

**Abu Dhabi National Insurance Company P.J.S.C.**  
**Chief Executive Officer's Statement**  
**For the three-month period ended 31 March 2023**

Dear all, I am pleased to provide a comprehensive update of ADNIC's operating performance for the three-month period ended 31 March 2023 alongside considerations on the financial impact of the continuously evolving insurance and reinsurance market framework.

During the first quarter of 2023, we continued to effectively leverage our core competencies in a consistent and systematic manner. With a strong and wide capital base, a solvency ratio that boasts a significant surplus, core underwriting excellence, a robust enterprise risk management framework, and market-leading outward reinsurance arrangements, ADNIC has successfully reduced its relative exposure to highly reinsured corporate insurance programs and focused on maintaining and developing portfolios with strong underwriting income contribution potential. This strategy has resulted in an increase in risk retention in both absolute and percentage terms whilst reinsurance inwards commissions further increased compared to prior year and will be earned through 2023.

Despite continuous competitive pressure and increasing benefit utilization trends in consumer-related product lines, as well as regional severity loss activity in the property and casualty domain, ADNIC's loss cost basis has remained well within tolerance. Additionally, we have successfully maintained control over other operating expenses, which remain aligned with our strategic development goals.

Our investment performance for the quarter significantly improved compared to prior year, primarily due to changes made in the asset allocation approach. Stable dividend income and investment portfolio mark-to-market gains also contributed positively to the overall result.

I am also extremely pleased to share that ADNIC is one of the first insurance companies globally to publish its financial statements prepared in accordance with new Insurance Accounting standard IFRS 17. The hard work and dedication of the ADNIC team enabled the implementation of this complex standard in a timely fashion so that today we are in a position to disclose our financials in full compliance with the relevant requirements prescribed by the standard thereby replacing IFRS 4 Insurance Contracts (IFRS 4) along with any corresponding amendments to other standards, as of 1 January 2023. The adoption of these standards has brought substantial transformations in the accounting of insurance and reinsurance contracts. As a result, we have restated specific comparative figures for the prior year in accordance with the new standard.

**Key Financial Highlights (prior year numbers are reinstated in line with IFRS 17 standard requirements)**

***Total Insurance revenue***

For the three-month period ended 31 March 2023, ADNIC's total insurance revenue stood at AED 1.0 billion, compared to AED 1.1 billion for the same period in 2022.

***Net insurance service result***

For the three-month period ended 31 March 2023, ADNIC's net insurance service result stood at AED 94.1 million, against AED 98.3 million for the same period in 2022.

***Net Income from investment***

ADNIC's net income from investment increased by 94.0% to AED 46.3 million for the three-month period ended 31 March 2023, compared to AED 23.9 million for the same period in 2022.

***Other operating expenses***

Other operating expenses for the three-month period ended 31 March 2023 stood at AED 42.7 million, compared to AED 38.9 million for the same period in 2022.

***Profit for the period***

For the three-month period ended 31 March 2023, profit for the period increased by 17.2% to AED 99.7 million, compared to AED 85.0 million for the same period in 2022.

Finally I would like to express my gratitude to ADNIC's Board of Directors and shareholders for their unwavering support, our clients and business partners for placing their confidence in our company, and our management team and employees for their devoted and relentless contributions.



**Charalampos Mylonas**  
**Chief Executive Officer**