts		1,867,353	352,851	3,987,053	1,146,331
Expenses from reinsurance contracts		(1,061,754)	(692,895)	(2,845,539)	(1,940,062)
Insurance service result		104,200	93,261	308,515	271,368
Net Investment Income	11	83,128	48,177	202,276	158,930
Finance income from insurance contracts net	11	5	4,221	30,489	3,670
Finance expenses from reinsurance contracts, net	11	(11,830)	(1,870)	(32,601)	(4,269)
Net finance income/ (expenses)		(11,825)	2,351	(2,112)	(599)
Net financial result		175,503	143,789	508,679	429,699
Other operating expenses		(57,265)	(46,299)	(166,149)	(127,820)
Profit before zakat and income tax		118,238	97,490	342,530	301,879
Zakat and income tax expense	19	(15,623)	-	(34,741)	-
Profit for the period		102,615	97,490	307,789	301,879
Attributable to:					
Shareholders		100,445	97,490	305,171	301,879
Non - controlling Interest		2,170	-	2,618	-
		102,615	97,490	307,789	301,879
Earnings per share:					
Earnings per share (AED)	12	0.18	0.17	0.54	0.53

The notes set out on pages 7 to 37 form an integral part of this condensed consolidated interim financial information

The report on review of the condensed consolidated interim financial information is set out on page 1.

Abu Dhabi National Insurance Company PJSC and its subsidiaries

Condensed consolidated interim statement of comprehensive income for the Nine-month period ended 30 September (Unaudited)

	Three-month period ended 2024	Three-month period ended 2023	Nine-month period ended 2024	Nine-month period ended 2023
Note	AED'000	AED'000	AED'000	AED'000
Profit for the period	102,615	97,490	307,789	301,879
Other comprehensive income				
<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, net	4,684	11,517	17,326	18,193
Change in fair value of equity investments at fair value through other comprehensive income, net	49,754	(19,786)	7,072	(1,195)
<i>Items that are or may be reclassified subsequently to the consolidated statement of profit or loss:</i>				
Net change in fair value of debt investments at fair value through other comprehensive income	29,628	(9,679)	27,991	(10,119)
Deferred tax relating to change in fair value	(16)	-	(749)	-
Impairment charge / (reversal) on debt investments measured at fair value through comprehensive income – reclassified to profit or loss	299	(4)	295	32
Finance (expense)/income from insurance contracts, net	(68,454)	8,722	13,661	19,320
Finance (expenses)/income from reinsurance contracts, net	43,887	1,045	(22,881)	(6,190)
Other comprehensive income for the period	59,782	(8,185)	42,715	20,041
Tax expense	(3,193)	-	(3,193)	-
Other comprehensive income / (loss) for the period after tax	56,589	(8,185)	39,522	20,041
Attributable to:				
Shareholders	54,413	(8,185)	35,992	20,041
Non-controlling Interest	2,176	-	3,530	-
	56,589	(8,185)	39,522	20,041
Total comprehensive income for the period	159,204	89,305	347,311	321,920
Attributable to:				
Shareholders	154,858	89,305	341,163	321,920
Non-controlling Interest	4,346	-	6,148	-
	159,204	89,305	347,311	321,920

The notes set out on pages 7 to 37 form an integral part of this condensed consolidated interim financial information.

The report on review of the condensed consolidated interim financial information is set out on page 1.

Abu Dhabi National Insurance Company PJSC and its subsidiaries

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

	Share capital AED'000	Share premium AED'000	Legal Reserve AED'000	General reserve AED'000	Fair value reserve AED'000	Insurance finance reserve AED'000	Reinsurance default risk reserve AED'000	Retained earnings AED'000	Treasury Shares AED'000	Non- Controlling Interests AED'000	Total AED'000
Balance at 1 January 2023	570,000	110,925	285,000	1,000,000	(186,468)	77,177	43,892	827,727	-	-	2,728,253
<i>Total comprehensive income</i>											
Profit for the period	-	-	-	-	-	-	-	301,879	-	-	301,879
Other comprehensive income/loss) for the period	-	-	-	-	(11,282)	13,130	-	18,193	-	-	20,041
Total comprehensive income for the period	-	-	-	-	(11,282)	13,130	-	320,072	-	-	321,920
<i>Transactions with owners of the Company</i>											
Dividend paid (note 10)	-	-	-	-	-	-	-	(228,000)	-	-	(228,000)
Total transactions with owners of the Company	-	-	-	-	-	-	-	(228,000)	-	-	(228,000)
Transfer from retained earnings to reinsurance default risk reserve	-	-	-	-	-	-	13,376	(13,376)	-	-	-
Balance at 30 September 2023 (Unaudited)	570,000	110,925	285,000	1,000,000	(197,750)	90,307	57,268	906,423	-	-	2,822,173
Balance at 1 January 2024 (Audited)	570,000	110,925	285,000	1,000,000	(173,518)	51,628	59,998	1,015,055	-	-	2,919,088
<i>Non-controlling interests on acquisition of subsidiary</i>	-	-	-	-	-	-	-	-	-	384,478	384,478
<i>Total comprehensive income:</i>											
Profit for the period	-	-	-	-	-	-	-	305,171	-	2,618	307,789
Other comprehensive (loss)/income for the period	-	-	-	-	30,539	(8,680)	-	14,133	-	3,530	39,522
Total comprehensive income for the period	-	-	-	-	30,539	(8,680)	-	319,304	-	6,148	347,311
<i>Transaction with owners of the Company:</i>											
Dividend paid (note 10)	-	-	-	-	-	-	-	(256,500)	-	-	(256,500)
Total transactions with owners of the Company	-	-	-	-	-	-	-	(256,500)	-	-	(256,500)
Transfer from retained earnings to reinsurance default risk reserve	-	-	-	-	-	-	18,303	(18,303)	-	-	-
Purchase of share held under employee scheme net off transfers	-	-	-	-	-	-	-	-	(2,708)	(2,602)	(5,310)
Balance at 30 September 2024 (Unaudited)	570,000	110,925	285,000	1,000,000	(142,979)	42,948	78,301	1,059,556	(2,708)	388,024	3,389,067

The notes set out on pages 7 to 37 form an integral part of this condensed consolidated interim financial information.
The report on review of the condensed consolidated interim financial information is set out on page no.1

Abu Dhabi National Insurance Company PJSC and its subsidiary

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

	Note	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit before zakat and income tax for the period		342,530	301,879
Adjustments for:			
Depreciation		18,616	15,409
Amortization expense, net		(387)	(29)
Charge of expected credit losses of other financial assets, net		47	171
Change in fair value of financial assets at fair value through profit or loss, net	11	(25,254)	(23,713)
Provision for employees' end of service benefits		4,967	3,269
Other finance cost		1,636	1,238
Interest income	11	(91,298)	(57,577)
Dividend income	11	(84,008)	(63,041)
Gain on sale of financial assets at fair value through profit or loss	11	(3,261)	(10,736)
Net cash generated from operations		163,589	166,870
<i>Changes in:</i>			
Financial assets for unit linked contracts		14,544	-
Insurance and reinsurance contracts		(107,458)	202,244
Accrued expenses and other liabilities		(16,374)	-
Prepayments and other receivables		(7,125)	(33,558)
Other payables		28,522	(32,088)
Cash used in operations		75,699	303,468
Employees' end of service benefits paid		(4,888)	(4,087)
Interest paid		(1,418)	(1,237)
Tax paid		(8,265)	-
Net cash generated from operating activities		61,129	298,144
Cash flows from investing activities			
Proceeds from sale of investments		949,665	933,839
Acquisition of a subsidiary, net of cash acquired		(356,399)	-
Purchase of investments		(1,026,871)	(886,111)
Bank deposits withdrawn, net		(122,357)	33,048
Additions to property and equipment		(11,225)	(8,152)
Additions to investment properties		(223)	(361)
Interest received		89,290	47,000
Dividend income		84,008	63,041
Net cash (used in) / generated from investing activities		(394,114)	182,304
Cash flows from financing activity			
Lease rental paid		(141)	-
Purchase of share held under employee scheme		(5,312)	-
Dividend paid		(256,500)	(228,000)
Net cash used in financing activity		(261,953)	(228,000)
Net (decrease)/increase in cash and cash equivalents		(594,938)	252,448
Cash and cash equivalents at 1 January		1,035,867	648,280
Cash and cash equivalents at 30 September	9	440,929	900,728

The notes set out on pages 7 to 37 form an integral part of this condensed consolidated interim financial information.

The report on review of the condensed consolidated interim financial information is set out on page 1.

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 virtue of Law No. (4) of 1972 (as amended), and is governed by the provisions of Federal Law No. (48) of 2023 concerning the Organization of the Insurance Operations and the Federal Decree Law No. (32) of 2021 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 and it is licensed and supervised by the Central Bank of UAE under registration No. (001). The registered office of the Company is located in ADNIC Building No. (403), Khalifa Street, 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”):

Subsidiaries	Principal activity	Country of incorporation	Ownership
	*Other activities		
ADNIC International LTD	auxiliary to insurance	United Kingdom	100%
Allianz Saudi Fransi Cooperative Insurance Company (AFC)**	Insurance and Reinsurance	Saudi Arabia	51%

* 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.

****Acquisition of Allianz Saudi Fransi Cooperative Insurance Company (“ASF”) from 17th April 2024-** ADNIC has finalized the acquisition of a 51% stake in Allianz Saudi Fransi Cooperative Insurance Company, effective April 17th, 2024. According to the agreement terms, the total consideration for this acquisition was AED 489 million, paid in full in cash.

In accordance with Group IFRS accounting policies, the assets and liabilities acquired were adjusted to their provisional fair value as of the acquisition date. These adjustments have been reflected in the opening balance sheet and are incorporated into the condensed consolidated interim financial statements.

The computation of the purchase consideration and its allocation to the net assets of ASF based on their provisional fair values as of 17 April 2024 is presented below.

	(Unaudited)	
	AED’000	
Consideration paid	488,552	
Non- controlling Interest	<u>384,478</u>	873,030
Less: Provisional fair value of identifiable net assets		
Total assets acquired	1,991,695	
Less: Total liabilities assumed	<u>(1,207,045)</u>	(784,650)
Goodwill		88,380

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

2 Basis of preparation (continued)

(a) Basis of consolidation (continued)

In accordance with IFRS 3 - Business Combinations, the allocation of the purchase price may be modified within a period of twelve months from the date of business combination, as more information is obtained about the fair value of assets acquired and liabilities assumed. This may result in different values being attributed to the assets and liabilities acquired, and hence, change in the accounting for the acquisition.

Subsidiaries

Subsidiaries are entities over which ADNIC has established control. Control is determined by ADNIC's exposure or rights to variable returns from its involvement with the entity, coupled with its ability to influence those returns through its governing power over the entity. The financial results of subsidiaries are included in ADNIC's consolidated financial statements from the date control is obtained and are excluded from the date control is lost.

ADNIC employs the acquisition method of accounting for business combinations, regardless of whether equity instruments or other types of assets are acquired. The consideration for acquiring a subsidiary includes the fair value of the transferred assets, liabilities incurred to the former owners of the acquired business, issued equity interests, the fair value of any contingent consideration arrangements, and the fair value of any pre-existing equity interest in the subsidiary. At the acquisition date, identifiable assets acquired, liabilities assumed, and contingent liabilities are initially measured at their fair values, with limited exceptions.

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. The results and equity attributable to non-controlling interests are presented separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, and consolidated statement of changes in equity.

Inter-company transactions, balances and unrealized gains on transactions between ADNIC and its subsidiaries are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The financial statements of subsidiaries are consolidated into the Group's financial statements from the date the Group gains control, either through acquisition or incorporation, and remain consolidated until the Group ceases to have control. These consolidated financial statements are prepared for the same reporting period as the parent company and adhere to consistent accounting policies throughout the Group.

Goodwill

Goodwill is recognised and measured on business combinations acquired by ADNIC, as described within the 'Basis of consolidation and equity accounting' policy. Goodwill on acquisitions of subsidiaries is included in intangible assets in the consolidated statement of financial position.

Goodwill is recorded when the total of the consideration transferred, any non-controlling interest in the acquired entity, and the acquisition-date fair value of any previously held equity interest in the acquired entity exceeds the fair value of the net identifiable assets acquired.

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

2 Basis of preparation (continued)

(b) Basis of consolidation (continued)

Goodwill (continued)

Goodwill is not amortised but is tested for impairment annually, or more frequently if there are indications of potential impairment. It is carried at cost, less any accumulated impairment losses. For impairment testing purposes, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the business combination in which the goodwill originated. An impairment loss is recognized when the carrying amount of a CGU or group of CGUs exceeds its recoverable amount. Impairment losses on goodwill are not reversed.

(b) Basis of accounting

As explained in note 3, the Group has adopted all consequential amendments to International Financial Reporting Standards (“IFRS”), with a date of initial application of 1 January 2024.

(c) 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 2023 except for changes in significant accounting policy as provided in note 3, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The results for the Nine month period ended 30 September 2024 are not necessarily indicative of the results for the year ending 31 December 2024.

(d) 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 value.

(e) 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.

The individual financial statements of the Group entities are presented in the currency of the primary economic environment in which they operate (functional currency). For the purpose of these interim condensed consolidated financial statements, the results and financial position of each subsidiary are expressed in the functional currency of the Parent Company.

(f) Use of judgements and estimates

In preparing this condensed consolidated interim financial information, management has used the same judgements and estimates with those used in the preparation of the consolidated financial statements for the year ended 31 December 2023 except as described in below note on account of acquisition of subsidiary during the period to the interim condensed consolidated financial statements,

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

2 Basis of preparation (continued)

a) Discounted rates

The bottom-up approach was used to derive the discount rate by subsidiary company ASF. Under this approach, the USD based risk free discount rates by European Insurance and Occupational Pensions Authority (EIOPA) were used as a starting point for preparing the yield curve. The Group then further added a KSA country risk premium from the source to make the yield curve appropriate for application. The Group has used the USD volatility adjustment reported by EIOPA for Solvency II as a proxy for illiquidity premium. The Group is currently discounting liability for incurred claims for all groups of insurance contracts.

For GMM, the bottom-up approach is used to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The Group uses EIOPA rates provided by Allianz Group as risk free rates. Management uses judgement to assess liquidity characteristics of the liability cash flows. For GMM, due to size of business being immaterial, liquidity premium is not considered.

b) CSM determination

For long-term Individual Life contracts, measured under the GMM and VFA, the Group recognizes a contractual service margin (CSM) which represents the unearned profit the Group will earn as it provides service under those contracts. A coverage unit methodology is used for the release of the CSM. Based on the benefit for the policy holders, the applicable CSM release pattern is determined by using coverage unit methodology which will reflect the benefit defined in the insurance contracts with the policyholders.

In performing the above determination, management applies judgement that might significantly impact the CSM carrying values and amounts of the CSM allocation recognized in the income statement for the period.

3 New and amended IFRS Standards that are effective for the current period

In the current period, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2024.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these condensed consolidated interim financial information. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed consolidated interim financial information.

New and revised IFRS

Summary

Amendments to IFRS 16 *Leases* relating to Lease Liability in a Sale and Leaseback

The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

3 New and amended IFRS Standards that are effective for the current period (continued)

New and revised IFRS	Summary
Amendments to IAS 1 <i>Presentation of Financial Statements</i> relating to Classification of Liabilities as Current or Non-Current	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.
Amendments to IAS 1 <i>Presentation of Financial Statements</i> relating to Non-current Liabilities with Covenants	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
Amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> relating to Supplier Finance Arrangements	The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2024.

4 New and revised IFRS in issue but not yet effective and not early adopted

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> relating to Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.	1 January 2025
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	1 January 2026

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

4 New and revised IFRS in issue but not yet effective and not early adopted (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
<i>IFRS 18 Presentation and Disclosures in Financial Statements</i>	1 January 2027
IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	
<i>Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)</i>	Effective date deferred indefinitely. Adoption is still permitted.
The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated interim financial information as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the condensed consolidated interim financial information of Group in the period of initial application.

5 Material accounting policy information

Except as described in below, 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 2023.

(a) *Measurement under VFA*

The Variable Fee Approach ("VFA") is a mandatory modification of the general measurement model regarding the treatment of the contractual service margin in order to accommodate direct participating contracts.

An insurance contract has a direct participation feature if the following three requirements are met:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items;
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

5 Material accounting policy information *(continued)*

(a) Measurement under VFA (continued)

Direct participating contracts issued by the Group are contracts with direct participation features where the Group holds the pool of underlying assets and accounts for these Groups of contracts under the VFA. The Group uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value returns on the underlying items.

The Standard does not require separate adjustments to be identified for changes in the contractual service margin arising from changes in the amount of the entity's share of the fair value of the underlying items and changes in estimates of fulfilment cash flows relating to future services. A combined amount might be determined for some or all the adjustments.

Under the VFA, adjustments to the contractual service margin are determined using current discount rates whereas under the general model, adjustments are determined using discount rates locked in at inception of a group of insurance contracts.

In contrast to insurance contracts measured under the general measurement model, the contractual service margin for contracts with direct participation features is not explicitly adjusted for the accretion of interest since the adjustment of the contractual service margin for the changes in the amount of the entity's share of the fair value of underlying items already incorporates an adjustment for financial risks, and this represents an implicit adjustment using current rates for the time value of money and other financial risks.

The variable fee approach possesses following key features;

- i. Comparable to GMM, the only difference is that this group of insurance contract have policy holders who participate in share of clearly identified pool of underlying items.
- ii. The insurer expects that part of the profit of the underlying items needs to be paid to the policy holder, while the amount paid to the policy holder depends on the underlying item.
- iii. The result is that VFA looks like GMM, not different at the start of the contract.
- iv. Only the subsequent years there are differences in the cash flows (as part goes to policy holder) and the CSM does not reflect the unearned profit for the insurer, as part of it also belongs to the policy holder.

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

- a. changes in the Group's share of the fair value of the underlying items; and
- b. changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
 - iii. changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
 - iv. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
 - v. changes in the risk adjustment for non-financial risk that relate to future service.

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

5 Material accounting policy information *(continued)*

(a) Measurement under VFA (continued)

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:

- a. changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b. changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the FCF relating to the LIC; and
 - ii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

The Group does not have any products with complex guarantees and does not use derivatives to economically hedge the risks.

The Group applies the variable fee model to:

- Education Unit link (DSF and Banca)
- Retirement Unit link (DSF and Banca)
- Group Retirement

(b) Unit linked investments

Unit linked investments are assets backing liabilities arising from contracts, where the liabilities are contractually linked to the fair value of the financial assets within the policyholder's unit linked funds and are classified as 'held for trading' assets and are designated at fair value through statement of income.

Investments classified as trading are acquired principally for the purpose of selling or repurchasing in the short term and are recorded in the statement of financial position at fair value. Any change in fair value is recognized in the statement of income.

Unit linked assets are related to investments in unit linked funds.

The Group has established unit linked liabilities which, excluding some timing differences and reserves, match exactly with the policyholder's unit linked assets.

The fair value of unit linked investments is measured based on the net assets value provided by the fund manager. As the input to the valuation technique is observable from market sources, the Group uses Level 2 hierarchy for determining and disclosing the fair value of above unit linked investments and for private equity fund the Group uses Level 3 hierarchy for determining and disclosing the fair value.

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

6 Investments

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Financial assets at amortised cost (i)	1,303,356	1,146,479
Financial assets at fair value through other comprehensive income (ii)	2,258,388	1,529,033
Financial assets at fair value through profit or loss (Unit Linked Investments)	481,446	-
Financial assets at fair value through profit or loss	390,766	347,305
	<u>4,433,956</u>	<u>3,022,817</u>

Geographical concentration of net investments is as follows:

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Within UAE	1,801,045	1,606,203
Outside UAE	2,632,911	1,416,614
	<u>4,433,956</u>	<u>3,022,817</u>

- (i) Financial assets at amortised cost are stated net of expected credit losses amounting to AED 429 thousand (31 December 2023: AED 365 thousand).
- (ii) Financial assets at fair value through other comprehensive income includes expected credit losses amounting to AED 509 thousand (31 December 2023 AED 106 thousand).

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

7 Insurance and reinsurance contract assets and liabilities

The following reconciliations that are required by IFRS 17 are included below, separately for consumer and commercial lines for contracts issued and reinsurance contracts held.

Reconciliation of the liability for remaining coverage and the liability for incurred claims – applicable to contracts measured under the PAA, VFA and GMM

30 September 2024 (Unaudited)								
Remaining coverage - PAA		Remaining coverage not measured under PAA		LIC for contracts not measured under PAA	LIC for contracts Measured under the PAA		Total	
Excluding loss component	Loss component	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment for non-financial risk		
AED'000								
Insurance contracts issued								
Opening insurance contract assets	(128,556)	-	(20,666)	277	3,051	(11,163)	(108)	(157,165)
Opening insurance contract liabilities	(242,895)	5,128	743,733	59,462	33,385	4,957,519	166,193	5,722,525
Net balance as at 1 January	(371,451)	5,128	723,067	59,739	36,436	4,946,356	166,085	5,565,360
Insurance revenue	(5,425,108)	-	(44,046)	-	-	-	-	(5,469,154)
Insurance service expenses	395,082	240	(76,908)	12,564	107,957	5,784,950	51,978	6,275,863
Incurred claims and other directly attributable expenses	-	-	-	-	34,761	5,349,916	72,923	5,457,600
Changes that relate to past service - adjustments to the LIC	-	-	-	-	(12,775)	475,154	(18,737)	443,642
Losses on onerous contracts and reversal of those losses	-	240	-	12,564	-	-	-	12,804
Insurance acquisition cash flows amortisation	395,082	-	8,748	-	-	-	-	403,830

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

7 Insurance and reinsurance contract assets and liabilities (continued)

30 September 2024 (Unaudited)							
Remaining coverage - PAA		Remaining coverage - PAA		LIC for contracts not measured under PAA	LIC for contracts Measured under the PAA		Total
Excluding loss component	Loss component	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment for non-financial risk	
AED'000							
ULAE for outstanding & IBNR at end current year end	-	-	-	315	(40,120)	(2,208)	(42,013)
Investment Component	-	-	(85,656)	-	85,656	-	-
Surrenders	-	-	(53,107)	-	53,107	-	-
Maturities	-	-	(32,549)	-	32,549	-	-
Total insurance service expenses	395,082	240	(76,908)	12,564	107,957	5,784,950	51,978
Insurance service result	(5,030,026)	240	(120,954)	12,564	107,957	5,784,950	51,978
Finance income from insurance contracts issued	4,415	-	39,020	4	215	(67,010)	-
Total amounts recognized in comprehensive income	(5,025,611)	240	(81,934)	12,568	108,172	5,717,940	51,978
Cash flows							
Premiums received	5,183,405	-	49,660	-	-	-	-
Claims and other directly attributable expenses paid	-	-	-	-	(96,194)	(2,985,785)	-
Insurance acquisition cash flows paid	(364,625)	-	(3,223)	-	-	774	-
Total cash flows	4,818,780	-	46,437	-	(96,194)	(2,985,011)	-
Net balance as at 30 September	(578,282)	5,368	687,570	72,307	48,414	7,679,285	218,063
Closing insurance contract assets	(29,106)	-	(22,644)	3,810	2,270	(65,010)	(83)
Closing insurance contract liabilities	(549,176)	5,368	710,214	68,497	46,144	7,744,295	218,146
Net balance as at 30 September	(578,282)	5,368	687,570	72,307	48,414	7,679,285	218,063

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

7 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims – applicable to contracts measured under the PAA, VFA and the GMM.

31 December 2023 (Audited)								
Remaining coverage - PAA		Remaining coverage not measured under PAA		LIC for contracts not measured under PAA	LIC for contracts Measured under the PAA		Total	
Excluding loss component	Loss component	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment for non-financial risk		
AED'000								
Insurance contracts issued								
Opening insurance contract assets	-	-	(7,894)	-	5,188	-	-	(2,706)
Opening insurance contract liabilities	(706,177)	-	314,016	15,059	11,572	3,695,661	98,495	3,428,626
Net balance as at 1 January	(706,177)	-	306,122	15,059	16,760	3,695,661	98,495	3,425,920
Insurance revenue	(4,573,259)	-	(67,599)	-	-	-	-	(4,640,858)
Insurance service expenses	327,913	-	7,503	28,706	19,110	3,186,960	44,666	3,614,858
Incurred claims and other directly attributable expenses	-	-	-	-	34,416	2,967,321	59,625	3,061,362
Changes that relate to past service - adjustments to the LIC	-	-	-	-	(15,306)	219,639	(14,959)	189,374
Losses on onerous contracts and reversal of those losses	-	-	-	28,706	-	-	-	28,706
Insurance acquisition cash flows amortization	327,913	-	7,503	-	-	-	-	335,416
Investment Component	-	-	-	-	-	-	-	-
Surrenders	-	-	-	-	-	-	-	-
Maturities	-	-	-	-	-	-	-	-
Total insurance service expenses	327,913	-	7,503	28,706	19,110	3,186,960	44,666	3,614,858

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

7 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims – applicable to contracts measured under the PAA, VFA and the GMM.

31 December 2023 (Audited)								
Remaining coverage - PAA		Remaining coverage not measured under PAA		LIC for contracts not measured under PAA	LIC for contracts Measured under the PAA		Total	
Excluding loss component	Loss component	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment for non-financial risk		
AED'000								
Insurance service result	(4,245,346)	-	(60,096)	28,706	19,110	3,186,960	44,666	(1,026,000)
Finance income from insurance contracts issued	-	-	14,229	-	316	21,336	-	35,881
Total amounts recognized in comprehensive income	(4,245,346)	-	(45,867)	28,706	19,426	3,208,296	44,666	(990,119)
Cash flows								
Premiums received	4,866,464	-	7,488	-	-	-	-	4,873,952
Claims and other directly attributable expenses paid	-	-	-	-	(21,224)	(2,374,072)	-	(2,395,296)
Insurance acquisition cash flows paid	(293,627)	-	(1,708)	-	-	-	-	(295,335)
Total cash flows	4,572,837	-	5,780	-	(21,224)	(2,374,072)	-	2,183,321
Net balance as at 31 December	(378,686)	-	266,035	43,765	14,962	4,529,885	143,161	4,619,122
Closing insurance contract assets	-	-	(17,819)	277	3,051	-	-	(14,491)
Closing insurance contract liabilities	(378,686)	-	283,854	43,488	11,911	4,529,885	143,161	4,633,613
Net balance as at 31 December	(378,686)	-	266,035	43,765	14,962	4,529,885	143,161	4,619,122

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

7 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the remaining coverage and incurred claims – for contracts measured under the PAA, VFA and the GMM.

30 September 2024 (Unaudited)								
Remaining coverage - PAA		Remaining coverage not measured under PAA		Incurred claims for contracts not measured under PAA	LIC for contracts Measured under the PAA		Total	
Excluding loss Recovery component	Loss Recovery component	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment for non-financial risk		
AED'000								
Reinsurance contracts issued								
Opening reinsurance contract assets	1,917,228	(1,172)	(4,914)	(236)	(70,182)	(4,837,258)	(122,992)	(3,119,526)
Opening reinsurance contract liabilities	187,396	-	-	-	-	(29,033)	(1,798)	156,565
Net balance as at 1 January	2,104,624	(1,172)	(4,914)	(236)	(70,182)	(4,866,291)	(124,790)	(2,962,961)
Net income / (expenses) from reinsurance contracts held	229,317	-	10,008	-	-	-	-	239,325
Reinsurance service expenses	2,686,148	-	-	-	(141)	(155,441)	297	2,530,863
Other incurred directly attributable expenses	-	-	-	-	-	4,049	-	4,049
Claims recovered net of reinsurance expenses	-	-	-	-	(62,620)	(3,314,703)	(50,721)	(3,428,044)
Changes that relate to past service - changes in FCF relating to incurred claim recovery	-	-	-	-	2,077	(471,488)	5,970	(463,441)
Income on initial recognition of onerous underlying contracts	-	(333)	-	-	-	-	-	(333)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	(2,813)	-	-	-	(2,813)

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

7 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the remaining coverage and incurred claims – for contracts measured under the PAA, VFA and the GMM.

30 September 2024 (Unaudited)								
Remaining coverage - PAA		Remaining coverage not measured under PAA		Incurred claims for contracts not measured under PAA	LIC for contracts Measured under the PAA		Total	
Excluding loss Recovery component	Loss Recovery component	Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment for non-financial risk		
AED'000								
Effect of changes in non-performance risk of reinsurers	-	-	-	-	6,472	-	6,472	
Net income / (expenses) from reinsurance contracts held	2,915,465	(333)	10,008	(2,813)	(60,684)	(3,931,111)	(44,454)	(1,113,922)
Finance expenses from reinsurance contracts held	(3,259)	-	2,863	-	(6,102)	56,081	-	49,583
Total amounts recognised in comprehensive income	2,912,206	(333)	12,871	(2,813)	(66,786)	(3,875,030)	(44,454)	(1,064,339)
Cash flows								
Premiums paid net of ceding commissions	(2,416,776)	-	9,892	-	-	-	-	(2,406,884)
Other directly attributable expenses paid	9,342	-	146	-	-	(4,049)	-	5,439
Recoveries from reinsurance	-	-	-	-	686	793,627	-	794,313
Total cash flows	(2,407,434)	-	10,038	-	686	789,578	-	(1,607,132)
Net balance as at 30 September	2,609,396	(1,505)	17,995	(3,049)	(136,282)	(7,951,743)	(169,244)	(5,634,432)
Closing reinsurance contract assets	2,520,773	(1,505)	17,988	(3,049)	(136,282)	(7,951,743)	(169,244)	(5,723,062)
Closing reinsurance contract liabilities	88,622	-	8	-	-	-	-	88,630
Net balance as at 30 September	2,609,396	(1,505)	17,995	(3,049)	(136,282)	(7,951,743)	(169,244)	(5,634,432)

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

7 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the remaining coverage and incurred claims - for contracts measured under the PAA, VFA and the GMM.

31 December 2023 (Audited)								
	Remaining coverage - PAA		Remaining coverage not measured under PAA		Incurred claims for contracts not measured under PAA	LIC for contracts Measured under the PAA		Total
	Excluding loss recovery component	Loss recovery component	Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contracts held								
	AED'000							
Opening reinsurance contract assets	1,562,789	-	-	-	-	(3,161,550)	(64,209)	(1,662,970)
Opening reinsurance contract liabilities	175,066	-	5,650	-	(2,073)	(150,566)	(4,259)	23,818
Net balance as at 1 January	1,737,855	-	5,650	-	(2,073)	(3,312,116)	(68,468)	(1,639,152)
Net income / (expenses) from reinsurance contracts held								
Reinsurance expenses	2,710,298	-	14,175	-	-	-	-	2,724,473
Other incurred directly attributable expenses	-	-	-	-	-	4,247	-	4,247
Claims recovered net of reinsurance expenses	-	-	-	-	(58,057)	(1,738,880)	(47,474)	(1,844,411)
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	-	-	(9,741)	(218,582)	4,590	(223,733)

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

7 Insurance and reinsurance contract assets and liabilities (continued)

31 December 2023 (Audited)							
Remaining coverage - PAA		Remaining coverage not measured under PAA		Incurred claims for contracts not measured under PAA	LIC for contracts Measured under the PAA		Total
Excluding loss recovery component	Loss recovery component	Excluding loss recovery component	Loss recovery component		Present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contracts held							
AED'000							
Reinsurance contracts held under the GMM:							
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	(236)	-	-	(236)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	(948)	(948)
Net income / (expenses) from reinsurance contracts held	2,710,298	-	14,175	(236)	(67,798)	(1,954,163)	(42,884)
Finance expenses from reinsurance contracts held	-	-	(62)	-	(1,094)	(16,848)	-
Total amounts recognised in comprehensive income	2,710,298	-	14,113	(236)	(68,892)	(1,971,011)	(42,884)
Cash flows							
Premiums paid net of ceding commissions	(2,465,185)	-	(23,863)	-	-	-	-
Other directly attributable expenses paid	-	-	-	-	-	(4,247)	-
Recoveries from reinsurance	-	-	-	-	1,624	764,726	-
Directly attributable expenses paid	-	-	-	-	-	-	-
Total cash flows	(2,465,185)	-	(23,863)	-	1,624	760,479	-
Net balance as at 31 December	1,982,968	-	(4,100)	(236)	(69,341)	(4,522,648)	(111,352)
Closing reinsurance contract assets	1,947,737	-	(4,100)	(236)	(69,341)	(4,493,615)	(109,554)
Closing reinsurance contract liabilities	35,231	-	-	-	-	(29,033)	(1,798)
Net balance as at 31 December	1,982,968	-	(4,100)	(236)	(69,341)	(4,522,648)	(111,352)

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

7 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of insurance and reinsurance contract balances measured under PAA, VFA and GMM as at:

	30 September 2024 (Unaudited)		
	PAA	Contracts not measured under PAA	Total
	AED'000	AED'000	AED'000
Insurance contract assets	(94,199)	(16,564)	(110,763)
Insurance contract liabilities	7,418,632	824,856	8,243,488
Reinsurance contract assets	(5,601,719)	(121,343)	(5,723,062)
Reinsurance contract liabilities	88,623	7	88,630
	<u>1,811,337</u>	<u>686,956</u>	<u>2,498,293</u>
	31 December 2023 (Audited)		
	PAA	Contracts not measured under PAA	Total
	AED'000	AED'000	AED'000
Insurance contract assets	-	(14,491)	(14,491)
Insurance contract liabilities	4,294,360	339,253	4,633,613
Reinsurance contract assets	(2,655,432)	(73,677)	(2,729,109)
Reinsurance contract liabilities	4,400	-	4,400
	<u>1,643,328</u>	<u>251,085</u>	<u>1,894,413</u>

8 Prepayments and other receivables

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
<i>Prepayments and other receivables:</i>		
Rental income receivables, net	2,979	750
Prepayments	55,467	8,904
Accrued Income on Statutory Deposits	5,286	-
Other receivables, net of expected credit losses (i)	29,369	24,347
Total prepayments and other receivables	<u>93,101</u>	<u>34,001</u>

- (i) Other receivables are stated net of expected credit losses amounting to AED 1,417 thousand (31 December 2023: AED 1,532 thousand).

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

9 Cash and cash equivalents

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Cash on hand	406	54
Statutory deposits (i)	68,800	10,000
Cash / call / current accounts with banks, including deposits (i)	733,698	1,157,537
Less: allowance for expected credit losses	(178)	(233)
	<hr/>	<hr/>
Total bank balances and cash	802,726	1,167,358
Less: statutory deposits	(68,800)	(10,000)
Less: deposits with original maturities of 3 months or more	(293,158)	(121,721)
	<hr/>	<hr/>
Cash and cash equivalents in the condensed consolidated interim statement of financial position	440,768	1,035,637
Add: allowance for expected credit losses	161	230
	<hr/>	<hr/>
Cash and cash equivalents	440,929	1,035,867
Less: bank overdraft repayable on demand and used for cash management purposes (ii)	-	-
	<hr/>	<hr/>
Cash and cash equivalents for the purpose of the condensed consolidated interim statement of cash flows	440,929	1,035,867
	<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:

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Within UAE	429,982	405,325
Outside UAE	372,744	762,033
	<hr/>	<hr/>
	802,726	1,167,358
	<hr/> <hr/>	<hr/> <hr/>

(i) Interest rates on bank deposits ranges between 5.00% to 6.10% (31 December 2023: 4.80% to 5.48%).

(ii) Following are the overdraft facilities availed by the group:

- (a) The Group has availed an overdraft facility of AED 200,000 thousand which is unsecured. Interest is payable at 3 months' EIBOR plus 1.00% per annum and the tenure of the facility is 12 months. As at reporting date the Group has utilised the facility up to AED nil (31 December 2023: AED nil).
- (b) The Group has availed an overdraft facility of AED 200,000 thousand which is unsecured. Interest is payable at 3 months' EIBOR plus 0.55% per annum and the tenure of the facility is 90 days. As at reporting date the Group has utilised the facility up to AED nil thousand (31 December 2023: AED nil).

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

10 Dividends

At the Annual General Assembly held on 25 March 2024 (31 December 2023: held on 21 March 2023 relating to the results of the year ended 31 December 2022), the shareholders approved the distribution of cash dividend relating to the results for the year ended 31 December 2023 of AED 0.45 per share amounting to AED 256,500 thousand (31 December 2023: AED 0.40 per share amounting to AED 228,000 thousand).

11 Investment income and insurance finance income and expenses (*Unaudited*)

	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
Income from investment properties (rental income), <i>net</i>	4,399	3,707	13,783	9,974
Dividend income	27,972	13,776	84,008	63,041
Net interest income on bank deposits and bonds	35,728	21,921	91,298	57,577
Net change in fair value of financial assets at fair value through profit or loss	24,151	10,061	25,254	23,713
Gain on disposal of investment through profit or loss	(7,151)	905	(3,261)	10,736
Other (expenses)/income, <i>net</i>	(1,971)	(2,193)	(8,805)	(6,111)
Income from investments, <i>net</i>	78,729	44,470	188,493	148,956
Net investments income	83,128	48,177	202,276	158,930

Insurance and reinsurance finance income and expenses

	Assets backing the insurance/reinsurance contracts			
	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2024	2023	2024	2023
Finance (expense)/ income from insurance contracts issued	5	4,221	30,489	3,670
Finance (expenses) / income from reinsurance contracts held	(11,830)	(1,870)	(32,601)	(4,269)
Net Financial Result	(11,825)	2,351	(2,112)	(599)

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

12 Earnings per share

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

	Three-month period ended		Nine-month period ended	
	30 September 2024	2023	30 September 2024	2023
Profit for the period used for calculating earnings per share (AED'000)	100,445	97,490	305,171	301,879
Ordinary shares outstanding during the period (shares in '000)	570,000	570,000	570,000	570,000
Earnings per share (AED)	0.18	0.17	0.54	0.53

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

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 Mamoura Diversified Global Holding PJSC.

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

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

	30 September 2024 (Unaudited)			
	Directors and key management AED'000	Major Shareholders AED'000	Others AED'000	Total AED'000
Insurance contract balances	33	481,357	2,715,381	3,196,771
Employees' end of service benefits	3,834	-	-	3,834
Cash and bank balances	-	57,833	239,908	297,741
Bank overdraft	-	-	-	-
Investments	-	124,258	188,445	312,703
Statutory deposits	-	-	10,000	10,000

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

13 Related parties (continued)

	31 December 2023 (Audited)			Total AED'000
	Directors and key management AED'000	Major Shareholders AED'000	Others AED'000	
Insurance contract balances	(27)	73	987,631	987,677
Employees' end of service benefits	3,098	-	-	3,098
Cash and bank balances	-	-	250,140	250,140
Bank overdraft	-	-	-	-
Investments	-	138,643	190,405	329,048
Statutory deposits	-	-	10,000	10,000

Contingent liabilities issued in favor of related parties as at 30 September 2024 amounted to AED 100,694 thousand (31 December 2023: AED 100,910 thousand).).

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

	Nine-month period ended 30 September 2024			Total AED'000
	Directors and key management AED'000	Major Shareholders AED'000	Others AED'000	
Insurance Revenue	26	32,189	1,334,284	1,366,499
Insurance Service Expenses	49	41,378	315,164	356,591
Dividend Income	-	-	1,633	1,633
Interest Income	-	3,529	14,040	17,569
Directors Remuneration	6,000	-	-	6,000
Other Investment Income	-	-	125	125

	Three-month period ended 30 September 2024			Total AED'000
	Directors and key management AED'000	Major Shareholders AED'000	Others AED'000	
Insurance Revenue	14	25,419	389,648	415,081
Insurance Service Expenses	23	24,207	126,970	151,200
Dividend Income	-	-	-	-
Interest Income	-	1,131	4,536	5,667
Directors Remuneration	-	-	-	-
Other Investment Income	-	-	42	42

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

13 Related parties (continued)

	Nine-month period ended 30 September 2023			Total AED'000
	Directors and key management AED'000	Major Shareholders AED'000	Others AED'000	
Insurance Revenue	41	-	528,435	528,476
Insurance Service Expenses	34	-	515,182	515,216
Dividend Income	-	-	2,832	2,832
Interest Income	-	2,814	10,254	13,068
Directors Remuneration	5,800	-	-	5,800
Other Investment Income	-	-	126	126
	Three-month period ended 30 September 2023			Total AED'000
	Directors and key management AED'000	Major Shareholders AED'000	Others AED'000	
Insurance Revenue	22	-	142,100	142,122
Insurance Service Expenses	11	-	99,194	99,205
Dividend Income	-	-	220	220
Interest Income	-	954	3,536	4,490
Directors Remuneration	-	-	-	-
Other Investment Income	-	-	43	43

At the Annual General Assembly held on 25 March 2024, the shareholders approved Board of Directors' remuneration relating to the results for the year ended 31 December 2023 amounting to AED 6,000 thousand (31 December 2023: AED 5,800 thousand relating to the results for the year ended 31 December 2022).

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

13 Related parties (continued)

Compensation of key management personnel is as follows (Unaudited)

	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
Salaries and short-term benefits	3,272	3,056	16,041	15,046
Employees' end of service benefits	(60)	110	647	680
	<u>3,212</u>	<u>3,166</u>	<u>16,688</u>	<u>15,726</u>

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 IFRS. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized 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 input used to measure the fair value of an asset or a liability might be categorized in the different levels of the fair value hierarchy, then the fair value measurement is categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

14 Fair value of financial instruments (continued)

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 categorized:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
30 September 2024 (Unaudited)				
Financial assets at fair value through profit or loss	99,193	29,539	262,034	390,766
Financial assets for unit linked contracts	-	481,446	-	481,446
Financial assets at fair value through other comprehensive income	1,629,079	427,182	202,127	2,258,388
	<u>1,728,272</u>	<u>938,167</u>	<u>464,161</u>	<u>3,130,600</u>
	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 December 2023 (Audited)				
Financial assets at fair value through profit or loss	89,163	998	257,144	347,305
Financial assets for unit linked contracts	-	-	-	-
Financial assets at fair value through other comprehensive income	1,374,073	19,696	135,264	1,529,033
	<u>1,463,236</u>	<u>20,694</u>	<u>392,408</u>	<u>1,876,038</u>

The valuation techniques and inputs used in this condensed consolidated interim financial information are consistent with those described in the Group's last annual consolidated financial statements for the year ended 31 December 2023.

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 recognized in the condensed consolidated interim statement of financial position approximate their fair values.

	Carrying amount AED'000	Fair value AED'000
30 September 2024 (Unaudited)		
Financial assets at amortised cost	<u>1,303,356</u>	<u>1,287,141</u>
31 December 2023 (Audited)		
Financial assets at amortised cost	<u>1,146,479</u>	<u>1,101,417</u>

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (continued)

14 Fair value of financial instruments (continued)

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

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Balance as at 1 January	437,385	419,948
Change in fair value	7,157	(5,602)
Additions	44,075	27,452
Disposals	(24,456)	(49,390)
Balance as at period / year end	464,161	392,408

15 Segment information

The Group is organized 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.

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information *(continued)*

15 Segment information *(Unaudited) (continued)*

Balances for insurance and reinsurance revenue and insurance service result - applicable to all measurement models are as follows:

	Nine-month period ended 30 September					
	Commercial		Consumer		Total	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	2024	2023	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Insurance revenue	2,907,864	1,885,720	2,333,950	1,448,704	5,241,814	3,334,424
Insurance service expenses	(3,677,818)	(822,348)	(2,396,995)	(1,446,977)	(6,074,813)	(2,269,325)
Income from reinsurance contracts	3,203,603	538,450	783,450	607,881	3,987,053	1,146,331
Expenses from reinsurance contracts	(2,220,208)	(1,386,401)	(625,331)	(553,661)	(2,845,539)	(1,940,062)
Total Insurance service result	213,441	215,421	95,074	55,947	308,515	271,368
Investment income net					202,276	158,930
Net Insurance finance expense					(2,112)	(599)
Other operating expenses					(166,149)	(127,820)
Profit before tax					342,530	301,879
Income tax expense					(34,741)	-
Profit after tax					307,789	301,879

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information *(continued)*

15 Segment information *(Unaudited) (continued)*

	Three-month period ended 30 September					
	Commercial		Consumer		Total	
	(Unaudited) 2024	(Unaudited) 2023	(Unaudited) 2024	(Unaudited) 2023	(Unaudited) 2024	(Unaudited) 2023
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Insurance revenue	1,004,094	685,315	943,991	510,719	1,948,085	1,196,034
Insurance service expenses	(1,723,974)	(276,004)	(925,510)	(486,725)	(2,649,484)	(762,729)
Income from reinsurance contracts	1,582,894	154,781	284,459	198,070	1,867,353	352,851
Expenses from reinsurance contracts	(783,056)	(491,014)	(278,698)	(201,881)	(1,061,754)	(692,895)
Total Insurance service result	79,958	73,078	24,242	20,183	104,200	93,261
Investment income net					83,128	48,177
Net Insurance finance expense					(11,824)	2,351
Other operating expenses					(57,265)	(46,299)
Profit before tax					118,238	97,490
Income tax expense					(15,623)	-
Profit after tax					102,615	97,490

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (*continued*)

15 Segment information (*continued*)

Balances for insurance and reinsurance assets and liabilities applicable to all measurement models are as follows:

	30 September 2024 (Unaudited)		
	Commercial AED'000	Consumer AED'000	Total AED'000
Insurance contract assets	(23,623)	(87,140)	(110,763)
Insurance contract liabilities	5,925,055	2,318,433	8,243,488
Reinsurance contract assets	(4,720,856)	(1,002,206)	(5,723,062)
Reinsurance contract liabilities	52,676	35,954	88,630
	<u>1,233,252</u>	<u>1,265,041</u>	<u>2,498,293</u>

	31 December 2023 (Audited)		
	Commercial AED'000	Consumer AED'000	Total AED'000
Insurance contract assets	-	(14,491)	(14,491)
Insurance contract liabilities	3,422,809	1,210,804	4,633,613
Reinsurance contract assets	(2,130,761)	(598,348)	(2,729,109)
Reinsurance contract liabilities	4,400	-	4,400
	<u>1,296,448</u>	<u>597,965</u>	<u>1,894,413</u>

16 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 2023.

17 Contingent liabilities and commitments

	30 September 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Commitments in respect of uncalled subscription of equities held as investments	<u>61,912</u>	<u>88,884</u>
Bank guarantees	<u>273,475</u>	<u>245,884</u>
Letters of credit	<u>384</u>	<u>384</u>

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

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (*continued*)

17 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.

18 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 summarizes 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/BSN/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 finalized. The below given solvency margins is based on the ADNIC standalone financial position, the consolidated solvency margins will be disclosed in the period ended September 2024.

	30 June 2024 (Unaudited) AED'000	31 December 2023 (Unaudited) 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)	570,000	100,000
Solvency Capital Requirement (SCR)	1,346,048	1,033,289
Minimum Guarantee Fund (MGF)	655,943	573,597
<i>Own funds</i>		
Basic own funds	2,311,308	2,378,542
Own funds eligible to meet MCR, SCR, MGF	2,311,308	2,378,542
MCR solvency margin - (surplus)	2,211,308	2,278,542
SCR solvency margin - (surplus)	965,259	1,345,253
MGF solvency margin - (surplus)	1,655,365	1,804,945

Abu Dhabi National Insurance Company PJSC and its subsidiary

Notes to the condensed consolidated interim financial information (*continued*)

19 Taxation

	Three-month period ended		Nine-month period ended	
	30 September 2024	2023	30 September 2024	2023
	AED'000	AED'000	AED'000	AED'000
Profit and loss				
Zakat for the period	2,540	-	4,743	-
Income tax for the period				
- Current tax	12,412	-	29,382	-
- Deferred tax	671	-	616	-
	<u>15,623</u>	<u>-</u>	<u>34,741</u>	<u>-</u>
Other comprehensive income				
Current tax	3,193	-	3,193	-
	<u>18,816</u>	<u>-</u>	<u>37,934</u>	<u>-</u>

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

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. It is not currently foreseen that the Group’s UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in FY2024. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Group operates and the enactment of Pillar Two rules by the UAE MoF.

The tax charge for period ended 30 September 2024 is AED 37,934 thousand (30 September 2023: AED Nil thousand), representing an Effective Tax Rate (“ETR”) of 11.1% (30 September 2023: Nil %).

20 Non-Controlling Interest

	30 September 2024 (Unaudited) AED'000
Total Assets of Subsidiary	1,991,695
Less : Liabilities of Subsidiary	<u>1,207,045</u>
Net assets	784,650
% age of NCI	49%
NCI Share in Net assets	<u>384,478</u>
NCI Share in ASF's Profits	2,618
NCI Share in ASF's OCI	3,530
Purchase of share held under employee scheme	<u>(2,602)</u>
NCI Balance as on	388,024

21 General

The condensed consolidated interim financial information of the Group was approved for issuance by the Board of Directors on 11th Nov 2024.