



شركة أبوظبي الوطنية للتأمين
ABU DHABI NATIONAL INSURANCE COMPANY

YOUR RELIABLE INSURER

Management Discussion & Analysis

For first quarter ended 31st March 2019

Executive Summary



- Gross written premiums up 42.8% to AED 1.74 billion
- Net technical profit is AED 20.4 million
- Net profit is AED 52.6 million

ADNIC achieved significant Gross written premium growth during the first quarter of 2019, with the company performing fairly well in terms of profitability with challenging market conditions. As we move into the second quarter, ADNIC will continue to leverage its competitive advantage to focus on increasing profitability, consolidating its position as one of the leading regional multi-line insurance providers for corporates and individuals, and creating sustainable value for stakeholders while increasing customer satisfaction and retention.

This performance is testament to the strength of our customer service proposition, technical excellence, product and service innovation and commitment to the community. Moving forward, we are focused on achieving our strategic targets over the coming year, including investing in new products and service innovations to create additional value for customers and shareholders.

Alaa Fares
Executive Vice President - Finance



Ahmad Idris
Chief Executive Officer

1Q 2019 Financial results



Highlights

For the first quarter ended 31st March 2019, ADNIC's gross written premiums grew by 42.8% to AED 1.74 billion, compared to AED 1.22 billion for the same period in 2018.

Net technical profit for the first quarter ended 31st March 2019 was impacted by the performance of the consumer lines and reached AED 20.4 million, against AED 60.1 million for the same period in 2018.

For the first quarter ended 31st March 2019, net profit is AED 52.6 million, compared to AED 95.2 million for the same period last year.

Total assets increased by 14.0% to AED 8.27 billion as at 31st March 2019, compared to AED 7.25 billion as at 31st December 2018.

Total investments including cash in time deposits, bank accounts and investment properties stood at AED 3.56 billion as at 31st March 2019, compared to 3.75 billion as at 31st December 2018.

The shareholders' equity position is AED 2.07 billion as at 31st March 2019, compared to AED 2.10 billion as at 31st December 2018. 30% Cash dividend was distributed during the quarter.

Key Performance Indicators

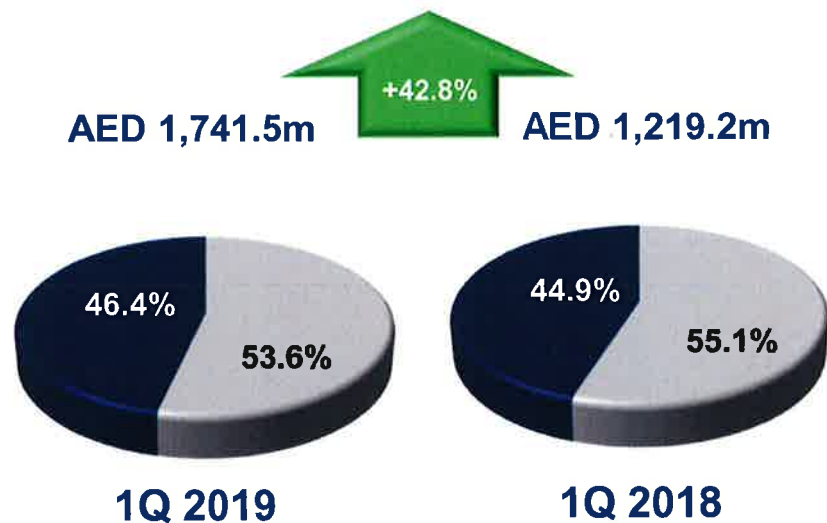
AED Million	1Q 2019	1Q 2018	Increase / (Decrease)
Gross written premium	1,741.5	1,219.2	42.8%
Net earned premium	340.2	355.8	(4.4%)
Net underwriting income	84.3	115.5	(27.0%)
Technical results	20.4	60.1	(66.1%)
Investment Income	32.2	35.0	(8.0%)
Net profit	52.6	95.2	(44.7%)
Premium retention ratio	32.6%	52.3%	(19.7%)
Net loss ratio	79.3%	64.6%	14.7%
Combined ratio	94.0%	83.1%	10.9%
AED Million	31-Mar-19	31-Dec-18	Increase / (Decrease)
Total assets	8,265.5	7,250.3	14.0%
Total investment assets	3,556.1	3,745.1	(5.1%)
Gross technical reserves	4,819.7	3,958.1	21.8%
Shareholders' equity	2,066.1	2,101.7	(1.7%)



Insurance Performance

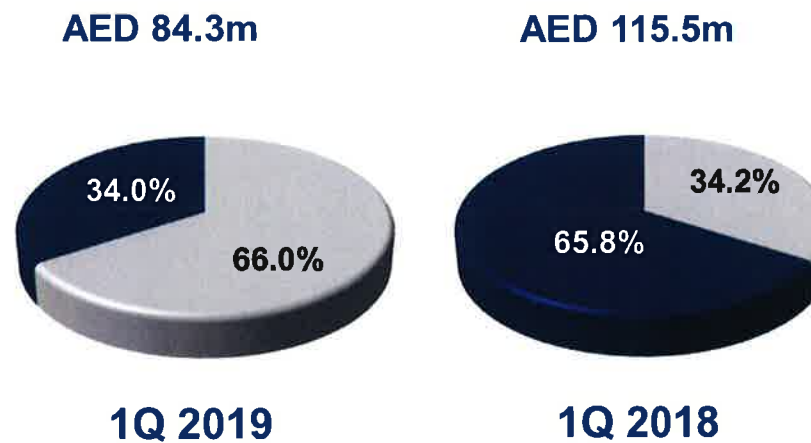




Gross Written Premium

Net Underwriting income



 Consumer Line
 Commercial Line



 Consumer Line
 Commercial Line

Insurance Performance by Segment



Highlights

Key Performance Indicators

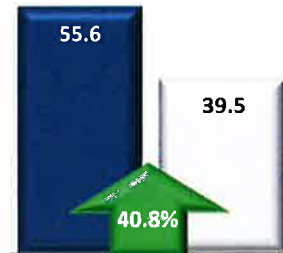
Commercial

Gross Written Premium
in AED m



1Q 2019 1Q 2018

Net Underwriting results
in AED m



1Q 2019 1Q 2018

AED Million	1Q 2019	1Q 2018	Increase / (Decrease)
Gross written premium	933.4	671.6	39.0%
Net earned premium	93.3	100.3	(7.0%)
Net claims incurred	(50.2)	(56.1)	(10.5%)
Net commission and other underwriting expense	12.5	(4.7)	366.0%
Underwriting income	55.6	39.5	40.8%
Premium retention ratio	15.3%	22.2%	(6.9%)

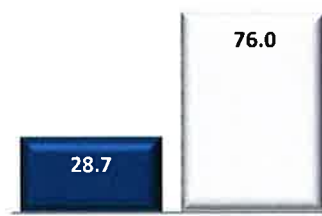
Consumer

Gross Written Premium
in AED m



1Q 2019 1Q 2018

Net Underwriting results
in AED m



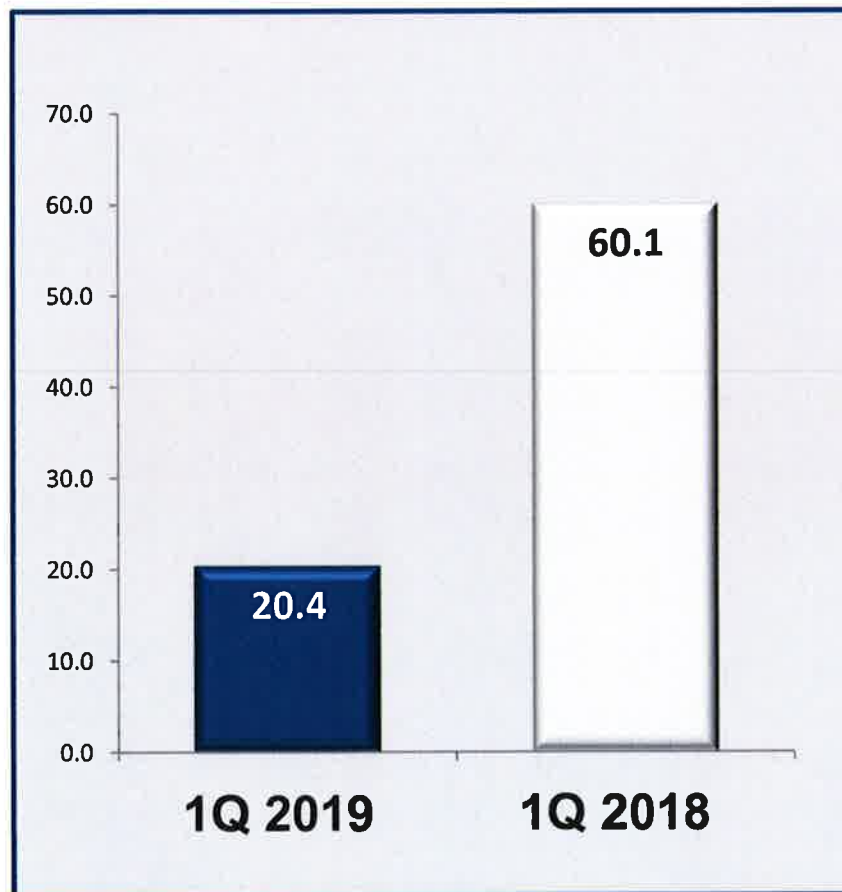
1Q 2019 1Q 2018

AED Million	1Q 2019	1Q 2018	Increase / (Decrease)
Gross written premium	808.1	547.6	47.6%
Net earned premium	246.9	255.5	(3.4%)
Net claims incurred	(219.5)	(173.8)	26.3%
Net commission and other underwriting expense	1.3	(5.7)	122.8%
Underwriting income	28.7	76.0	(62.2%)
Premium retention ratio	52.6%	89.2%	(36.6%)

Net Insurance Results



Net Technical Profit in AED m

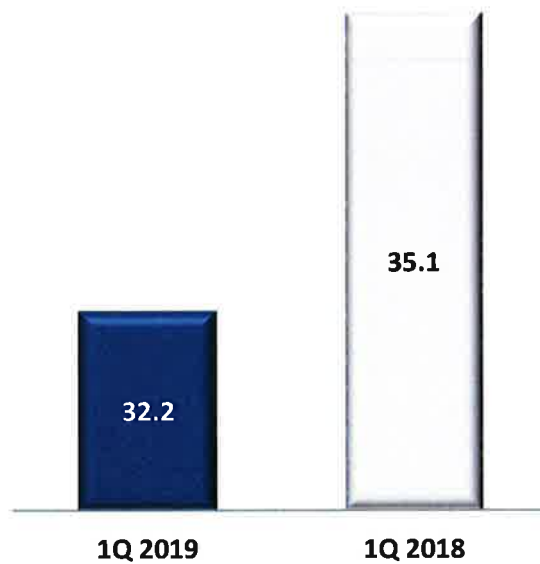


Investment Income

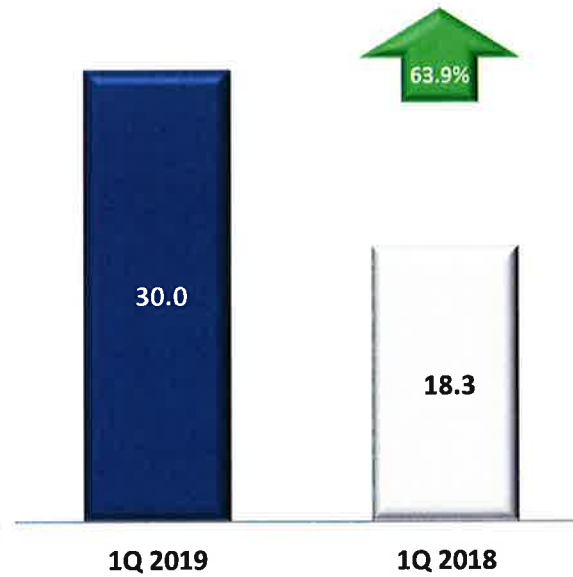


Investment Income in AED m

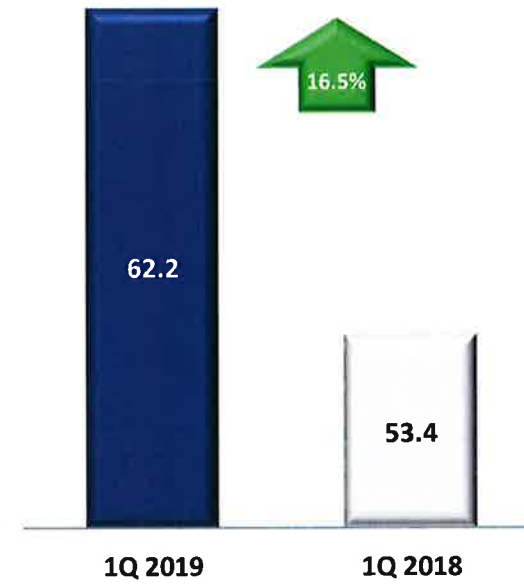
Investment Income through Profit and Loss Account



Investment Income through Other Comprehensive Income



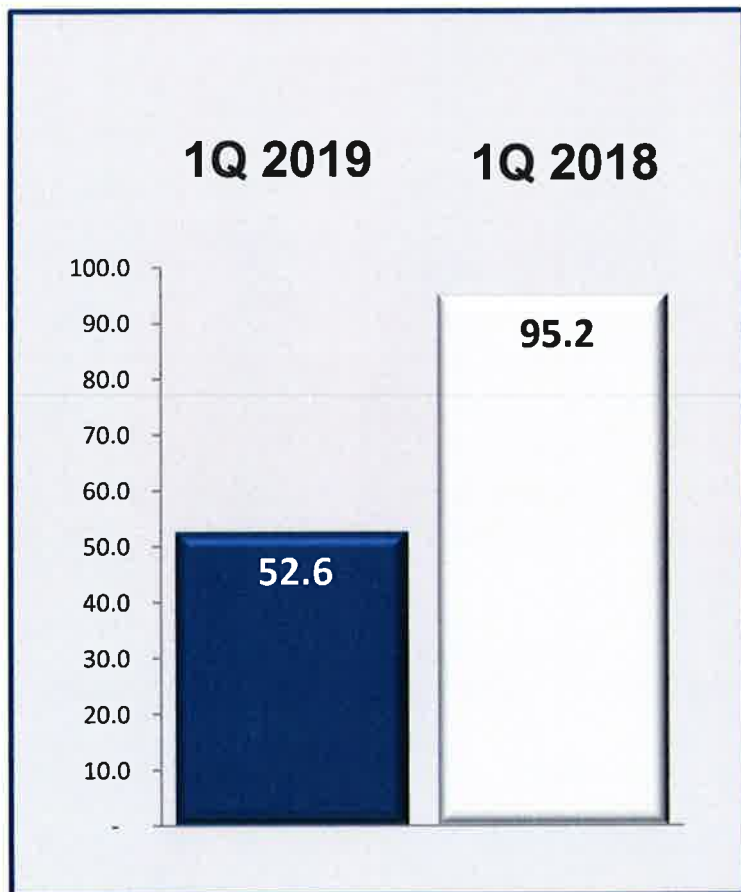
Total Investment Income



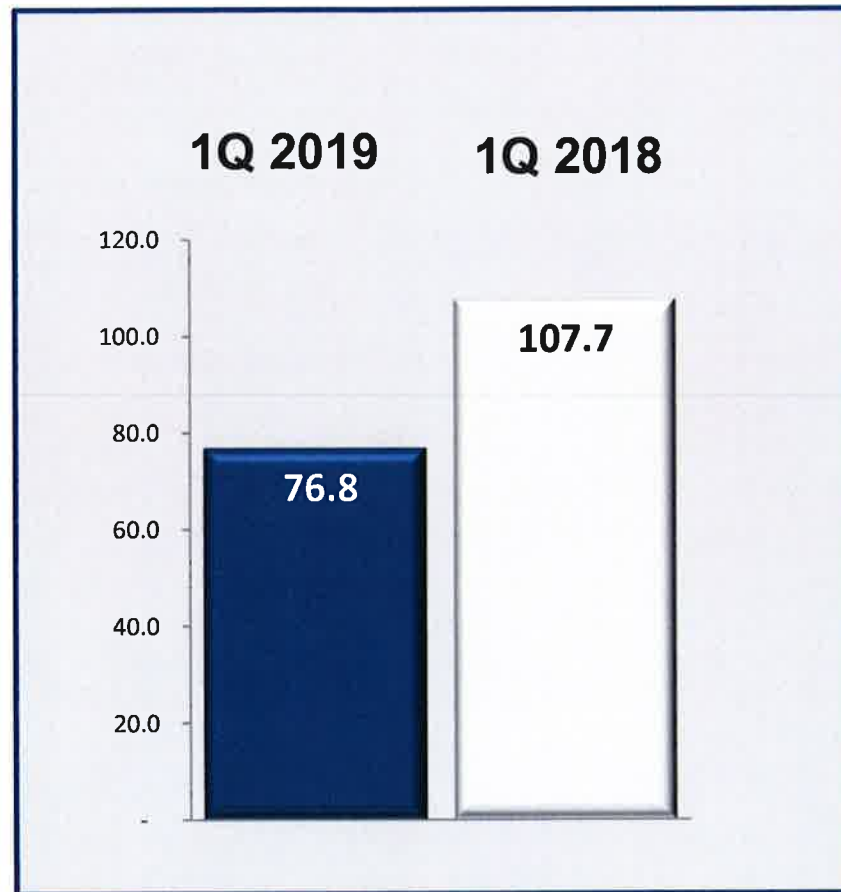
Profit for the period



Net Profit (AED m)



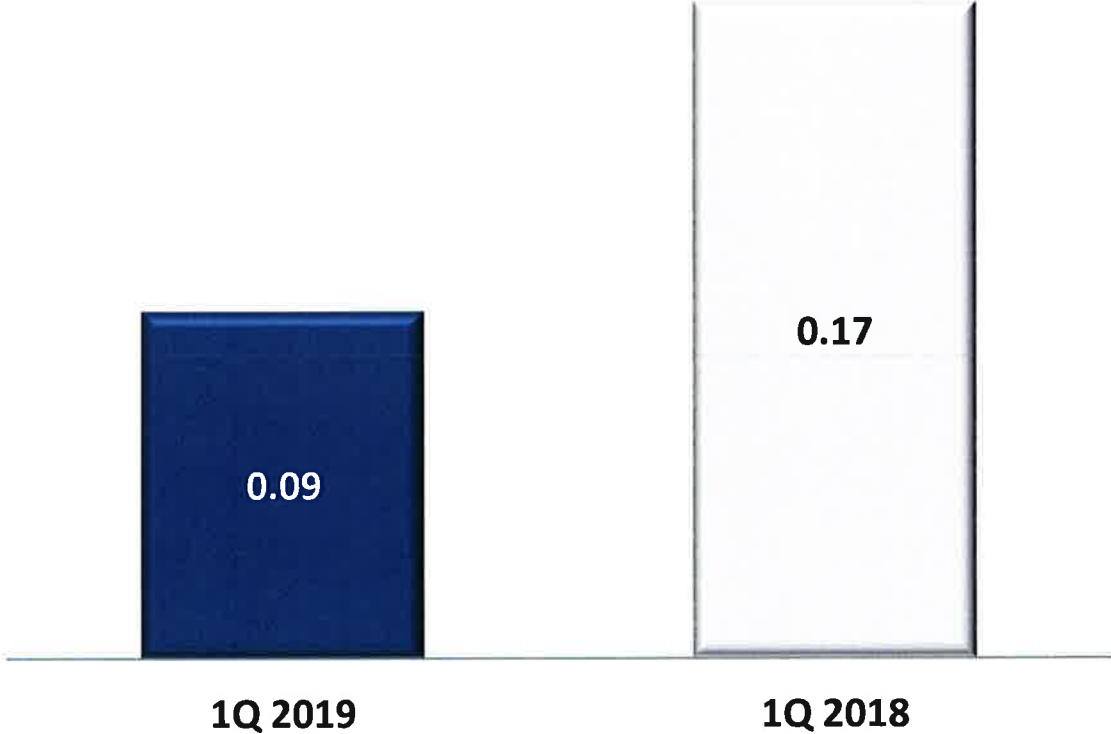
Total Comprehensive Income (AED m)



Earnings Per Share



EPS (AED)

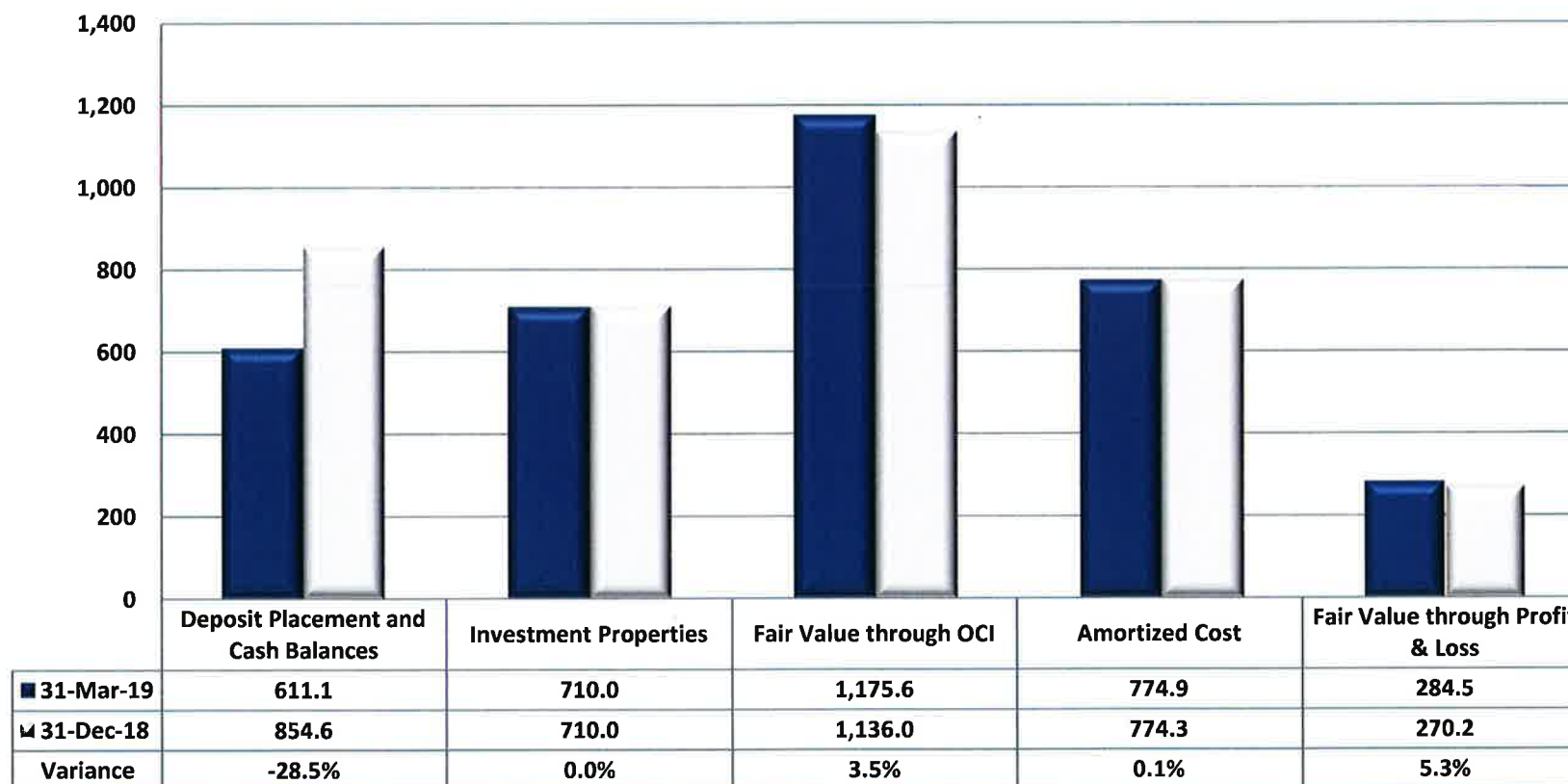


Prudent Investment Strategy



Investment Assets in AED m

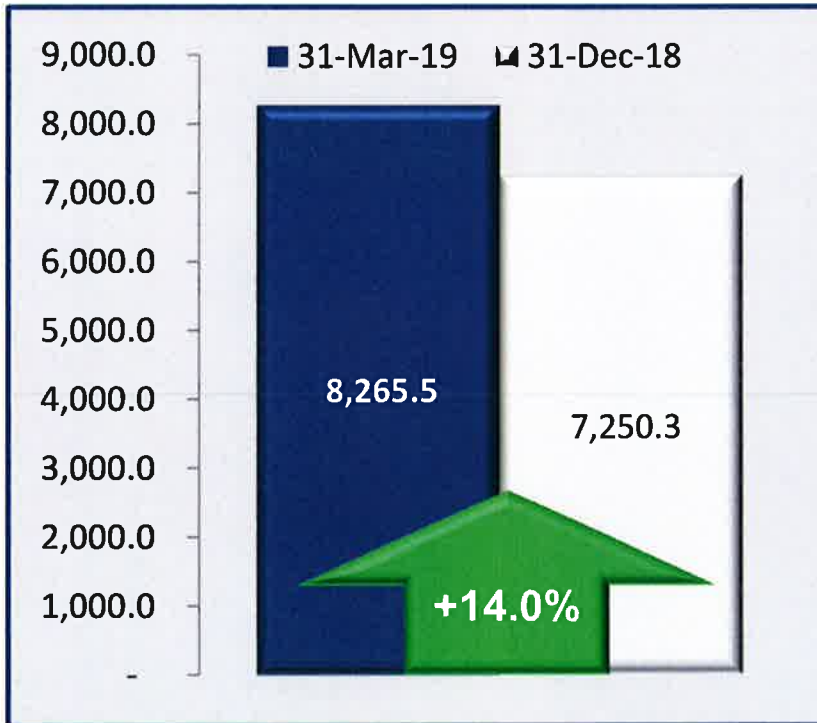
31 Mar 2019 AED 3,556.1 m
 31 Dec 2018 AED 3,745.1 m



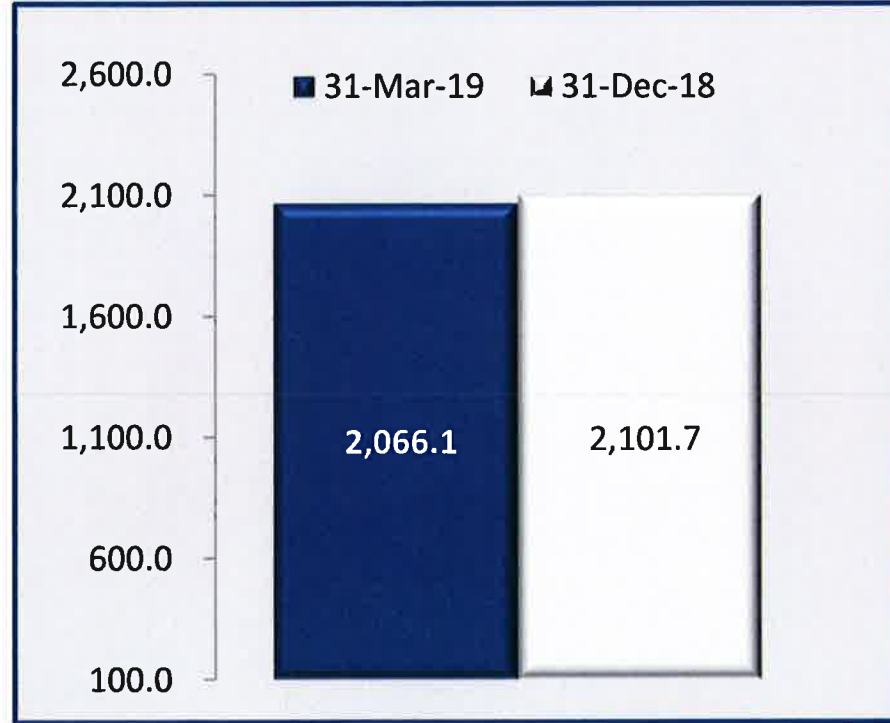
Financial Strength and Capitalization



Assets in AED m



Equity in AED m



Important Information



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There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

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