

Template for discussion report and analysis of the board of directors of the listed public shareholding company

Date	9 th May 2024
Name of the Listed Company	Abu Dhabi National Insurance Company PJSC
The period of the financial statements covered by the report	First Quarter 2024
Overview of the main results during the financial period	<p>ADNIC has demonstrated a strong underwriting performance, evidenced by a combined ratio of 90% and net insurance service results totaling AED 103.2 million. Furthermore, we have achieved a record Gross Written Premium (GWP) of AED 3,031 million, representing a substantial growth of 49.9% compared to the same period last year.</p> <p>Strategic asset allocation adjustments implemented in the previous year delivered positive results. Net income from investments for the first three months of 2024 increased by 17.4% to AED 54.4 million. This growth was driven by higher interest and coupon income, along with mark-to-market gains.</p> <p>ADNIC continues to focus on controlling general expenses. The growth in overall expenses was meaningfully lower than premium growth, despite ongoing investments. This commitment to efficiency is reflected in our expense ratio of 12.3%</p>
Securities issued during the financial period	None
Summary of the most important non-financial events and developments during the financial period	<p>Beyond financial metrics, ADNIC continues to execute on its strategic growth objectives. Following the close of the first quarter, completed a strategic acquisition, taking a majority stake in Allianz Saudi Arabia Cooperative Insurance Company. This move strengthens ADNIC's position as a leading regional insurer and reinforces the commitment to providing exceptional customer service and innovative insurance products across the GCC. This acquisition will allow to deliver industry-leading solutions across all major insurance lines.</p> <p>Furthermore, sustainability remains a core pillar of ADNIC's strategy. Actively engaged in projects and initiatives that benefit both customers and the communities being served.</p>
Summary of operational performance during the financial period	<p>ADNIC has demonstrated a strong underwriting performance, reflected in net insurance service results of AED 103.2 million.</p> <p>Strong UW performance at Combined ratio at 90%</p> <p>Outstanding Investment book performance which demonstrated the growth at 17.4% versus prior</p> <p>Profitability surged in the first quarter, with net profit before tax reaching AED 111.8 million – a significant 12.1% increase year-over-year. Following regulatory requirements, ADNIC has adopted the corporate income tax, resulting in a net profit after tax of AED 100.9 million.</p> <p>An increase in earnings before tax per share from AED 0.17 to AED 0.20 and after tax from AED 0.17 to AED 0.18</p>

Summary of profit and loss during the financial period	AED'000																											
		YTD Mar 2024	YTD Mar 2023	Change																								
	Net insurance service result	103,187	94,063	9,124																								
	Income from investment, net	54,393	46,322	8,070																								
	Insurance finance income and expenses, net	3,921	2,012	1,909																								
	Total income	161,501	142,397	19,104																								
	Other operating expenses	(49,737)	(42,721)	(7,016)																								
	Corporate tax	(10,819)		(10,819)																								
	Profit for the period	100,945	99,676	1,269																								
Summary of financial position as at the end of the financial period	<p>Total Deposits & cash: AED 1.09 billion Total Assets: AED 8.35 billion Total Shareholders' Equity: AED 2.77 billion</p>																											
Summary of cash flows during the financial period	<p>Net cash generated from operating activities AED 10.2 million Net cash used in investing activities AED 95.5 million</p>																											
Main performance indicators	<table border="1"> <thead> <tr> <th></th> <th>Q1 2024</th> <th>Q1 2023</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Premium Retention</td> <td>38.1%</td> <td>30.4%</td> <td>7.7%</td> </tr> <tr> <td>Net Claims Ratio</td> <td>69.4%</td> <td>64.6%</td> <td>4.9%</td> </tr> <tr> <td>Expense Ratio*</td> <td>12.2%</td> <td>18.8%</td> <td>-6.7%</td> </tr> <tr> <td>Combined Ratio</td> <td>90.0%</td> <td>85.9%</td> <td>4.1%</td> </tr> <tr> <td>Return on equity</td> <td>3.5%</td> <td>3.7%</td> <td>-0.2%</td> </tr> </tbody> </table> <p>*incl bad debt, risk adjustment and finance income (expense)</p>					Q1 2024	Q1 2023	Change	Premium Retention	38.1%	30.4%	7.7%	Net Claims Ratio	69.4%	64.6%	4.9%	Expense Ratio*	12.2%	18.8%	-6.7%	Combined Ratio	90.0%	85.9%	4.1%	Return on equity	3.5%	3.7%	-0.2%
	Q1 2024	Q1 2023	Change																									
Premium Retention	38.1%	30.4%	7.7%																									
Net Claims Ratio	69.4%	64.6%	4.9%																									
Expense Ratio*	12.2%	18.8%	-6.7%																									
Combined Ratio	90.0%	85.9%	4.1%																									
Return on equity	3.5%	3.7%	-0.2%																									
Expectations for the sector and the company's role in these expectations	<p>Capacity is buoyant with over-placement common putting pressure on pricing and signing Bottom line focus with increased customer satisfaction is the priority. Continued optimisation of retentions in commercial segment. Lifestyle customisable products (PAYG, Telematics, Mobile Applications) Behavioural predictive analytics vs traditional burning cost analytics. Medical: utilization to stabilise and settlement cycle to further accelerate Credit Life: Expect growth in line with overall economy Motor : Rationalization of technical terms and conditions The impact of flood happened in February and April in UAE will have the impact on the future cost of reinsurance cover as the biggest hit is taken by reinsurance markets</p>																											
Expectations regarding the economy and its impact on the company and the sector	<p>Growth prospects in the medium-term outlook remain positive due to rising oil prices Government policy will remain centered on diversifying the economy away from a dependence on energy rents, aiming to build on Abu Dhabi and Dubai's success in emerging as regional hubs for finance, construction, retail and tourism. To support diversification efforts, development of the energy sector will continue in the medium-term. Investment in the natural gas sector in particular is expected to increase in the years ahead to unlock the country's production potential The UAE's National Energy Strategy 2050 aims for 50% of electricity generation to be sourced from renewables including nuclear power, up from less than 20% in 2021, with 38% generated by natural gas and 12% by coal ADNIC will continue to support the economy development by providing the</p>																											

	insurance support in all the areas of growth
Future plans for growth and changes in operations in future periods	Continue to invest in technologies to improve service delivery and distribution Continued focus on operational efficiencies particularly in high customer impact areas Maintain the focus on sustainability as a key operational pillar
The size and impact of current and projected capital expenditures on the company	Net capital expenditure for the year ended 31 March 2024 was AED 1.28 million.
The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year	The company's board of directors noted the progress in implementation of the company's strategy.

Charalampos Mylonas
Chief Executive Officer

Signature:



9 May 2024

Company's Seal:

