

Abu Dhabi National Insurance Company P.J.S.C.
Board of Directors' Statement
For the year ended 31st December 2019

The Board of Directors is pleased to report Abu Dhabi National Insurance Company's financial results for the year ended 31st December 2019. ADNIC recorded a robust set of financial metrics which are a testament to the company's fundamental strengths and the commitment of its employees.

Reflecting on the year gone by, ADNIC increased its market share achieving a 29% increase in GWP and growth in both consumer and commercial lines of business. ADNIC's cost efficiency has increased over time and its administrative cost to GWP ratio went down to 6.7% in 2019 compared to 7.9% in 2018. ADNIC will continue to focus on continuously optimising its cost base.

Prudent underwriting and cost discipline led to an increase in Net Underwriting Income to AED 393.2 million, an increase of 6.4% compared to 2018. ADNIC's strong financial position is one of the core factors that enables it to underwrite more complex risks.

Investment returns in 2019 have been substantially higher and P&L investment income has gone up by 48.3% to AED 142.2 million. The securities portfolio is well diversified by asset class and going forward, it will be further diversified geographically particularly in risk assets.

In 2019, ADNIC's Mandatory Convertible Bonds were converted into new shares, increasing capital to AED 570 million from AED 375 million. Total Shareholders' Equity at the end of 2019 was higher by 9.3% to AED 2.3 billion compared to AED 2.1 billion in 2018, indicating an extremely strong capital position and financial strength. Standard & Poors also maintained the rating at A- with a stable outlook. ADNIC focuses strongly on shareholder value and Return on Equity was 12.9% in 2019 and basic and diluted EPS was AED 0.50. The board intends to recommend a dividend of 30% (AED 0.30 per share), totaling AED 144.6 million, subject to approval by the shareholders at the annual general meeting.

During 2019, ADNIC continued its commitment of giving back to the local community, through its wide range of long-standing CSR initiatives and activities across communities and organisations, such as our partnerships with Al Bayt Mitwahid Association, the UAE Genetic Diseases Association and Mohammed Bin Rashid Al Maktoum Knowledge Foundation. In 2020, we look forward to strengthening our partnerships and renewing our commitment to foundations and initiatives across the UAE.

Building capabilities for the future is a key strategic imperative. To this end, ADNIC will continue to invest in digitisation initiatives and new technologies that have multiple strategic and financial spinoffs in future years. We are confident that this will generate sustainable and higher shareholder value going forward.

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 thank our customers, partners and shareholders for their support. We also appreciate the dedication and hard work of our employees.



Sheikh Mohamed Bin Saif Al-Nahyan
Chairman of the Board