



شركة أبوظبي الوطنية للتأمين
ABU DHABI NATIONAL INSURANCE COMPANY

YOUR RELIABLE INSURER

Management Discussion & Analysis
For the quarter ended 31st March 2018

Executive Summary

ADNIC has started the year with strong results. Our performance during the first quarter of 2018 is on upward trajectory.

This growth and performance proves our sound underwriting strategy and solid financial position. We will continue to accelerate innovation and deliver value to our customers and shareholders. ADNIC's customers are at the heart of its strategy, and with customer service being the foundation of our growth, we are able to create solutions that deliver value and strengthen a sustainable business model.

Gross Written Premium

For the three-month period ended March 31st 2018, ADNIC's Gross Written Premium increased by 13% to AED 1.22 billion compared to AED 1.08 billion for the same period in 2017.

Premium Retention

The overall premium retention ratio reached 52% for the three-month period ended March 31st 2018 compared to 42 % for the same period in 2017.

Net Underwriting Income

For the three-month period ended March 31st 2018, ADNIC Net Underwriting profit increased by 18% to AED 115.5 million, against a Net Underwriting Profit of AED 97.6 million for the same period in 2017.

General and Administrative Expenses

General and Administrative Expenses for three-month period ended March 31st 2018 stood at AED 55.3 million compared to AED 52.8 million for the same period in 2017.

Executive Summary, *Continued*

Net Technical Profit

Net Technical Profit for the three-month period ended March 31st 2018 increased by 33% to AED 61.5 million, against a Net Technical Profit of AED 46.3 million for the same period in 2017.

Net Investment Income

ADNIC's Net Investment and Other Income increased by 20% to AED 35.0 million for the three-month period ended March 31st 2018 compared to AED 29.2 million for the same period in 2017.

Net Profit

For the three-month period ended March 31st 2018, Net profit increased by 29% to AED 95.2 million, compared to a net profit of AED 74.0 million for the same period in 2017.

Total Comprehensive Income

Total comprehensive income for the three-month period ended March 31st 2018 increased by 26% to AED 107.6 million, against a total comprehensive income of AED 85.7 million for the same period in 2017.

Basic and Diluted Earnings Per Share

Basic and diluted earnings per share increased to AED 0.17 for the three-month period ended March 31st 2018 compared to basic and diluted earnings per share of AED 0.13 for the same period in 2017.

Executive Summary, *Continued*

Cash Balances

ADNIC's cash balances stood at AED 563.9 million as at March 31st 2018, compared to AED 705.4 million as at December 31st 2017.

Investments

Total investments including cash in time deposits, bank accounts and investment properties stood at AED 3.29 billion as at 31st March 2018, compared to AED 3.39 billion as at December 31st 2017.

Total Assets

The total assets increased by 14% to AED 7.66 billion as at 31st March 2018, compared to AED 6.70 billion as at December 31st 2017.

Gross Technical Reserves

The Gross Technical Reserves increased by 17% to AED 4.55 billion as at 31st March 2018, compared to AED 3.88 billion as at December 31st 2017.

Shareholders' Equity

The Shareholders' Equity position increased by 0.7% to AED 1.99 billion as at 31st March 2018, compared to AED 1.98 billion as at December 31st 2017.



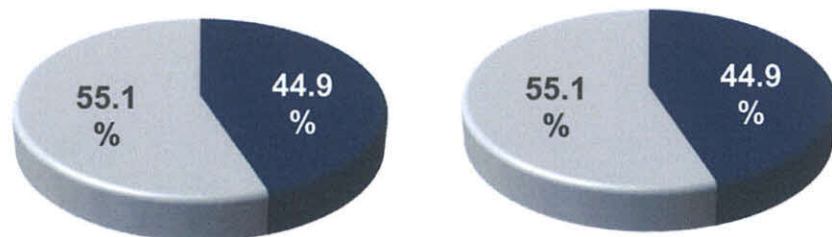
Alaa Fares
Executive Vice President - Finance



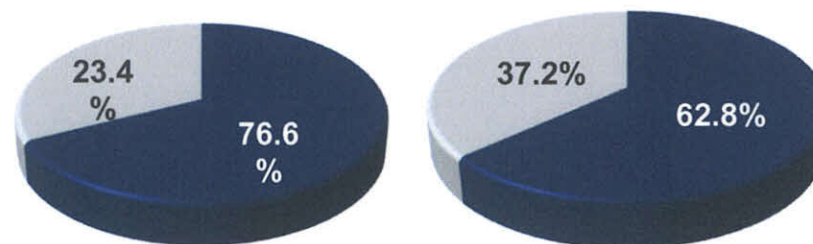
Ahmad Idris
Chief Executive Officer

Premiums

Gross Written Premium in AED m



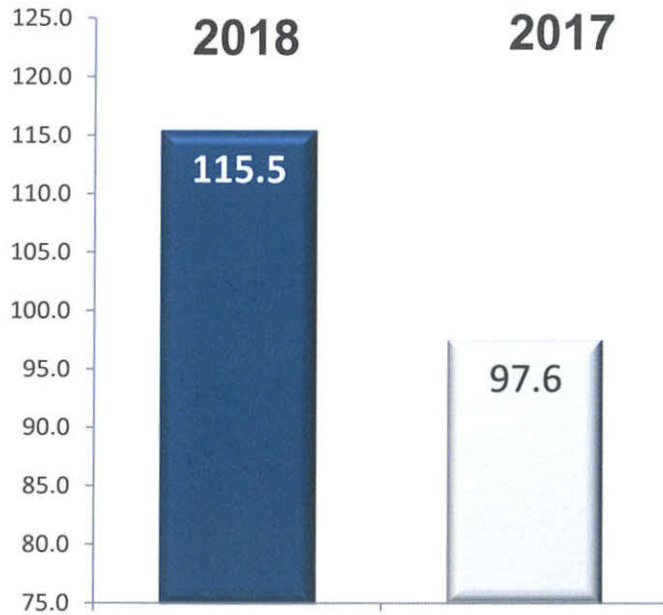
Net Written Premium in AED m



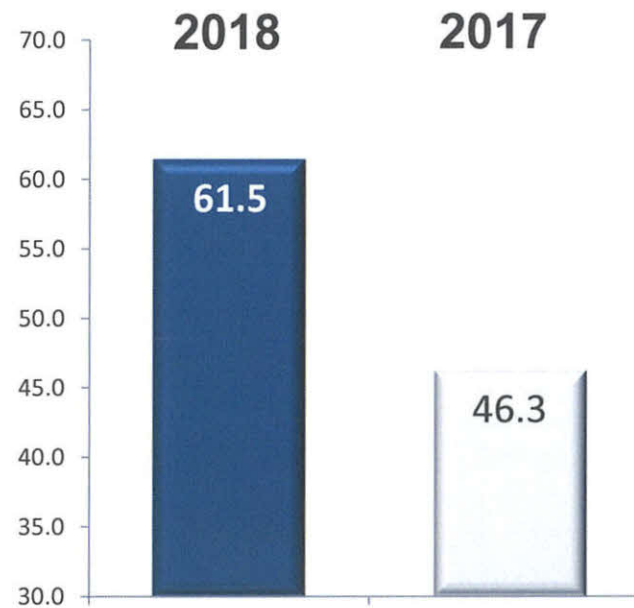
| Premium Retention Ratio | 2018 | 2017 |
|-------------------------|-------|-------|
| Commercial Lines | 22.2% | 28.6% |
| Consumer Lines | 89.2% | 59.1% |
| Total Company | 52.3% | 42.3% |

Operating Performance

Net Underwriting Results in AED m



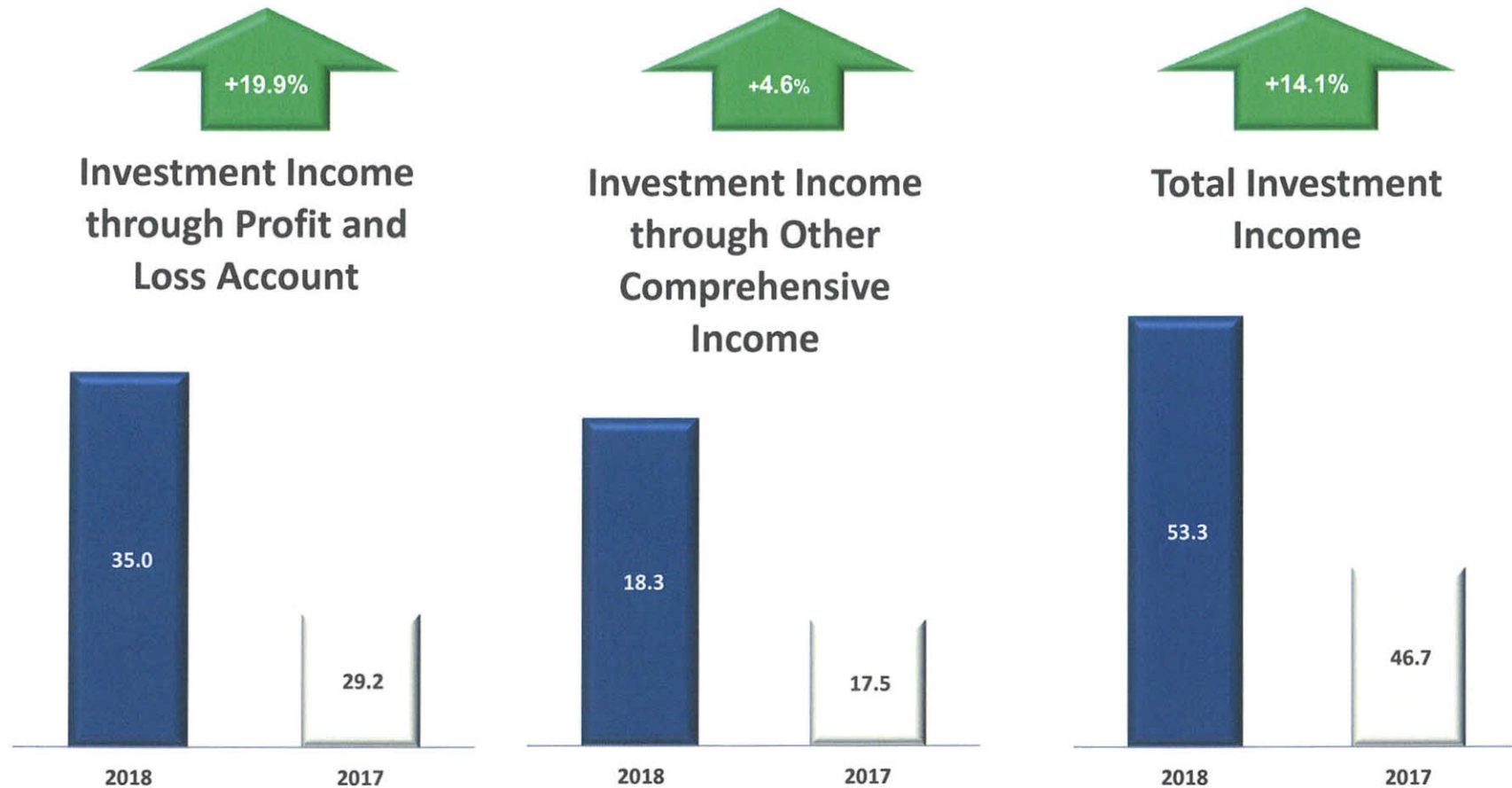
Net Technical Profit in AED m



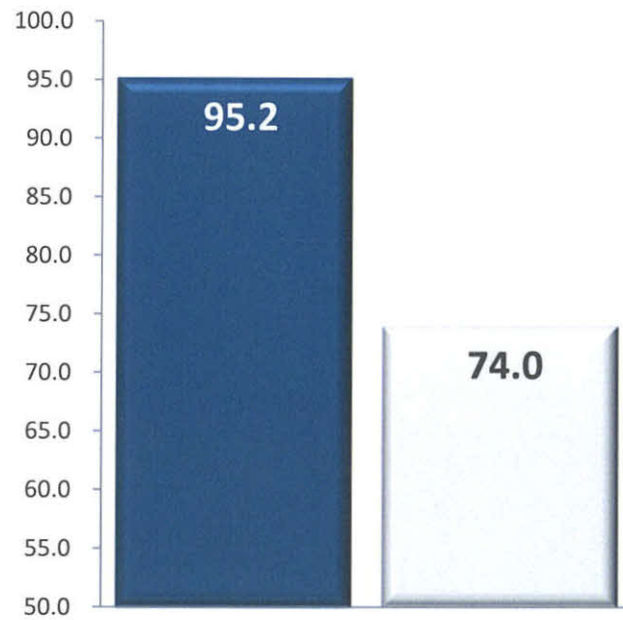
| KPIs | 2018 | 2017 |
|----------------|-------|-------|
| Net loss ratio | 64.6% | 57.4% |
| Combined ratio | 82.7% | 81.4% |

Prudent Investment Strategy

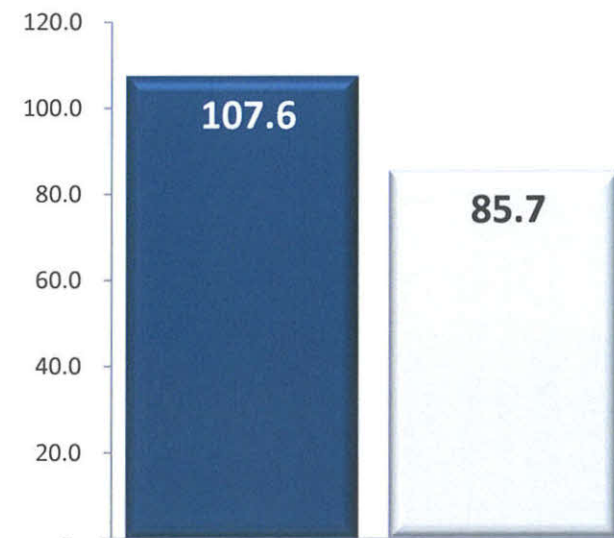
INVESTMENT INCOME (AED m)



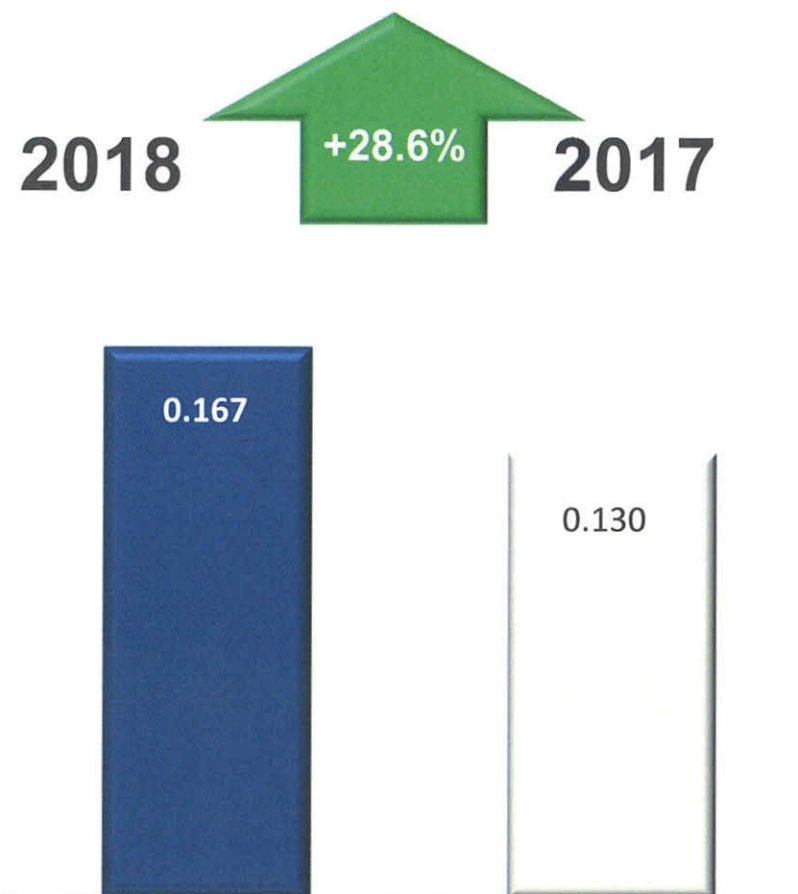
Net Profit (AED m)



Total Comprehensive Income (AED m)



Earnings per share (AED)

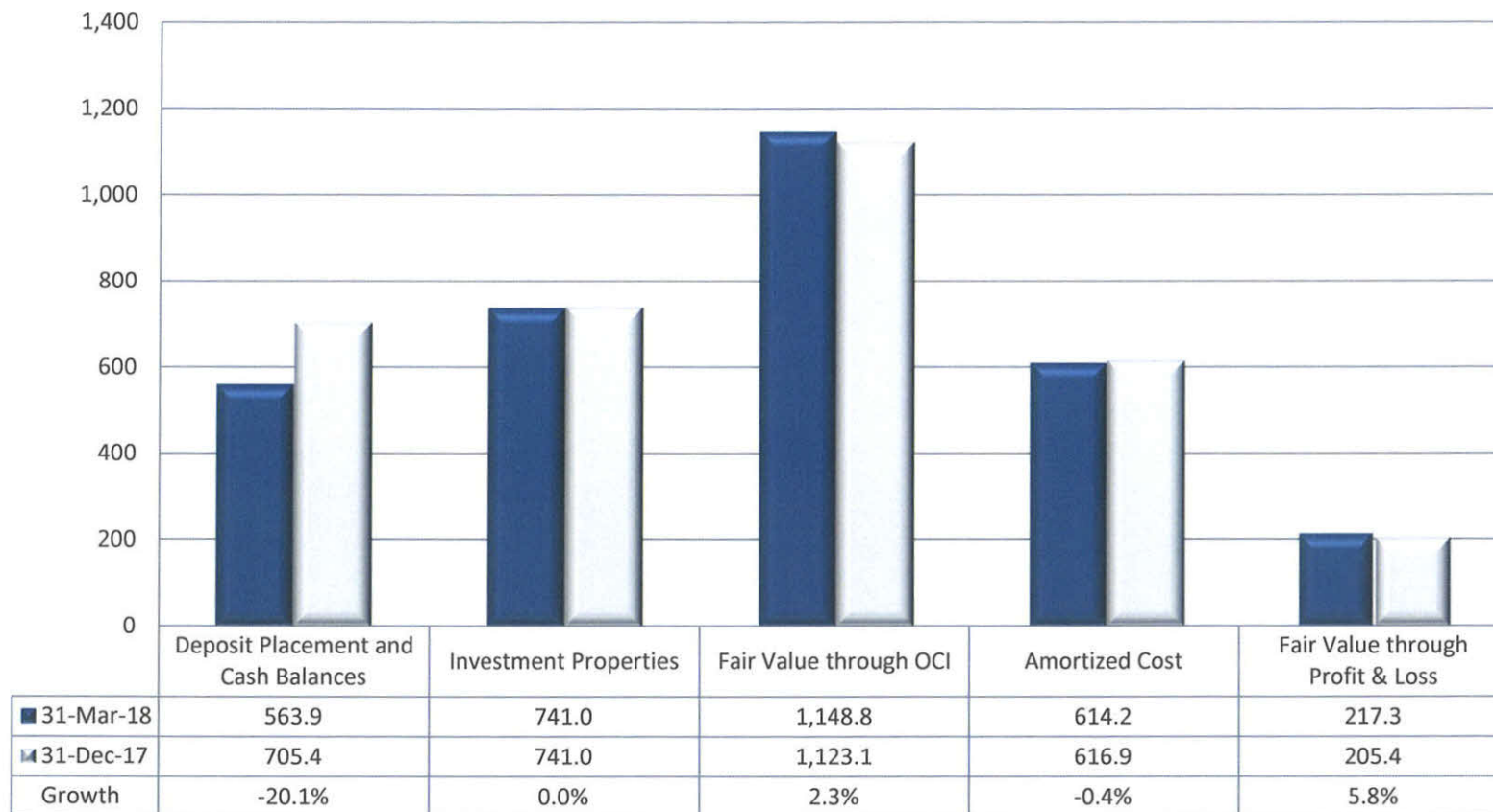


Prudent Investment Strategy

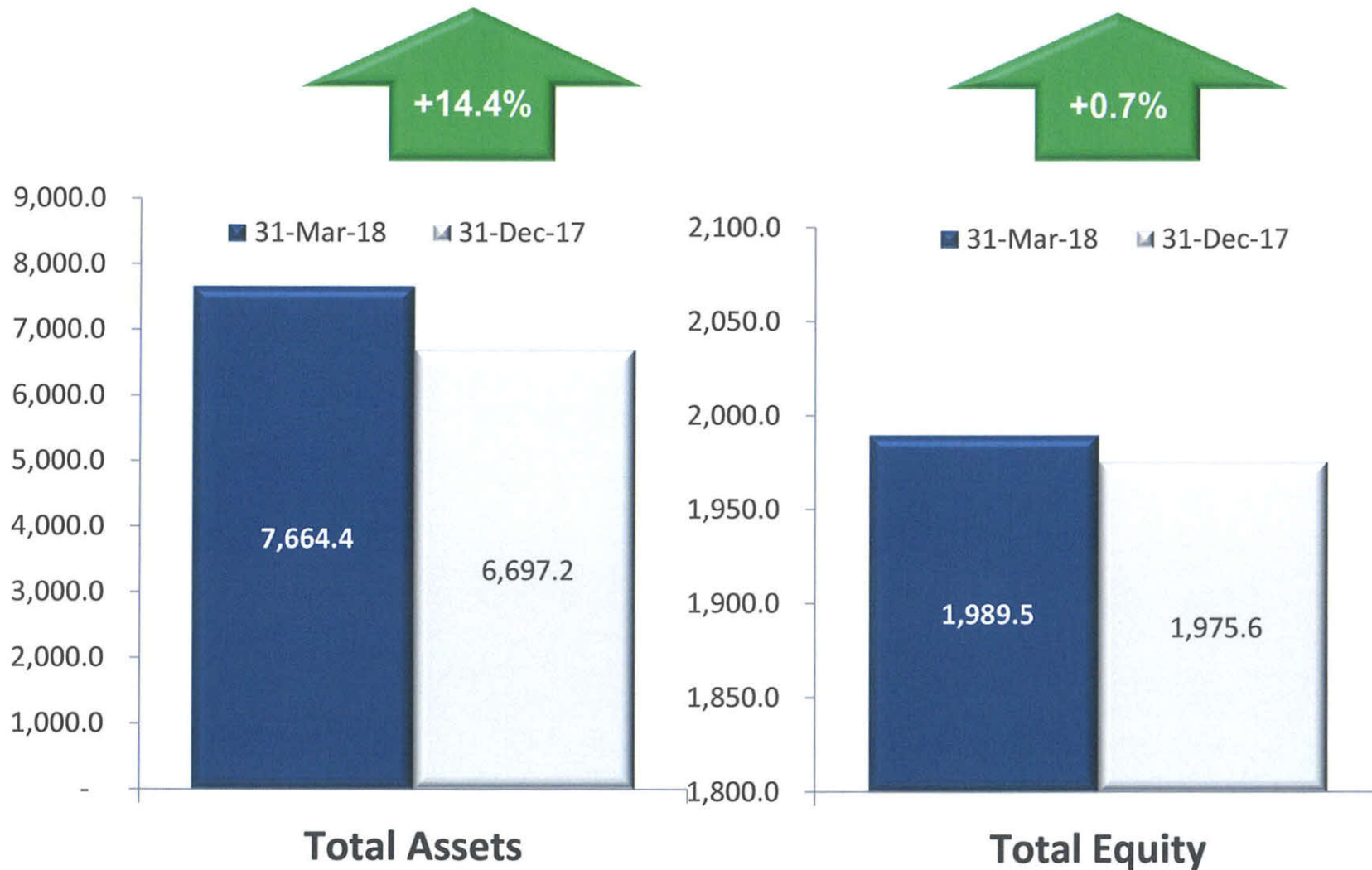
INVESTMENT ASSETS (AED m)

31 Mar 2018 AED 3,285.2 m

31 Dec 2017 AED 3,391.8 m



Financial Strength and Capitalization



Disclaimer

This document could contain forward-looking statements about Abu Dhabi National Insurance Company.

Such forward looking statements are based upon the current belief and expectations of ADNIC's management and are subject to risks and uncertainties, which could cause actual results to differ from the forward looking statements.

Any information that is set out in document should be considered in light of these risks.