

Abu Dhabi National Insurance Company P.J.S.C.
Board of Directors' Statement
For the three-month period ended 31 March 2020

The Board of Directors is pleased to report Abu Dhabi National Insurance Company's financial results for the three months ended 31 March 2020. Despite a difficult macro environment, ADNIC reported a robust set of numbers and achieved growth in both top-line as well as profitability. ADNIC also added its full support to the UAE's comprehensive response measures in the fight against COVID-19.

Like other businesses, ADNIC has also had to face the challenges of the COVID-19 global pandemic and the disruptions caused to daily life. The company faced up to these challenges and managed to reorganise its infrastructure to support its customers. As the pandemic develops the company will take proactive steps to ensure minimal disruption to business as well as continuous support to our customers and key stakeholders.

During the first quarter of 2020, ADNIC continued to capture market share across several business lines and gross premiums increased to AED 1.87 billion, a growth of 7.7% compared to the first quarter of the previous year. Maintaining a profitable book of business is equally important and consequently underwriting profits showed a substantial increase to AED 151.2 million, a growth of 79.4% over the previous year. Financial market volatility impacted investment returns somewhat, albeit at a much lower level compared to the broader market drawdown. We expect financial markets and economies to recover over time. Given the ongoing COVID-19 situation, ADNIC has focused strongly on maintaining cost discipline. Total net profits for the quarter stood at AED 122.6 million compared to AED 52.6 million in the same period in 2019. As a result, earnings per share were AED 0.22 per share for the quarter compared to AED 0.09 per share in first quarter 2019.

The company continues to maintain adequate loss reserves and total technical reserves at the end of the quarter were AED 5.14 billion. Given the financial market volatility the focus has been to maintain adequate levels of liquidity to support the business. Cash & deposit balances at the end of the quarter were AED 727.4 million. ADNIC's balance sheet continues to be strongly capitalised. Shareholders' equity at the end of the quarter was AED 2.05 billion and total assets at AED 8.77 billion. Notwithstanding the challenges caused by the pandemic, ADNIC's solvency remains well above the regulatory requirement, as demonstrated over the past few years.

ADNIC is proud to support the UAE Government and community in navigating the different challenges created by the COVID-19 outbreak. In challenging times, ADNIC has taken several steps to support its customers and employees during the outbreak. The company contributed to the wider UAE community by partnering with Ma'an Abu Dhabi on its 'Together We Are Good' programme, while becoming one of the country's first insurers to arrange teleconsultation facilities for customers with medical providers. ADNIC also put in place comprehensive business continuity plans to navigate through the current situation, and will continue to invest in latest technologies to adapt as needed.

ADNIC's Board of Directors commends the UAE authorities for taking fast and decisive action to fight against the spread of COVID-19 and extends their gratitude to the brave and dedicated work being done by medical professionals and front-line personnel.

On behalf of the Board of Directors, I would like to extend our sincere gratitude to His Highness Sheikh Khalifa Bin Zayed Al Nahyan, President of the UAE, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President and Prime Minister, and Ruler of Dubai, and His Highness Sheikh Mohamed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, for their continued support.

I would also like to express my gratitude towards our customers, partners and shareholders for their support during this unprecedented time, and ADNOC employees for their continuous commitment to our customers and their contribution to the community during this challenging time.



Sheikh Mohamed Bin Saif Al-Nahyan
Chairman of the Board