

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

Date	12 th February 2024
Name of the Listed Company	Abu Dhabi National Insurance Company PJSC
The period of the financial statements covered by the report	2023 Annual Financials
Overview of the main results during the financial period	<p>Strong UW performance with Combined ratio at 88% (IFRS 17 basis) combined with increased net retention.</p> <p>High level of resilience to market volatility and increased frequency of major losses happened in 2023.</p> <p>Increase in Expenses as a reflection in investment into the technology, digital transformation and geography expansion</p> <p>Excellent investment income results driven by changes in asset allocation and favorable market conditions.</p> <p>New accounting standard (IFRS 17) was applied since 01st of January 2023 and prior year numbers were reinstated accordingly.</p>
Securities issued during the financial period	None
Summary of the most important non-financial events and developments during the financial period	<p>The year 2023 was a significant milestone for ADNIC, marked by strategic expansion and an unwavering commitment to sustainability. The successful acquisition of Allianz Saudi Fransi which we expect to finalize in early 2024 will further strengthen regional presence, positioning ADNIC as a leading composite insurer across the GCC. Embracing the UAE's 'Year of Sustainability', we strengthened our green initiatives and actively participated in COP28, sharing our roadmap for a greener future.</p> <p>Collaboration with Emirates Nature-WWF to contribute to local conservation projects and help pave the way for the UAE to achieve its net zero goals.</p> <p>Signed the UAE Climate Responsible Companies Pledge to further embed sustainable practices in our operations and inspire our customers and partners to embrace sustainable action for a brighter, net-zero future.</p> <p>Contributed AED 2.8 million as part of a commitment to social causes and a mission to be a partner in building a cohesive society.</p> <p>Launched 'Mawhoob' programme to foster UAE Nationals' career development.</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 366.6 million.</p> <p>Strong UW performance at Combined ratio at 88%</p> <p>Outstanding Investment book performance which demonstrated the growth at 43.3% versus prior</p> <p>Significant growth in Net profit at 12.2% versus prior driven by balanced insurance and investment operations performance combined with controlled expense base</p> <p>An increase in earnings per share from AED 0.63 to AED 0.70</p>

<p>Summary of profit and loss during the financial period</p>	<table border="1"> <thead> <tr> <th>AED'000</th> <th>YTD Dec 2023</th> <th>YTD Dec 2022</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Net insurance service result</td> <td>366,608</td> <td>382,589</td> <td>(15,982)</td> </tr> <tr> <td>Income from investment, net</td> <td>206,686</td> <td>144,235</td> <td>62,451</td> </tr> <tr> <td>Insurance finance income and expenses, net</td> <td>7,671</td> <td>(3,786)</td> <td>11,457</td> </tr> <tr> <td>Total income</td> <td>580,965</td> <td>523,039</td> <td>57,926</td> </tr> <tr> <td>Other operating expenses</td> <td>(179,802)</td> <td>(165,447)</td> <td>(14,355)</td> </tr> <tr> <td>Profit for the period</td> <td>401,163</td> <td>357,591</td> <td>43,572</td> </tr> </tbody> </table>	AED'000	YTD Dec 2023	YTD Dec 2022	Change	Net insurance service result	366,608	382,589	(15,982)	Income from investment, net	206,686	144,235	62,451	Insurance finance income and expenses, net	7,671	(3,786)	11,457	Total income	580,965	523,039	57,926	Other operating expenses	(179,802)	(165,447)	(14,355)	Profit for the period	401,163	357,591	43,572
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<p>Summary of financial position as at the end of the financial period</p>	<p>Total Deposits & cash: AED 1.17 billion Total Assets: AED 7.72 billion Total Shareholders' Equity: AED 2.92 billion</p>																												
<p>Summary of cash flows during the financial period</p>	<p>Net cash generated from operating activities AED 299.6 million Net cash generated from investing activities AED 315.2 million Net cash used in financing activities AED 227.2 million</p>																												
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<p>Expectations for the sector and the company's role in these expectations</p>	<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</p>																												
<p>Expectations regarding the economy and its impact on the company and the sector</p>	<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 insurance support in all the areas of growth</p>																												

<p>Future plans for growth and changes in operations in future periods</p>	<p>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</p>
<p>The size and impact of current and projected capital expenditures on the company</p>	<p>Net capital expenditure for the year ended 31 Dec 2023 was AED 16.13 million.</p>
<p>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</p>	<p>The company's board of directors noted the progress in implementation of the company's strategy.</p>



Charalampos Mylonas
Chief Executive Officer

Signature:

12 February 2024

Company's Seal:

