



شركة أبوظبي الوطنية للتأمين
ABU DHABI NATIONAL INSURANCE COMPANY

YOUR **RELIABLE** INSURER

Management Discussion & Analysis
For the second quarter ended 30th June 2018

Executive Summary

ADNIC has delivered strong performance in the first half of 2018, reflecting solid growth throughout the second quarter as we continued to make good progress towards achieving our strategic objectives. This performance is a testament to our sound underwriting strategy, financial strength and market-leading position.

Moving to the remainder of the year, we are looking forward to continuing to leverage our innovative capabilities to meet the ever growing needs of our clients and to achieve sound return to our shareholders. ADNIC's customers are at the heart of our strategy, and as we move into the second half of the year, we remain fully committed to delivering value for both our clients and shareholders and to driving the sustainable growth of our business.

Gross Written Premium

For the six-month period ended June 30th 2018, ADNIC's Gross Written Premium increased by 14.7% to AED 1.81 billion compared to AED 1.58 billion for the same period in 2017.

Premium Retention

The overall premium retention ratio reached 53.2% for the six-month period ended June 30th 2018 compared to 43.7% for the same period in 2017.

Net Underwriting Income

For the six-month period ended June 30th 2018, ADNIC Net Underwriting profit increased by 20.1% to AED 193.1 million, against a Net Underwriting Profit of AED 160.8 million for the same period in 2017.

General and Administrative Expenses

General and Administrative Expenses for six-month period ended June 30th 2018 stood at AED 112.3 million compared to AED 94.5 million for the same period in 2017.

Executive Summary, *Continued*

Net Technical Profit

Net Technical Profit for the six-month period ended June 30th 2018 increased by 21.3% to AED 83.6 million, against a Net Technical Profit of AED 68.9 million for the same period in 2017.

Net Investment Income

ADNIC's Net Investment and Other Income increased by 12.1% to AED 69.7 million for the six-month period ended June 30th 2018 compared to AED 62.2 million for the same period in 2017.

Net Profit

For the six-month period ended June 30th 2018, Net profit increased by 17.1% to AED 150.5 million, compared to a net profit of AED 128.5 million for the same period in 2017.

Total Comprehensive Income

Total comprehensive income for the six-month period ended June 30th 2018 increased by 4.2% to AED 152.2 million, against a total comprehensive income of AED 146.1 million for the same period in 2017.

Basic and Diluted Earnings Per Share

Basic and diluted earnings per share increased by 17.4% to AED 0.27 for the six-month period ended 30 June 2018 compared to basic and diluted earnings per share of AED 0.23 for the same period last year.

Executive Summary, Continued

Cash Balances

ADNIC's cash balances increased by 8.4% to AED 764.9 million as at 30th June 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 increased by 3.2% to AED 3.50 billion as at 30th June 2018, compared to AED 3.39 billion as at December 31st 2017.

Total Assets

The total assets increased by 11.5% to AED 7.47 billion as at 30th June 2018, compared to AED 6.70 billion as at December 31st 2017.

Gross Technical Reserves

The Gross Technical Reserves increased by 12.9% to AED 4.38 billion as at 30th June 2018, compared to AED 3.88 billion as at December 31st 2017.

Shareholders' Equity

The Shareholders' Equity position increased by 2.5% to AED 2.03 billion as at 30th June 2018, compared to AED 1.98 billion as at December 31st 2017.



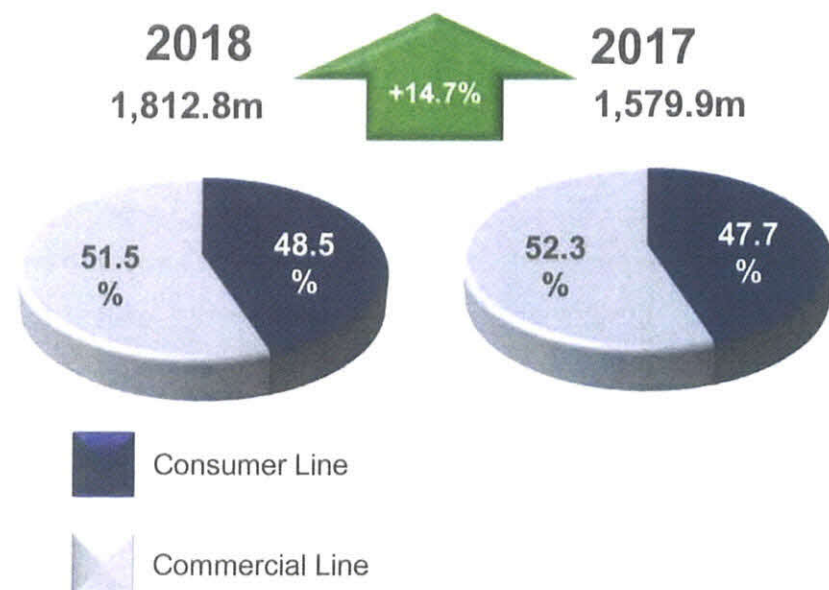
Alaa Fares
Executive Vice President - Finance



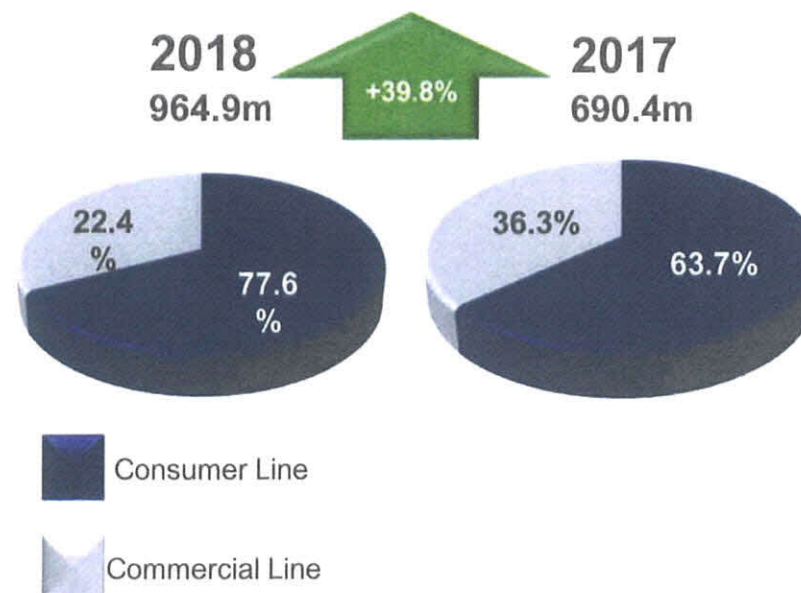
Ahmad Idris
Chief Executive Officer

Premiums

Gross Written Premium in AED m



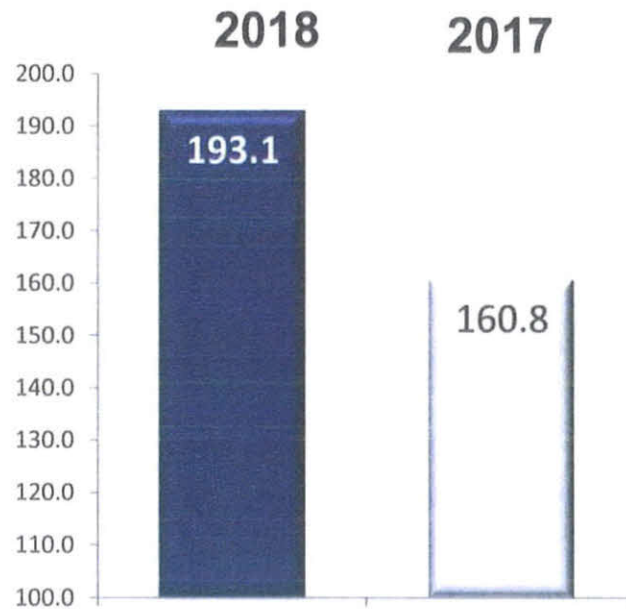
Net Written Premium in AED m



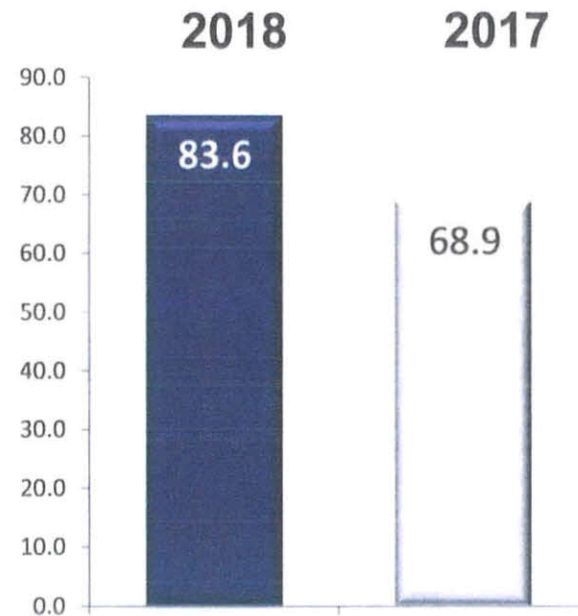
Premium Retention Ratio	2018	2017
Commercial Lines	23.2%	30.3%
Consumer Lines	85.1%	58.3%
Total Company	53.2%	43.7%

Operating Performance

**Net Underwriting Results
in AED m**



**Net Technical Profit
in AED m**



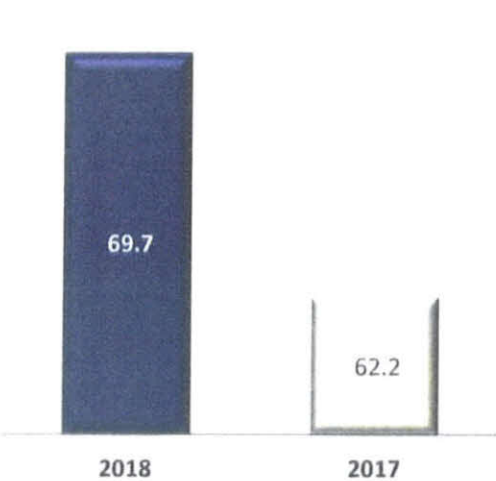
KPIs	2018	2017
Net loss ratio	71.3%	63.8%
Combined ratio	88.2%	86.0%

Prudent Investment Strategy

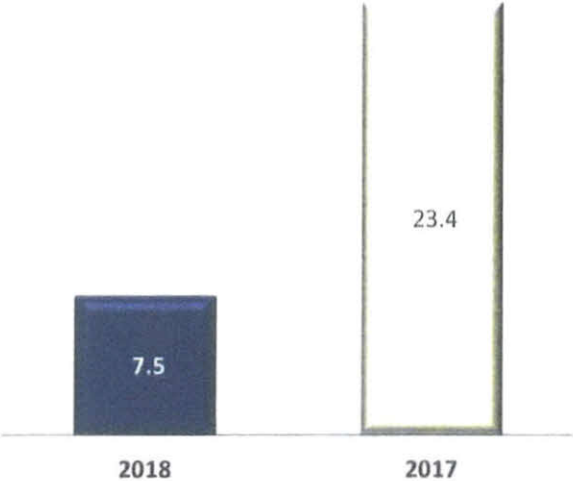
INVESTMENT INCOME (AED m)



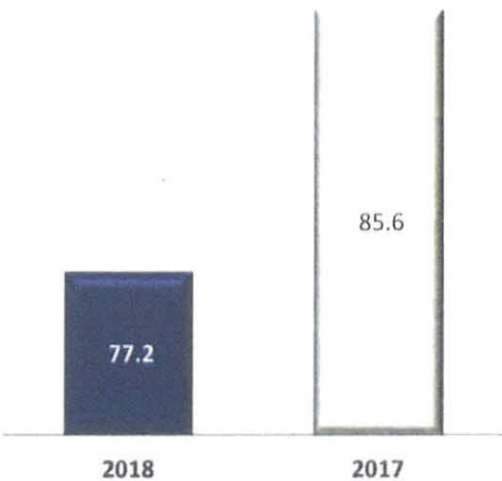
Investment Income through Profit and Loss Account



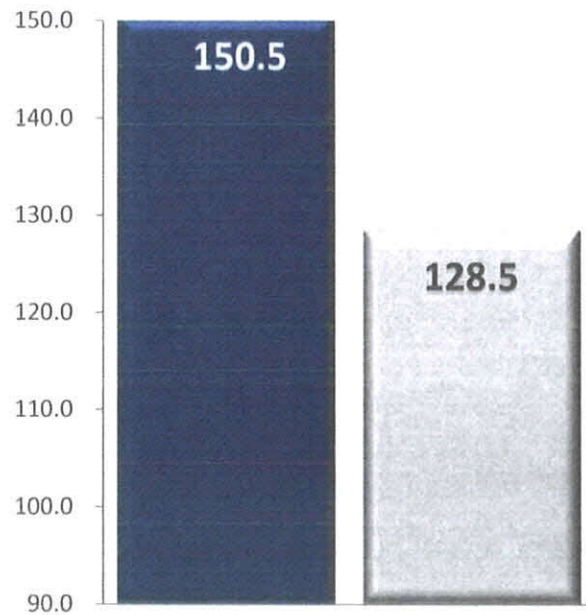
Investment Income through Other Comprehensive Income



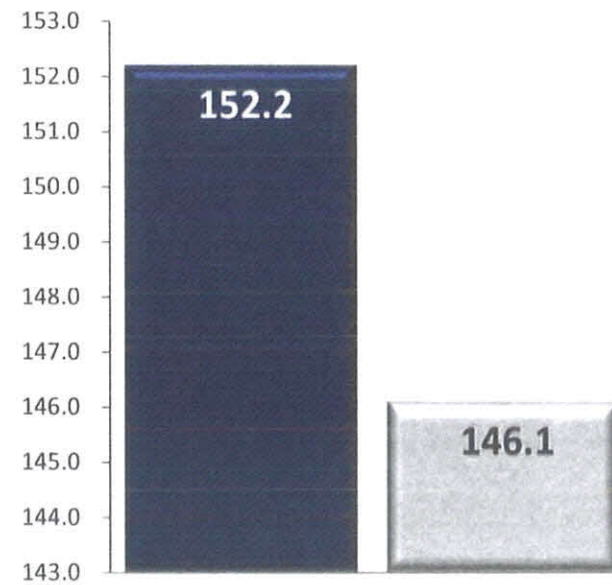
Total Investment Income



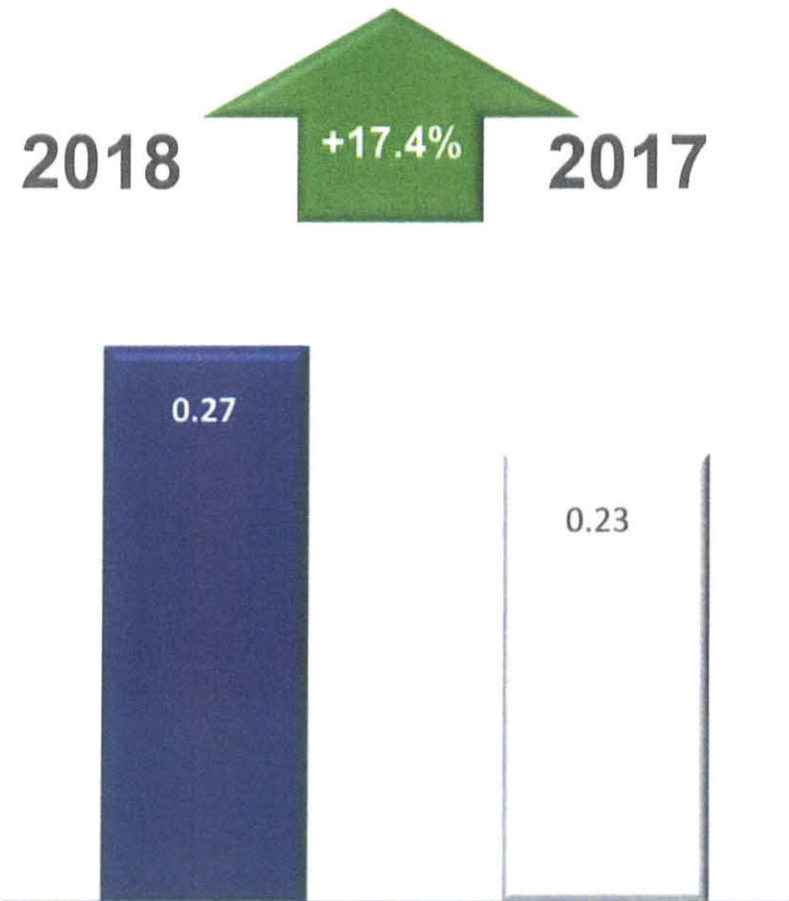
Net Profit (AED m)



Total Comprehensive Income (AED m)



Earnings per share (AED)

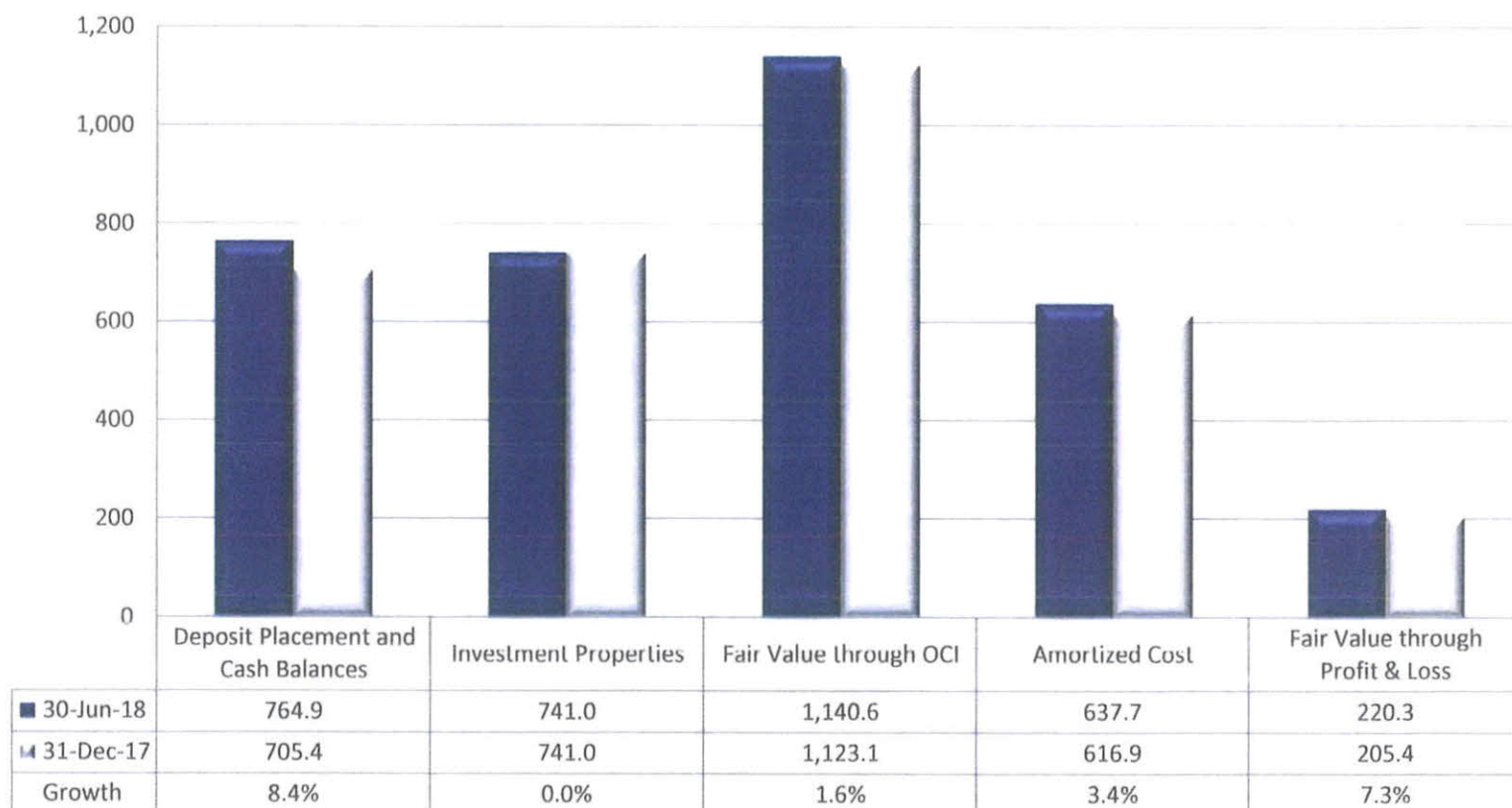


Prudent Investment Strategy

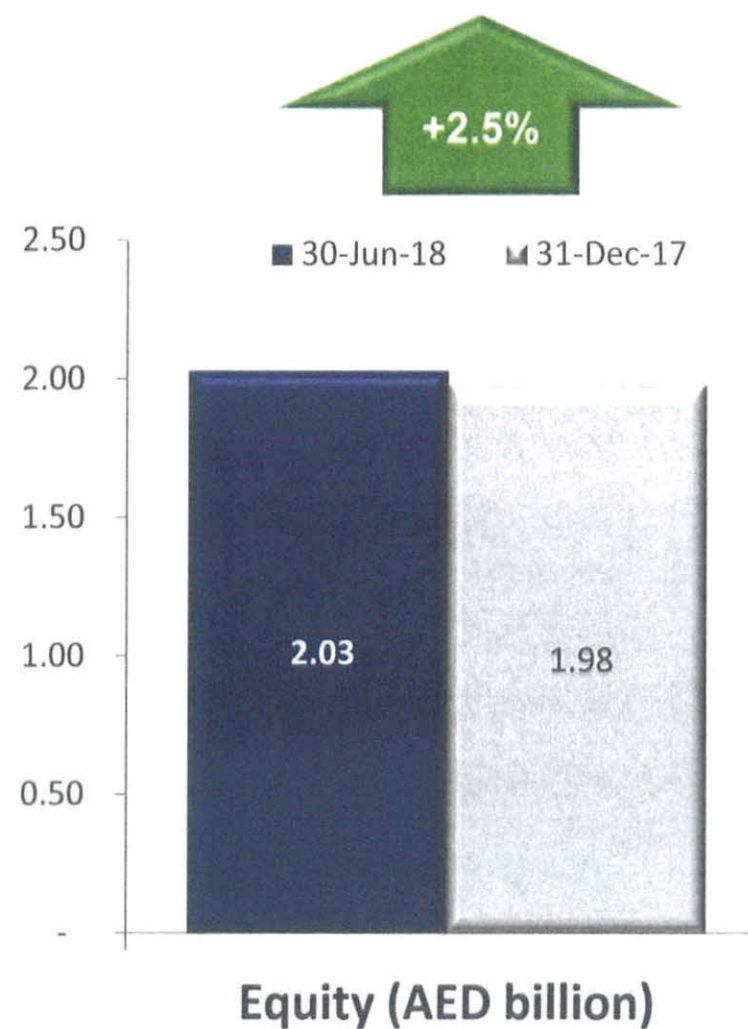
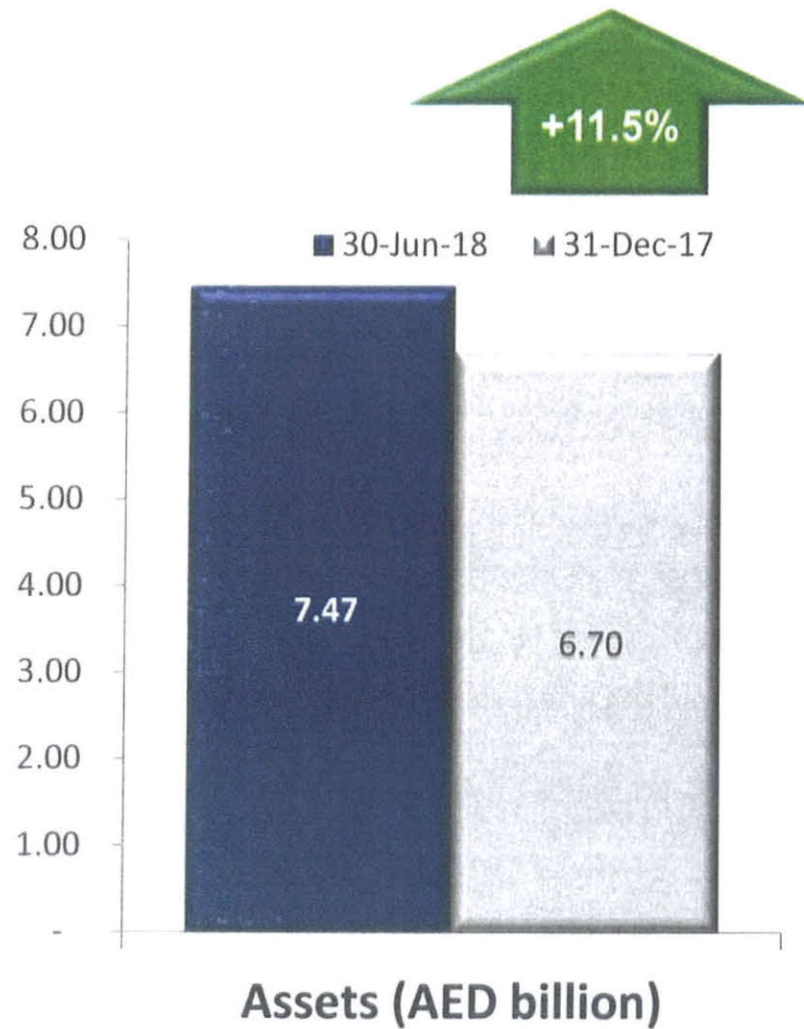
INVESTMENT ASSETS (AED m)

30 Jun 2018 AED 3,504.5 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.