

**Al Wathba National Insurance Company  
P.J.S.C. and its subsidiary**

Condensed consolidated interim financial information

*30 September 2021*

**Principal business address:**

Al Wathba National Insurance Company P.J.S.C.  
P.O. Box: 45154  
Abu Dhabi  
UAE

# **Al Wathba National Insurance Company P.J.S.C. and its subsidiary**

## **Condensed consolidated interim financial information**

<b><i>Contents</i></b>	<b><i>Page</i></b>
Directors' report	1
Independent auditors' report	3
Condensed consolidated interim statement of financial position	5
Condensed consolidated interim statement of profit or loss	6
Condensed consolidated interim statement of profit or loss and other comprehensive income	7
Condensed consolidated interim statement of changes in shareholders' equity	8
Condensed consolidated interim statement of cash flows	9
Notes to the condensed consolidated interim financial information	10



شركة الوثبة الوطنية للتأمين ش.م.ع.  
AL WATHBA NATIONAL INSURANCE CO. P.J.S.C.

## Board of Directors' Report

*For the period ended on 30 September 2021*

The Board of Directors of Al Wathba National Insurance Company is pleased to submit the quarterly report on the company's activities accompanied by the audited financial statements for the period ended 30 September 2021.

The third quarter of the year witnessed continued improvement in various economic activities on both the local and global fronts which was driven by robust measures taken by countries to reopen their borders and resume economic activities following the successful implementation of vaccination programs against the Corona virus that aided in the decline in reported cases and curtail the further spread of infection.

The gradual return to pre-pandemic levels of normal life had a positive impact on the financial markets which continued during the third quarter of the year. As local security markets continued to show growth, it contributed to the company's strong investment results. Al Wathba National Insurance Company's investment profits amounted to 152 million dirhams reflecting the company's selective investment policy and focus on leading stocks in addition to the company's efforts to diversify sources of income as it took part in investment opportunities with investment in various fields.

Additionally, the company was able to sustain growth in the insurance business despite the highly competitive conditions in the UAE market. Such competition is evidenced by results declared by companies for the period. Al Wathba National Insurance Company announced net written premiums of 187.8 million dirhams for the period ended on 30/09/2021 in comparison to 184.5 million dirhams during the same quarter of last year.

The net underwriting income for the period reached 21.7 million dirhams. Consequently, the net profits announced by the company for the period ended 30/09/2021 reached 174 million dirhams compared to loss of (5.5) million dirhams for the same term of the last year, which is among the highest in the local insurance market.

The insurance industry has adopted a digital customer-centric approach to ensure long-term growth, and Al Wathba National Insurance Company has pioneered the use of technology in

رأس المال المدفوع والمصرح به (٢٠٧) مليون درهم شركة خاضعة لأحكام القانون الاتحادي رقم (٦) لسنة ٢٠٠٧ في شأن إنشاء هيئة التأمين وتنظيم أعماله ومقيدة بسجل شركات التأمين الرقم (١٠)

المكتب الرئيسي: ص.ب. : ٤٥١٥٤ ، أبوظبي ، أ.ع.م. ، هاتف : ٤١٨٥٣٠٠ (٢) +٩٧١ ، فاكس : ٦٧٧٦٦٢٨ (٢) +٩٧١

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AL WATHBA NATIONAL INSURANCE CO. P.J.S.C.

providing its services to its clients and managing its transactions for which the company was recognized and awarded for such achievement by the relevant regulatory authorities.

Furthermore, the company continues to maintain its financial strength rating of BBB- with a stable outlook as per the international rating company S&P Rating Services which reflects the company's high credit worthiness.

Finally, the Board of Directors seizes this opportunity to express its highest thanks and appreciation to H.H Sheikh Khalifa Bin Zayed Al Nahyan, President of UAE and Ruler of Abu Dhabi and H.H Sheikh Mohamed Bin Rashid Al Maktoum, the Vice President , Prime Minister and the ruler of Dubai and H.H Sheikh Mohammed Bin Zayed Al Nahyan, the Crown Prince and to all the rulers of the Emirates for their steadfast support for the progress of this country, all its economic institutions and Al Wathba National Insurance Company.

The Board of Directors likewise extends its appreciation and gratitude to all the company's shareholders and customers for their trust and continued support, and to all staff for their dedication and contribution to the company's performance during the last period.

**Sheikh Saif Bin Mohammed Bin Butti Al Hamed**  
Chairman

رأس المال المدفوع و المصرح به (٢٠٧) مليون درهم شركة خاضعة لأحكام القانون الإتحادي رقم (٦) لسنة ٢٠٠٧ في شأن إنشاء هيئة التأمين و تنظيم أعماله و مقيدة بسجل شركات التأمين الرقم (١٠)

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

To the Shareholders of Al Wathba National Insurance Company P.J.S.C.

*Introduction*

We have reviewed the accompanying 30 September 2021 condensed consolidated interim financial information of Al Wathba National Insurance Company P.J.S.C. (the "Company"), and its subsidiary (the "Group"), which comprises:

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

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



### *Scope of Review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2021 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

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

Date: 13 November 2021


# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Condensed consolidated interim statement of financial position

as at

		30 September 2021 (Unaudited) AED'000	31 December 2020 (Audited) AED'000
	Note		
<b>Assets</b>			
Property and equipment		4,232	4,758
Investment in associates		143,366	121,922
Financial assets at amortised cost	5	14,117	14,320
Financial assets at fair value through other comprehensive income	6	328,562	273,613
Financial assets at fair value through profit or loss	7	535,115	382,902
Investment properties		278,077	278,077
Investment property under development	14(i)	108	9,423
Insurance balances receivable	8	58,687	56,637
Statutory deposit	10	6,000	6,000
Reinsurers' share of unearned premiums reserve	9	37,939	27,628
Reinsurers' share of outstanding claims reserve	9	124,251	110,980
Reinsurers' share of claims incurred but not reported reserve	9	9,729	8,883
Other receivables and prepayments	8	56,573	28,144
Term deposits	10	100,129	98,447
Bank balances and cash	10	133,589	144,901
<b>Total assets</b>		<b>1,830,474</b>	<b>1,566,635</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11	207,000	207,000
Legal reserve		103,500	103,500
Statutory reserve		51,750	51,750
General reserve		88,753	88,753
Capital reserve		9,959	9,959
Reinsurance risk reserve		420	15
Investment revaluation reserve		(68,116)	(127,019)
Cash flow hedge reserve		(3,900)	(5,929)
Retained earnings		555,606	395,090
<b>Total equity</b>		<b>944,972</b>	<b>723,119</b>
<b>Technical reserves</b>			
Unearned premiums reserve	9	169,840	131,254
Outstanding claims reserve	9	188,016	176,209
Claims incurred but not reported reserve	9	44,325	40,905
Unallocated loss adjustment expenses reserve	9	4,409	4,732
Unexpired risk reserve	9	657	1,588
<b>Total technical reserves</b>		<b>407,247</b>	<b>354,688</b>
<b>Liabilities</b>			
Borrowings	12	359,085	373,671
Employees' end of service benefits		5,677	7,724
Derivative financial instruments	13	4,280	6,306
Trade and other payables		109,213	101,127
		<b>478,255</b>	<b>488,828</b>
<b>Total liabilities</b>		<b>885,502</b>	<b>843,516</b>
<b>Total equity and liabilities</b>		<b>1,830,474</b>	<b>1,566,635</b>

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

  
H.E. Sheikh. Saif Bin Mohammed Bin Butti Al Hamed  
Chairman

  
Bassam Chilmeran  
Chief Executive Officer

  
Murali Krishnan  
Chief Financial Officer

The condensed consolidated interim statement of financial position as at 31 March 2021 and 30 June 2021 is restated on account of correction of error. Refer Note 20.

The notes set out on pages 10 to 27 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 3 and 4.

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

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

		Three-month period ended		Nine-month period ended	
		2021	2020	2021	2020
	Note	AED'000	AED'000	AED'000	AED'000
Gross premiums written	18.1	87,392	58,017	268,858	259,550
Reinsurers' share of gross premiums written	18.1	(24,508)	(20,223)	(80,992)	(75,039)
<b>Net premiums</b>		<b>62,884</b>	<b>37,794</b>	<b>187,866</b>	<b>184,511</b>
Net transfer to unearned premiums reserve	18.1	(8,827)	18,764	(28,275)	(33,206)
<b>Net premiums earned</b>		<b>54,057</b>	<b>56,558</b>	<b>159,591</b>	<b>151,305</b>
Commission income earned		6,523	3,448	19,514	23,443
Commission expenses incurred		(20,107)	(9,370)	(49,973)	(35,442)
<b>Gross underwriting income</b>		<b>40,473</b>	<b>50,636</b>	<b>129,132</b>	<b>139,306</b>
Gross claims paid		(34,143)	(31,934)	(99,193)	(83,483)
Reinsurers' share of gross claims paid		4,103	10,355	19,988	25,648
<b>Net claims paid</b>		<b>(30,040)</b>	<b>(21,579)</b>	<b>(79,205)</b>	<b>(57,835)</b>
Change in outstanding claims reserve		2,496	(8,264)	(11,807)	(12,851)
Change in reinsurers' share of outstanding claims reserve		(1,223)	1,548	13,271	7,103
Net change in incurred but not reported claims reserve		(603)	(569)	(2,574)	(3,663)
Change in unallocated loss adjustment expenses reserve		192	(166)	323	(383)
Changes in unexpired risk reserve		607	(87)	931	907
<b>Net claims incurred</b>	18.1	<b>(28,571)</b>	<b>(29,117)</b>	<b>(79,061)</b>	<b>(66,722)</b>
<b>Underwriting income</b>		<b>11,903</b>	<b>21,519</b>	<b>50,071</b>	<b>72,584</b>
Expenses relating to underwriting		(9,609)	(13,095)	(28,290)	(39,451)
<b>Net underwriting income</b>		<b>2,293</b>	<b>8,424</b>	<b>21,781</b>	<b>33,133</b>
Investment income / (loss), net	14	73,406	54,100	138,608	(36,129)
Income from investment properties - rental income	18.1	848	1,110	2,711	4,066
Loss from derivative financial instrument		(824)	(588)	(2,439)	(608)
Share of (loss) / profit from associates	18.1	(4,635)	15,730	22,223	8,589
<b>Total income</b>		<b>71,088</b>	<b>78,776</b>	<b>182,884</b>	<b>9,051</b>
Other expenses		(862)	(1,131)	(2,467)	(3,492)
Finance costs		(2,161)	(3,291)	(6,465)	(11,099)
<b>Profit / (loss) for the period</b>		<b>68,065</b>	<b>74,354</b>	<b>173,952</b>	<b>(5,540)</b>
<b>Earnings per share:</b>					
Basic and diluted earnings / (loss) per share (AED)	15	0.33	0.36	0.84	(0.03)

The condensed consolidated interim statement of profit or loss for the three month period ended 31 March 2021 and for the three month and six month periods ended 30 June 2021 are restated on account of correction of error. Refer Note 20.

The notes set out on pages 10 to 27 form an integral part of this condensed consolidated interim financial information.

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# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

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

for the period ended 30 September (Unaudited)

	Three-month period ended		Nine-month period ended	
	2021	2020	2021	2020
	AED'000	AED'000	AED'000	AED'000
Profit / (loss) for the period	<b>68,065</b>	74,354	<b>173,952</b>	(5,540)
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to statement of profit or loss in subsequent periods</i>				
Share of other comprehensive (loss) / income of associates	<b>(288)</b>	7,074	<b>486</b>	(3,021)
Gain / (loss) on sale of financial assets at fair value through other comprehensive income	<b>220</b>	(5,815)	<b>1,664</b>	(5,574)
Change in fair value of financial assets at fair value through other comprehensive income	<b>23,824</b>	24,122	<b>54,072</b>	(68,580)
Items that are or may be classified to statement of profit or loss in subsequent periods				
Cash flow hedge - effective portion of changes in fair value	<b>507</b>	331	<b>725</b>	(5,372)
<b>Other comprehensive income / (loss) for the period</b>	<b>24,263</b>	25,712	<b>56,947</b>	(82,547)
<b>Total comprehensive income / (loss) for the period</b>	<b>92,328</b>	100,066	<b>230,899</b>	(88,087)

The condensed consolidated interim statement of profit or loss and other comprehensive income for the three month period ended 31 March 2021 and for the three month and six month periods ended 30 June 2021 are restated on account of correction of error. Refer Note 20.

The notes set out on pages 10 to 27 form an integral part of this condensed consolidated interim financial information.

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# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

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

	Share capital AED'000	Legal reserve AED'000	Statutory reserve AED'000	General reserve AED'000	Capital reserve AED'000	Reinsurance risk reserve AED'000	Investment revaluation reserve AED'000	Cash flow hedge reserve AED'000	Retained earnings AED'000	Total equity AED'000
Balance at 1 January 2020 (Audited)	207,000	103,500	51,750	88,753	9,959	-	(95,122)	-	400,019	765,859
<i>Total comprehensive income:</i>										
Loss for the period	-	-	-	-	-	-	-	-	(5,540)	(5,540)
Other comprehensive loss for the period	-	-	-	-	-	-	(71,601)	-	(5,574)	(77,175)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(71,601)</b>	<b>-</b>	<b>-</b>	<b>(71,601)</b>
Transferred to retained earnings on disposal of financial assets at FVOCI	-	-	-	-	-	-	15,129	-	(15,129)	-
Cash flow hedge reserve	-	-	-	-	-	-	-	(5,372)	-	(5,372)
<b>Balance at 30 September 2020 (Unaudited)</b>	<b>207,000</b>	<b>103,500</b>	<b>51,750</b>	<b>88,753</b>	<b>9,959</b>	<b>-</b>	<b>(151,594)</b>	<b>(5,372)</b>	<b>373,776</b>	<b>677,772</b>
<b>Balance at 1 January 2021 (Audited)</b>	<b>207,000</b>	<b>103,500</b>	<b>51,750</b>	<b>88,753</b>	<b>9,959</b>	<b>15</b>	<b>(127,019)</b>	<b>(5,929)</b>	<b>395,090</b>	<b>723,119</b>
<i>Total comprehensive income:</i>										
Profit for the period	-	-	-	-	-	-	-	-	173,952	173,952
Other comprehensive income for the period	-	-	-	-	-	-	54,558	725	1,664	56,947
<b>Total comprehensive income for the period</b>							<b>54,558</b>	<b>725</b>	<b>175,616</b>	<b>230,899</b>
Dividend paid (note 11)	-	-	-	-	-	-	-	-	(10,350)	(10,350)
Transfer from retained earnings to reinsurance risk reserve	-	-	-	-	-	405	-	-	(405)	-
Transferred to retained earnings on disposal of financial assets at FVOCI	-	-	-	-	-	-	4,345	-	(4,345)	-
Transfer to profit or loss account from cash flow hedge reserve	-	-	-	-	-	-	-	1,304	-	1,304
<b>Balance at 30 September 2021 (Unaudited)</b>	<b>207,000</b>	<b>103,500</b>	<b>51,750</b>	<b>88,753</b>	<b>9,959</b>	<b>420</b>	<b>(68,116)</b>	<b>(3,900)</b>	<b>555,606</b>	<b>944,972</b>

The condensed consolidated interim statement of changes in shareholders' equity for the three month period ended 31 March 2021 and for the six month period ended 30 June 2021 is restated on account of correction of error. Refer Note 20.

The notes set out on pages 10 to 27 form an integral part of this condensed consolidated interim financial information.

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

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

	Note	2021 AED'000	2020 AED'000
<b>Cash flow from operating activities</b>			
Profit / (loss) for the period		173,952	(5,540)
<b>Adjustments for:</b>			
(Release ) / provision for allowance for impairment of insurance balances receivable		(2,290)	11,483
Impairment loss on investment property		9,423	
Change in fair value of financial assets at FVTPL	14	(123,946)	18,770
(Gain) / loss on disposal of investments carried at FVTPL	14	(6,625)	38,783
Loss on disposal of properties & equipment		5	-
Provision for employees end of service benefits		548	561
Depreciation on property and equipment		1,475	1,144
Share of profit from associates		(22,223)	(8,589)
Finance costs		6,465	11,099
Dividend income	14	(25,519)	(28,678)
Interest income	14	(228)	(265)
Loss from derivative financial instrument		2,439	608
<b>Cash flow from operating activities before working capital</b>		<b>13,476</b>	<b>39,376</b>
<b>Working capital changes:</b>			
Insurance balance receivables, prepayments and other receivables		(28,062)	(46,284)
Trade and other payables		8,086	21,847
Change in unearned premiums reserve - net		28,275	33,206
Change in gross outstanding claims reserve, claims incurred but not reported reserve including allocated and unallocated loss adjustment expenses reserve and unexpired risk reserves		13,973	14,182
Change in reinsurers' share of outstanding claims reserve and claims incurred but not reported reserves		(14,117)	(5,295)
<b>Cash generated from operations</b>		<b>21,631</b>	<b>57,032</b>
Employees' end of service benefits paid		(2,595)	(326)
<b>Net cash generated from operating activities</b>		<b>19,036</b>	<b>56,706</b>
<b>Cash flow from investing activities</b>			
Purchase of property and equipment		(953)	(925)
Additions to investment properties under development		(108)	
Purchase of financial assets at FVTPL		(90,574)	(34,056)
Purchase of financial assets at FVOCI		(13,557)	-
Purchase of investment in associates		-	(17)
Proceeds from disposal of financial assets at FVOCI		14,344	17,449
Proceeds from disposal of financial assets at FVTPL		68,932	101,995
(Placement) / withdrawal of term deposits		(1,682)	24,874
Interest received		303	375
Dividends received from associates		1,266	30,008
Dividends received		25,519	-
<b>Net cash generated from investing activities</b>		<b>3,490</b>	<b>139,703</b>
<b>Cash flow from financing activities</b>			
Finance cost paid		(6,465)	(11,099)
Payments / (proceeds) from term loan		(14,586)	375,717
Dividend paid		(10,350)	-
Settlement of derivative financial instrument		(2,437)	-
<b>Net cash (used in) / generated from financing activities</b>		<b>(33,838)</b>	<b>364,618</b>
<b>Net increase in cash and cash equivalents</b>		<b>(11,312)</b>	<b>561,027</b>
Cash and cash equivalents at the beginning of the period		144,901	(343,413)
Restricted cash		(62,655)	(110,000)
<b>Cash and cash equivalents at the end of the period</b>	10	<b>70,934</b>	<b>107,614</b>

The condensed consolidated interim statement of cash flows for the three month period ended 31 March 2021 and for the six month period ended 30 June 2021 is restated on account of correction of error. Refer Note 20.

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# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 1 Legal status and principal activities

Al Wathba National Insurance Company P.J.S.C. (“the Company”), incorporated in Abu Dhabi is registered as a public shareholding Company in accordance with the UAE Federal Law No. (8) of 1984 (as amended) and is governed by the provisions of Federal Law No. (6) of 2007 concerning the establishment of the Insurance Authority and organisation of the Insurance Operations and its amendments, Federal Law No. (2) of 2015 (as amended), concerning the Commercial Companies and its Amendments, Insurance Authority Board of Directors’ Decision No. (25) of 2014 Pertinent to Financial Regulations for Insurance Companies and Insurance Authority Board of Directors’ Decision No. (23) of 2019 concerning Instructions Organising Reinsurance Operations.

The Company’s principal activity is writing of general insurance business of all classes. The Company operates through its head office in Abu Dhabi and branch offices in Dubai and Al Ain. The Company is domiciled in the United Arab Emirates and its registered head office is P.O. Box 45154, Abu Dhabi, United Arab Emirates. The Company’s shares are listed on Abu Dhabi Securities Exchange (ADX).

### 2 Basis of preparation

#### (a) Basis of consolidation

The condensed consolidated financial information comprises the financial results of the Company and its wholly owned subsidiary (together “the Group”):

Subsidiary	Principal activity	Country of incorporation	Ownership
AWNIC Investments Limited	Investment Management	Cayman Islands	100%

The subsidiary is fully consolidated from the date on which control is transferred to the Company. Control is achieved when the parent 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 information of the subsidiary is prepared for the same reporting year as the Company, using consistent accounting policies

#### (b) Statement of compliance

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

Federal Decree-Law No. 26 of 2020 which amends certain provisions of Federal Law No. (2) of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Group is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

#### (c) Basis of measurement

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

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 2 Basis of preparation (continued)

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

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

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

In preparing this condensed consolidated interim financial information, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 December 2020 except as specified in note 20.

### 3 Significant accounting policies

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

#### 3.1 Standards issued but not yet effective

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

##### *IFRS 17 Insurance Contracts*

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 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.

##### *Other standards*

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

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

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 4 Commitments and contingencies

#### Contingent liabilities

As at 30 September 2021, the Group had contingent liabilities in respect of outstanding letters of guarantees issued in the normal course of business amounting to AED 0.5 million (31 December 2020: AED 0.5 million).

#### Legal claims

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of business. Management, based on advice from independent loss adjusters and internal legal counsel, has made a provision of AED 7.5 million (31 December 2020: AED 16.3 million) representing amounts expected to result in a probable outflow of economic resources.

There were no outstanding commitments as at 30 September 2021 (31 December 2020: Nil).

### 5 Financial assets at amortised cost

Included in financial assets at amortised cost are two unlisted five-year sukuks amounting to AED 5 million (which carry profit of 6.06% per annum) and AED 4 million (which carries profit of 6.14% per annum) respectively (31 December 2020: Three unlisted five year sukuks amounting to AED 9 million which carry profit of nine month EIBOR + 495 bps or 6.05%, whichever is higher and one bond amounting to AED 5 million which carries profit of 8.25%).

### 6 Financial assets at fair value through other comprehensive income

	<i>(Unaudited)</i> 30 September 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Quoted securities	312,820	258,016
Unquoted securities	15,742	15,597
	<u>328,562</u>	<u>273,613</u>

The Group has registered certain unquoted securities in the name of a Director for the beneficial interest of the Group. The fair value of these securities as at 30 September 2021 was AED 7.7 million (31 December 2020: AED 9.8 million).

The geographical distribution of financial assets at FVOCI is as follows:

	<i>(Unaudited)</i> 30 September 2021 AED'000	<i>(Audited)</i> 31 December 2020 AED'000
Within UAE	328,169	269,839
Outside UAE	393	3,774
	<u>328,562</u>	<u>273,613</u>

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 7 Financial assets at fair value through profit or loss

	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Quoted equity securities	<b>535,115</b>	<b>382,902</b>

The geographical distribution of financial assets at FVTPL is as follows:

	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Within UAE	<b>535,115</b>	<b>382,902</b>

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

	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Due from policy holders and brokers	<b>48,535</b>	41,757
Due from policy holders - related parties ( <i>note 16</i> )	<b>17,163</b>	24,021
Due from insurance and reinsurance companies	<b>19,983</b>	20,143
	<b>85,681</b>	85,921
<i>Less: allowance for expected credit losses</i>	<b>(26,994)</b>	<b>(29,284)</b>
<b>Total insurance balances receivable</b>	<b>58,687</b>	<b>56,637</b>
Prepayments	<b>16,532</b>	1,849
Accrued income	<b>3,213</b>	2,091
Other receivables	<b>36,828</b>	24,204
<b>Total other receivables and prepayments</b>	<b>56,573</b>	<b>28,144</b>
<b>Total insurance balances receivable, other receivables and prepayments</b>	<b>115,260</b>	<b>84,781</b>

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 9 Insurance contract liabilities and reinsurance contract assets

	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
<b>Liabilities arising from insurance contracts</b>		
Unearned premiums reserves ("UPR")	<b>169,840</b>	131,254
Outstanding claims reserve ("OCLR") (i)	<b>188,016</b>	176,209
Claims incurred but not reported reserve ("IBNR")	<b>44,325</b>	40,905
Unallocated loss adjustment expenses reserve	<b>4,409</b>	4,732
Unexpired risk reserve	<b>657</b>	1,588
	<u><b>407,247</b></u>	<u>354,688</u>
<b>Reinsurance contract assets</b>		
Reinsurers' share of unearned premiums reserve	<b>(37,939)</b>	(27,628)
Reinsurers' share of outstanding claims reserve	<b>(124,251)</b>	(110,980)
Reinsurers' share of incurred but not reported reserve	<b>(9,729)</b>	(8,883)
	<u><b>(171,919)</b></u>	<u>(147,491)</u>
<b>Net</b>		
Unearned premiums reserve	<b>131,901</b>	103,626
Outstanding claims reserve	<b>63,765</b>	65,229
Claims incurred but not reported reserve	<b>34,596</b>	32,022
Unallocated loss adjustment expenses reserve	<b>4,409</b>	4,732
Unexpired risk reserve	<b>657</b>	1,588
	<u><b>235,328</b></u>	<u>207,197</u>

(i) Outstanding claims reserve includes allocated loss adjustment expenses reserve of AED 4.91 million (31 December 2020: AED 4.73 million)



# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 10 Cash and cash equivalents

	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Statutory deposit	6,000	6,000
Term deposits	100,129	98,447
Bank balances and cash	133,589	144,901
	<hr/>	<hr/>
Bank and cash balances	239,718	249,348
Less: statutory deposits	(6,000)	(6,000)
Less: term deposits with original maturity over 3 months	(100,129)	(98,447)
Less: restricted cash pledged against borrowings	(62,655)	(77,239)
	<hr/>	<hr/>
<b>Cash and cash equivalents</b>	<b>70,934</b>	<b>67,662</b>
	<hr/> <hr/>	<hr/> <hr/>

Geographical concentration of bank balances and cash is as follows:

	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Within UAE	133,589	144,901
	<hr/> <hr/>	<hr/> <hr/>

Term deposits are held with financial institutions in the UAE. The original maturity ranges from three to twelve months. Interest is receivable at annual rates ranging from 0.02% to 5.50% per annum (31 December 2020: 0.03% to 6.15% per annum).

In accordance with the requirements of Federal Law No. (6) of 2007, concerning Establishment of Insurance Authority and Organisation of its Operations, the Group maintains a bank deposit of AED 6 million (31 December 2020: AED 6 million) which cannot be utilised without the consent of the UAE Insurance Authority (now Central Bank of UAE).

### 11 Share capital

	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
<b>Authorised, issued and fully paid</b>		
207,000,000 (31 December 2020: 207,000,000)		
ordinary shares of AED 1 each	207,000	207,000
	<hr/> <hr/>	<hr/> <hr/>

At the Annual General Meeting held on 25 April 2021, the shareholders approved the distribution of cash dividend of AED 0.05 per share amounting to AED 10.35 million (31 December 2020: AED Nil).

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 12 Borrowings

	<i>(Unaudited)</i> <b>30 September</b> <b>2021</b> <b>AED'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2020</b> <b>AED'000</b>
Term loan 1	<b>244,859</b>	244,433
Term loan 2	<b>114,226</b>	129,238
	<hr/> <b>359,085</b> <hr/>	<hr/> 373,671 <hr/>

#### *Term loan 1*

During 2020, the Group obtained a bank facility amounting to AED 237.9 million from an international commercial bank to finance its operations and short-term liabilities. The loan carries fixed interest rate of 3-month EIBOR plus 1.75% per annum and charged quarterly. The amount of the loan is repayable in one bullet payment at the end of the loan term of three years. The loan is secured against investments in equity securities and investment in associates. As at reporting date, the outstanding loan balance including finance cost was AED 244.9 million (*31 December 2020: AED 244.4 million*).

#### *Term loan 2*

During 2020, the Group obtained a bank facility amounting to AED 133.5 million from a local commercial bank. The loan carries fixed interest rate of 3-month EIBOR plus 2.30% per annum and charged quarterly. The amount of the loan is repayable in twenty irregular principal instalments commencing from 12 April 2020 till 12 January 2025. The loan is secured against investment properties comprising head office building and a plot of land. As at reporting date, the outstanding loan balance was AED 114.2 million (*31 December 2020: AED 129.2 million*).

### 13 Derivative financial instrument

#### *Cash flow hedges – Interest rate swap*

The Group is exposed to variability in future interest cash flows on interest bearing loans and borrowings which bear interest at a variable rate.

In order to reduce its exposure to interest rates fluctuations on these loans, the Group has entered into an interest rate swap arrangement, from floating interest rate to fixed interest rate with a counter-party bank for a notional amount that mirrors the draw down and repayment schedule of the loans, covering 100% of the outstanding interest-bearing loans and borrowings. The fixed interest rate for the Group is 1.67%. The floating interest rate is based on EIBOR. The notional amount outstanding at 30 September 2021 was AED 244.9 million (*31 December 2020: AED 244.4 million*).

The derivative instrument which is entered into for the purpose of cash flow hedge had a negative fair value of AED 4.3 million at 30 September 2021 (*31 December 2020: negative fair value of AED 6.3 million*).

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 14 Investment income / (loss), net (Unaudited)

	Three-month period ended		Nine-month period ended	
	30 September			
	2021	2020	2021	2020
	AED'000	AED'000	AED'000	AED'000
Gain / (loss) on disposal of financial assets at fair value through profit or loss	6,356	182	6,625	(38,783)
Impairment loss on property under development (i)	-	-	(9,423)	-
Changes in fair value of financial assets carried at fair value through profit or loss	67,326	54,314	123,946	(18,770)
Interest income	79	78	228	265
Dividend income	781	63	25,519	28,678
Other expenses related to investments	(1,136)	(537)	(8,287)	(7,519)
	<u>73,406</u>	<u>54,100</u>	<u>138,608</u>	<u>(36,129)</u>

- (i) The Group planned to construct a new residential tower on a plot of land located in Technology, Electronic, Commerce and Media Free Zone Authority ("Tecom, Dubai"). However, the Group has cancelled the planned construction and accordingly design and engineering costs for the construction have been fully impaired.

### 15 Basic and diluted earnings / (loss) per share (Unaudited)

Basic earnings / (loss) per share is computed by dividing the profit / (loss) for the period by the weighted average number of shares outstanding during the period.

Diluted earnings / (loss) per share is calculated by dividing the profit / (loss) for the period by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

	Three-month period ended		Nine-month period ended	
	30 September			
	2021	2020	2021	2020
Profit / (loss) for the period (AED'000)	<u>68,065</u>	<u>74,354</u>	<u>173,952</u>	<u>(5,540)</u>
Weighted average number of ordinary shares outstanding during the period (shared in'000)	<u>207,000</u>	<u>207,000</u>	<u>207,000</u>	<u>207,000</u>
Basic and diluted earnings / (loss) per share (AED)	<u>0.33</u>	<u>0.36</u>	<u>0.84</u>	<u>(0.03)</u>

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 16 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. The Group maintains significant balances with these related parties which arise from commercial transactions in the ordinary course of business at commercial rates.

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

	<b>(Unaudited)</b> <b>30 September</b> <b>2021</b> <b>AED'000</b>	<b>(Audited)</b> <b>31 December</b> <b>2020</b> <b>AED'000</b>
<b><i>Included in insurance receivables</i></b>		
Due from policy holders ( <i>note 8</i> )	<b>17,163</b>	24,021
Prepayments	<b>38</b>	-
	<hr/> <hr/>	<hr/> <hr/>
<b><i>Included in other payables</i></b>		
Due to policy holders	<b>(7,081)</b>	(11,592)
	<hr/> <hr/>	<hr/> <hr/>
<b><i>Key management personnel</i></b>		
Long term benefits	<b>1,037</b>	2,838
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>Three-month period ended</b>		<b>Nine-month period ended</b>	
	<b>30 September</b>			
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
Gross premiums written	<b>3,418</b>	7,889	<b>27,744</b>	37,561
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net claims paid	<b>2660</b>	3,823	<b>8,328</b>	11,451
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Other expenses-rent	<b>114</b>	127	<b>344</b>	382
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Remuneration of key management personnel (i)	<b>1,210</b>	1,253	<b>3,161</b>	3,241
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

- (i) The remuneration of key management personnel is based on the remuneration agreed in their employment contract as approved by the Board of Directors.
- (ii) During the period, the Group has assigned their voting rights in Al Waha Capital PJSC in favour of one of the associates (Foodco. Holding PJSC) ("the associate") and the Group will represent the associate's interest in the Board of the Al Waha Capital PJSC.

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 17 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.

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 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 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.

The fair value of the financial assets is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>At 30 September 2021 (Unaudited)</b>				
<b><i>Financial assets measured at fair value</i></b>				
Financial assets at fair value through profit or loss	507,213	27,902	-	535,115
Financial assets at fair value through other comprehensive income	280,340	32,480	15,742	328,562
	<u>787,553</u>	<u>60,382</u>	<u>15,742</u>	<u>863,677</u>
<b><i>Financial liability measured at fair value</i></b>				
Derivative financial instrument	-	4,280	-	4,280

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

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

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 31 December 2020 (Audited)				
<b>Financial assets measured at fair value</b>				
Financial assets at fair value through-profit or loss	359,228	23,674	-	382,902
Financial assets at fair value through-other comprehensive income	230,457	27,559	15,597	273,613
	<u>589,685</u>	<u>51,233</u>	<u>15,597</u>	<u>656,515</u>
<b>Financial liability measured at fair value</b>				
Derivative financial instrument	-	6,306	-	6,306
	<u>-</u>	<u>6,306</u>	<u>-</u>	<u>6,306</u>

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period. For Level 3 investments, the fair valuation techniques used for this condensed consolidated interim financial information are the same as those described in the Group's last annual consolidated financial statements for the year ended 31 December 2020.

Except as mentioned above, 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.

#### Reconciliation of level 3 fair value measurement

Movement in level 3 for financial assets at fair value through other comprehensive income is as follows:

	<b>(Unaudited)</b> <b>30 September</b>	
	<b>2021</b> <b>AED'000</b>	<b>2020</b> <b>AED'000</b>
Balance as at 1 January	15,597	23,038
Disposal	(3,332)	-
Change in fair value	3,477	(3,599)
<b>Balance at 30 September</b>	<u><b>15,742</b></u>	<u><b>19,439</b></u>

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 18 Segment reporting

For management purposes, the Group is organised into departments based on the classes of insured risks. The reportable operating segments of the Group are marine and aviation, fire and general accident, motor, medical and investments.

Management monitors the underwriting results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on underwriting profit. The following table presents disclosure of segment revenues, measurement of segment profit for the period and their reconciliation to the Group's income and profit for the period.

#### 18.1 Segment revenue and results

	Nine-month period ended 30 September 2021 (unaudited)					
	Marine and Aviation AED'000	Fire and General Accident AED'000	Motor AED'000	Medical AED'000	Investments AED'000	Total AED'000
Gross premiums written	6,830	80,902	179,348	1,778	-	268,858
Reinsurers' share of gross premiums written	(5,432)	(63,720)	(10,454)	(1,386)	-	(80,992)
Net transfer to unearned premiums reserve	(86)	(2,364)	(26,133)	308	-	(28,275)
Net claims incurred	26	(2,031)	(76,494)	(562)	-	(79,061)
Net commission earned / (incurred)	1,126	4,135	(35,685)	(35)	-	(30,459)
Rental income – <i>net</i>	-	-	-	-	2,711	2,711
Income from investments - <i>net of finance costs</i>	-	-	-	-	129,704	129,704
Share of profit from associate – <i>net</i>	-	-	-	-	22,223	22,223
<b>Segment profit before allocated expenses</b>	<b>2,464</b>	<b>16,922</b>	<b>30,582</b>	<b>103</b>	<b>154,638</b>	<b>204,709</b>
Allocated expenses, <i>net</i>	(979)	(7,756)	(19,118)	(437)	-	(28,290)
<b>Segment profit / (loss)</b>	<b>1,485</b>	<b>9,166</b>	<b>11,464</b>	<b>(334)</b>	<b>154,638</b>	<b>176,419</b>
Unallocated expenses						(2,467)
<b>Profit for the period</b>						<b>173,952</b>

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 18 Segment reporting *(continued)*

#### 18.1 Segment revenue and results *(continued)*

Nine-month period ended 30 September 2020  
*(Unaudited)*

	Marine and Aviation AED'000	Fire and General Accident AED'000	Motor AED'000	Medical AED'000	Investments AED'000	Total AED'000
Gross premiums written	5,088	67,512	185,087	1,863	-	259,550
Reinsurers' share of gross premiums written	(520)	(55,168)	(17,911)	(1,440)	-	(75,039)
Net transfer to unearned premiums reserve	(320)	(3,964)	(29,387)	465	-	(33,206)
Net claims incurred	(321)	(3,696)	(62,011)	(694)	-	(66,722)
Net commission earned / (incurred)	910	2,688	(15,562)	(35)	-	(11,999)
Rental income – <i>net</i>	-	-	-	-	4,066	4,066
Loss from investments - <i>net of finance costs</i>	-	-	-	-	(47,836)	(47,836)
Share of loss from associate – <i>net</i>	-	-	-	-	8,589	8,589
Segment profit / (loss) before allocated expenses	4,837	7,372	60,216	159	(35,181)	37,403
Allocated expenses, <i>net</i>	(1,136)	(8,572)	(29,018)	(725)	-	(39,451)
Segment profit / (loss)	3,701	(1,200)	31,198	(566)	(35,181)	(2,048)
Unallocated expenses						(3,492)
Loss for the period						(5,540)



# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 18 Segment reporting *(continued)*

#### 18.2 Segment assets and liabilities

	As at 30 September 2021 <i>(Unaudited)</i>			As at 31 December 2020 <i>(Audited)</i>		
	Underwriting AED'000	Investments AED'000	Total AED'000	Underwriting AED'000	Investments AED'000	Total AED'000
Segment assets	436,910	1,371,806	1,808,716	392,702	1,165,050	1,557,752
Unallocated assets			21,758			8,883
<b>Total assets</b>			<b>1,830,474</b>			<b>1,566,635</b>
Segment liabilities	489,109	374,957	864,066	422,173	393,203	815,376
Unallocated liabilities			21,436			28,140
<b>Total liabilities</b>			<b>885,502</b>			<b>843,516</b>

#### 18.3 Segment revenue from underwriting departments

The following is an analysis of the Group's revenues (representing gross premiums, commission earned and other income relating to underwriting) classified by major underwriting departments.

	<i>(Unaudited)</i> 30 September 2021 AED'000	<i>(Unaudited)</i> 30 September 2020 AED'000
Engineering	29,790	28,982
Marine and aviation	8,742	6,588
Fire and general accident	64,081	48,470
Motor	183,981	197,090
Medical	1,778	1,863
	<b>288,372</b>	<b>282,993</b>

### 19 Financial risk management

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

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 20 Correction of errors

At 1 January 2021, management of one the associates (Foodco. Holding PJSC) (“the associate”) received confirmation from two shareholders of Al Waha Capital PJSC (“investee”) one of whom is Al Wathba National Insurance Company P.J.S.C. who owns 8.6% and other shareholder who owns 4% in Al Waha Capital PJSC, respectively stating that they have assigned their voting rights in favour of the associate and will represent the associate’s interest in the Board of the investee. This assignment resulted in the associate having meaningful representation in the Board of Directors of the investee. Accordingly, the investee is considered as an associate from 1 January 2021, and the associate has restated its condensed interim financial information for the three month period ended 31 March 2021 and for the three month and six month periods ended 30 June 2021 to reflect Al Waha Capital PJSC as an associate effective 1 January 2021 with its shareholding of 8.8034%.

The following table summarises the impact on the Groups condensed consolidated interim financial information:

	Three-month period ended 31 March 2021			Three-month period ended 30 June 2021			Six-month period ended 30 June 2021		
	As previously reported AED’000	Adjustments AED’000	As restated AED’000	As previously reported AED’000	Adjustments AED’000	As restated AED’000	As previously reported AED’000	Adjustments AED’000	As restated AED’000
<i>Condensed consolidated interim statement of profit or loss</i>									
Share of profit of associates	5,433	17,700	23,133	3,929	(204)	3,725	9,362	17,496	26,858
Others	30,964	-	30,964	48,064	-	48,064	79,028	-	79,028
<b>Profit for the period</b>	<b>36,397</b>	<b>17,700</b>	<b>54,097</b>	<b>51,993</b>	<b>(204)</b>	<b>51,789</b>	<b>88,390</b>	<b>17,496</b>	<b>105,886</b>
<b>Basic and diluted earnings / (loss) per share</b>	<b>0.18</b>	<b>0.09</b>	<b>0.26</b>	<b>0.25</b>	<b>0.00</b>	<b>0.25</b>	<b>0.43</b>	<b>0.08</b>	<b>0.51</b>

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 20 Correction of errors (continued)

	Three-month period ended 31 March 2021			Three-month period ended 30 June 2021			Six-month period ended 30 June 2021		
	As previously reported AED'000	Adjustments AED'000	As restated AED'000	As previously reported AED'000	Adjustments AED'000	As restated AED'000	As previously reported AED'000	Adjustments AED'000	As restated AED'000
<i>Condensed consolidated interim statement of profit or loss and other comprehensive income</i>									
Profit for the period	36,397	17,700	54,097	51,993	(204)	51,789	88,390	17,496	105,886
Share of comprehensive income / (loss) of associates	1,520	(495)	1,025	1,846	(2,096)	(250)	3,366	(2,592)	774
Other comprehensive income for the period	3,128	-	3,128	28,782	-	28,782	31,910	-	31,910
<b>Total comprehensive income for the period</b>	<b>41,045</b>	<b>17,205</b>	<b>58,250</b>	<b>82,621</b>	<b>(2,300)</b>	<b>80,321</b>	<b>123,666</b>	<b>14,904</b>	<b>138,570</b>

	Three-month period ended 31 March 2021			Six-month period ended 30 June 2021		
	As previously reported AED'000	Adjustments AED'000	As restated AED'000	As previously reported AED'000	Adjustments AED'000	As restated AED'000
<i>Condensed consolidated interim statement of changes in shareholders' equity</i>						
Fair value reserve	(122,326)	(495)	(122,821)	(89,381)	(2,592)	(91,973)
Retained earnings	431,294	17,700	448,994	470,268	17,496	487,764
Others	455,626	-	455,626	456,407	-	456,407
<b>Total equity</b>	<b>764,594</b>	<b>17,205</b>	<b>781,799</b>	<b>837,294</b>	<b>14,904</b>	<b>852,198</b>

# Al Wathba National Insurance Company P.J.S.C. and its subsidiary

## Notes to the condensed consolidated interim financial information

### 20 Correction of errors (continued)

	Three-month period ended 31 March 2021			Six-month period ended 30 June 2021		
	As previously reported AED'000	Adjustments AED'000	As restated AED'000	As previously reported AED'000	Adjustments AED'000	As restated AED'000
<i>Condensed consolidated interim statement of financial position</i>						
<b>Assets</b>						
Investment in associates	128,440	17,205	145,645	133,383	14,904	148,287
Others	1,526,972	-	1,526,972	1,588,851	-	1,588,851
<b>Total assets</b>	<b>1,655,412</b>	<b>17,205</b>	<b>1,672,617</b>	<b>1,722,234</b>	<b>14,904</b>	<b>1,737,138</b>
<b>Equity</b>						
Fair value reserve	(122,326)	(495)	(122,821)	(89,381)	(2,592)	(91,973)
Retained earnings	431,294	17,700	448,994	470,268	17,496	487,764
Others	455,626	-	455,626	456,407	-	456,407
<b>Total equity</b>	<b>764,594</b>	<b>17,205</b>	<b>781,799</b>	<b>837,294</b>	<b>14,904</b>	<b>852,198</b>
<i>Condensed consolidated interim statement of cash flows</i>						
<i>Cash flows from operating activities</i>						
Profit for the period	36,397	17,700	54,097	88,390	17,496	105,886
Share of profit of associates	(5,433)	(17,700)	(23,133)	(9,362)	(17,496)	(26,858)
Others	(17,585)	-	(17,585)	(56,945)	-	(56,945)
<b>Net cash generated from operating activities</b>	<b>13,379</b>	<b>-</b>	<b>13,379</b>	<b>22,083</b>	<b>-</b>	<b>22,083</b>

The above correction of error does not have any impact on cashflows from investing and financing activities.

# **Al Wathba National Insurance Company P.J.S.C. and its subsidiary**

## **Notes to the condensed consolidated interim financial information**

### **21 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.

#### **(a) Insurance risk**

In its underwriting segment, the Group is primarily exposed to business interruption policies. With regards to Business Interruption policies, the Group has in place pandemic and infectious disease policy exclusions as well. The Group has evaluated all business interruption policies in force for which the Group may have to incur claim payouts. As a result of initial examination of the policies, the Group determined that these will not have a material impact in relation to the net claims paid due to lower retention levels of the Group. Furthermore, the Group has been able to retain major customers during the nine-month period ended 30 September 2021 and has generally witnessed renewals and new business across some major lines of businesses.

#### **(b) Credit risk**

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Group has robust governance in place to ensure the appropriateness of the IFRS 9 framework and resultant ECL estimates are being reviewed continuously by the Group’s management.

#### **(c) Liquidity risk**

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.

#### **(d) Business continuity plan**

The Group has remained fully operational throughout the period and has put in place effective business continuity and remote working plans enabled by the right technologies and systems to ensure uninterrupted services to customers and the operations. The outbreak has not caused any significant delays in policies issuance and claims settlements. The Group will continue to monitor the reverberations of Covid-19, if any, on its customers and operations and will take further action as needed.

The steps taken by the Group to estimate the impact of Covid-19 and the judgments applied by management in assessing the values of assets and liabilities as at 30 September 2021 includes both quantitative and qualitative criteria such as risk profiling and actuarial analysis. Such analysis has enabled the Group to timely and accurately identify its exposure although these are subject to significant judgment due to the rapidly changing dynamics of Covid-19.

### **22 General**

The condensed consolidated interim financial information of the Group was approved for issuance by the Board of Directors on 13 November 2021.