

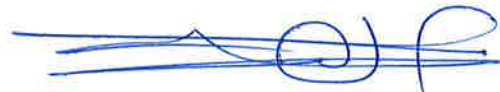


Abu Dhabi National Insurance Company Pjsc

Management Discussion & Analysis for Third Quarter 2019

Performance Highlights 3Q 2019

- ADNIC achieved impressive market share gains. Total GWP for the first 9 months increased by 34% to AED 2.98 bio.
- Year to date Net Underwriting Income and Net Profit were AED 274 mio and AED 194 mio respectively, down by 10% and 11% respectively compared to the previous year.
- Losses were seen in certain lines but remedial measures have been put in place to contain the losses.
- Investment Income was up 17% to AED 106 mio for the first 9 months
- Basic and diluted earnings per share was AED 0.34 for the first 9 months of the year.
- ADNIC remains a consistently profitable multi-line insurer offering a complete suite of insurance solutions for its customers.
- With robust solvency and capitalization, we are confident of being able to continue gaining market share and retain our market leading position as the insurer of choice in the UAE and wider region.



Alaa Fares
Executive Vice President - Finance

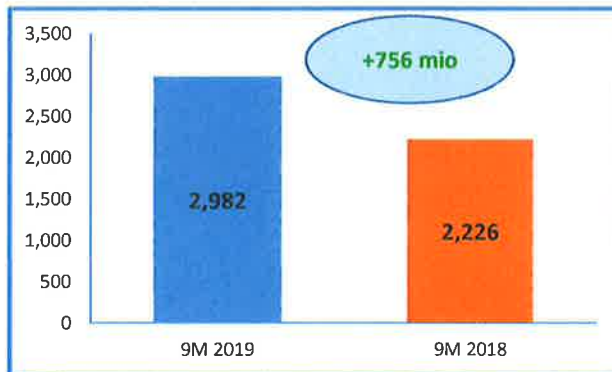


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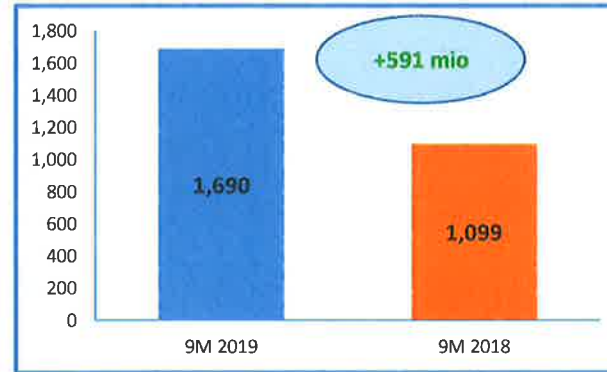
Ahmad Idris
Chief Executive Officer

Strong Topline Growth

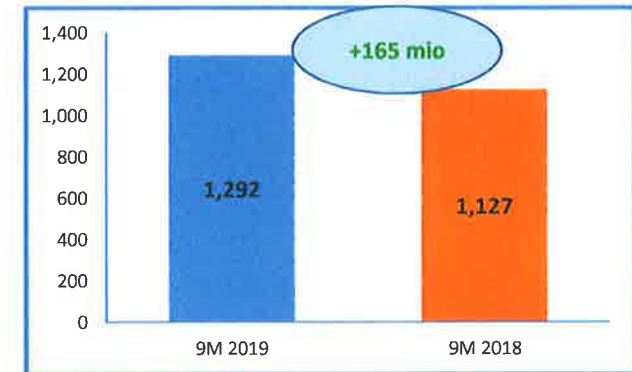
Total GWP



Commercial Lines



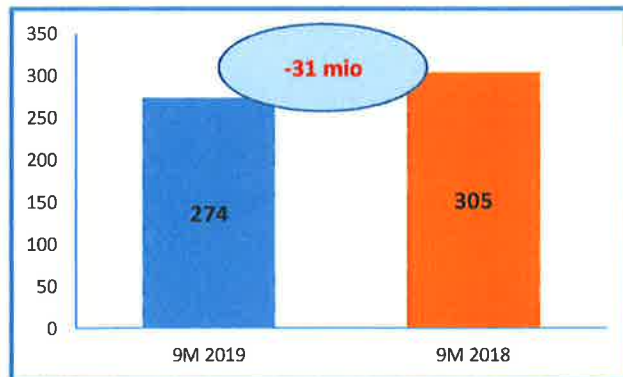
Consumer Lines



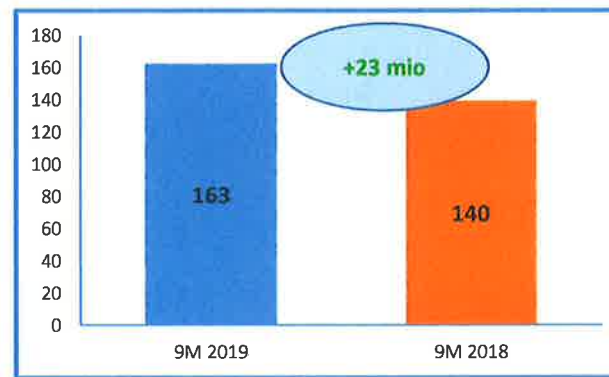
- ADNIC has been able to increase market share in a challenging operating environment.
- Increase in geographic footprint due to growth in business in Dubai & Northern Emirates
- Top-line growth is seen in number of lines.
- We have a diverse large, SME and retail customer base and upcoming quarters will see more focus on product developments and growth in Dubai and Northern Emirates.

Underwriting Profitability

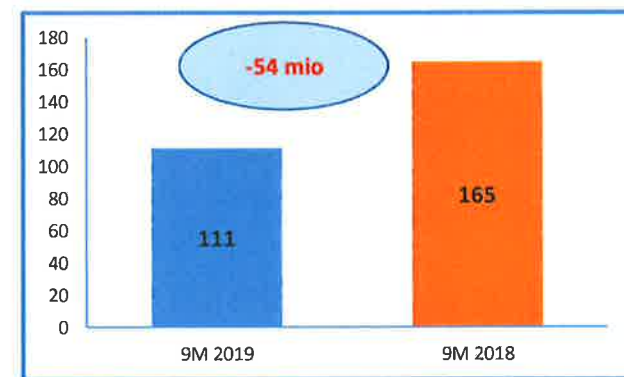
Total Net UW Income



Commercial Lines

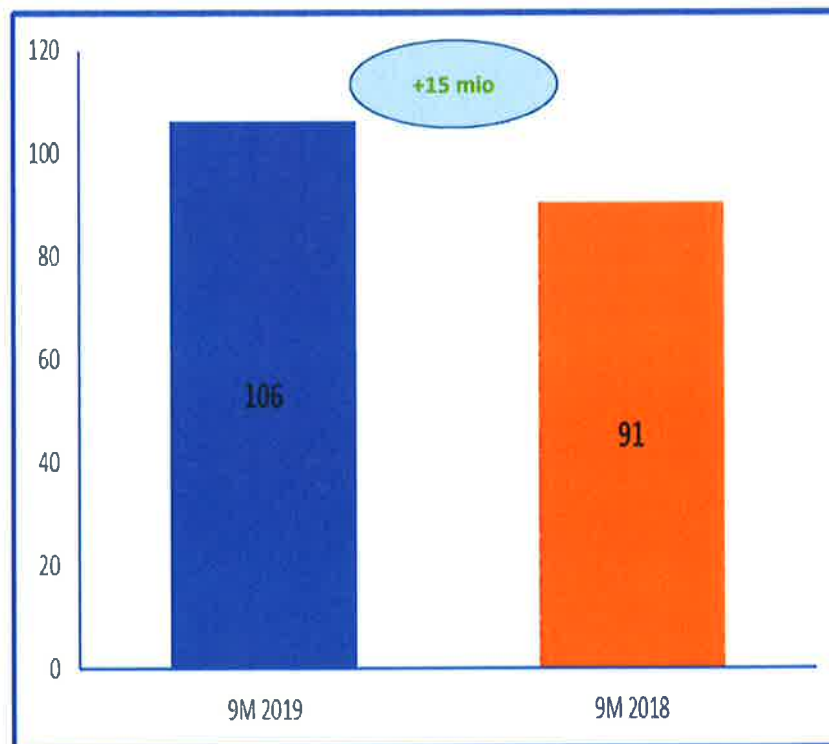


Consumer Lines



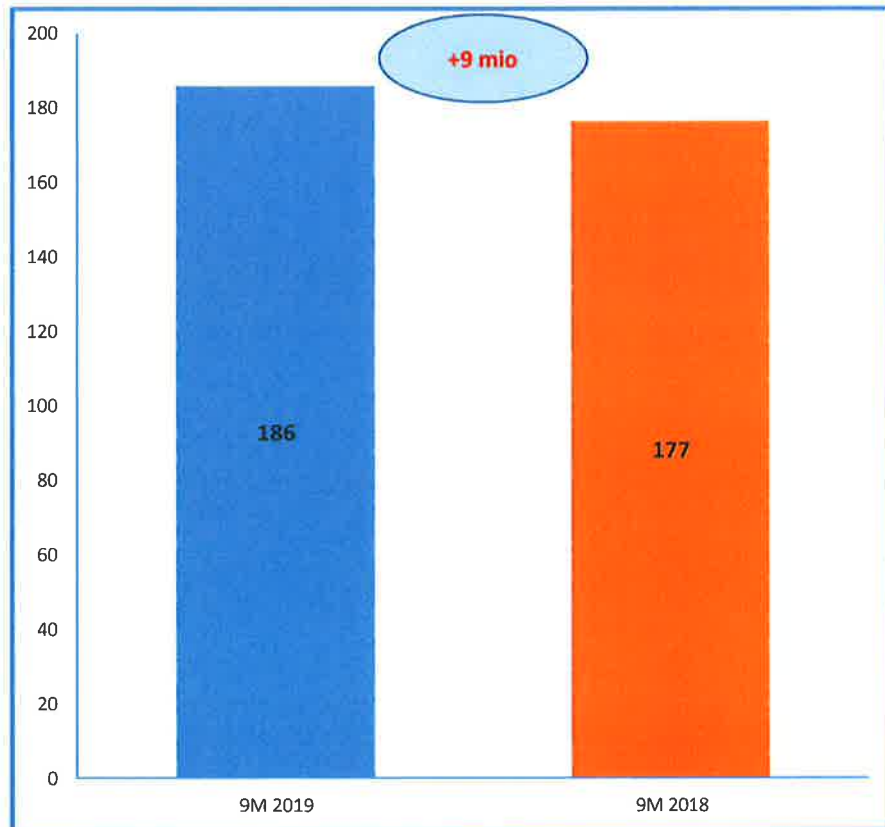
- QoQ improvement in underwriting profitability.
- Focus on risk management to reduce impact of extreme losses.
- Investment in technology for efficient claims management
- Remedial measures in place for lines which have seen increase in loss ratios

Robust Investment Performance



- Investment portfolio continues to be well diversified with varied sources of return.
- Strong dividend income due to focus on income generating strategies.
- Sufficient liquidity maintained at all times to support business operations.
- Strong rally in fixed income in 2019 has helped generate FV gains in the portfolio.
- Rental income impacted somewhat by soft property market.
- Total Investment Income (including OCI) up AED 28 mio compared to previous year.

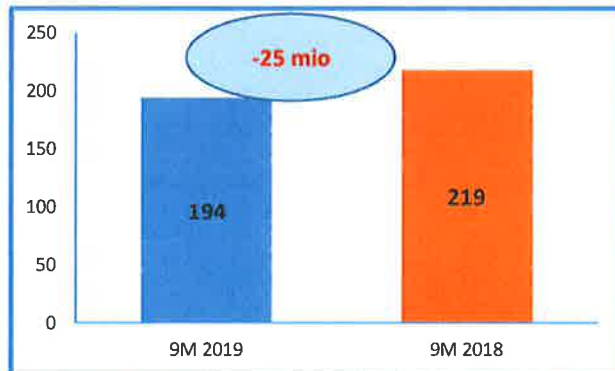
Expenses



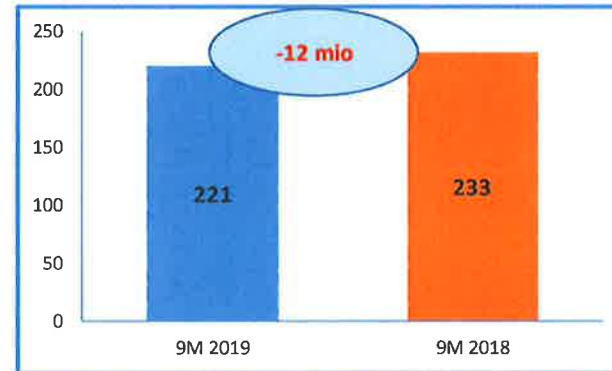
- Growth in expenses is in line with business growth.
- ADNIC continues to make investments in process improvements and technology in order to enhance customer service.
- Prudence will be maintained in expenses to ensure overall cost base stays adequate for the level of business.

Profitability

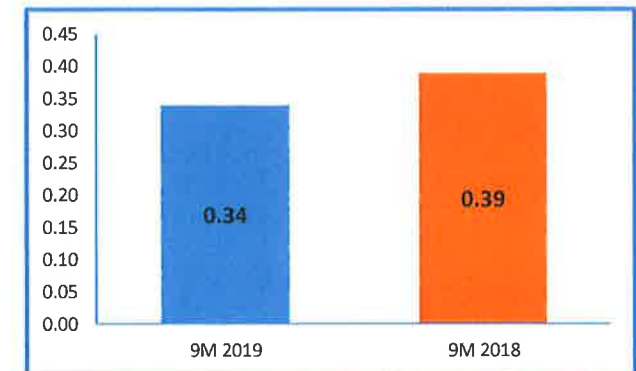
Net Profit



Total Comprehensive Income

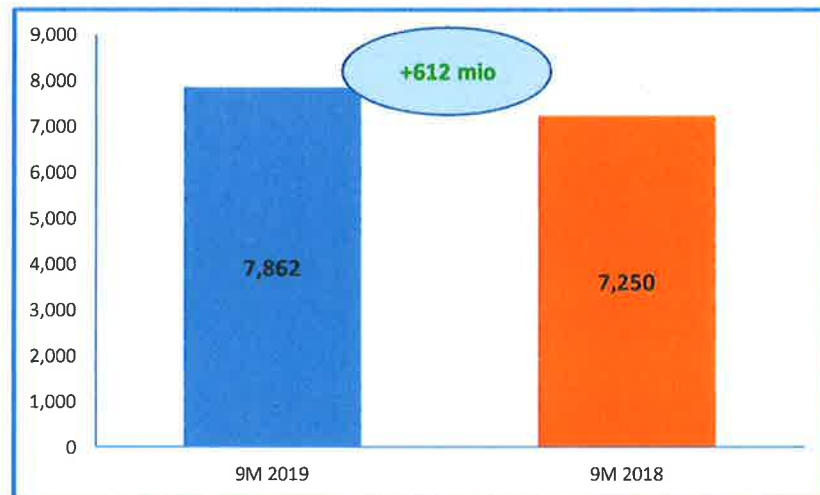


Earnings per Share

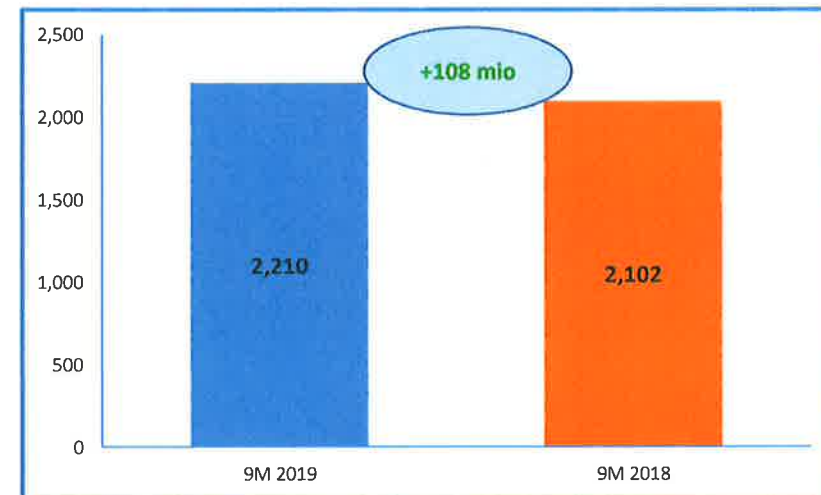


- ADNIC continues to be consistently profitable and one of the most profitable insurers in the UAE market.
- We continue to deliver value for our shareholders and customers.
- Measures put in place during the year will further improve profitability in the coming quarters. We intend to continue to be a full service provider of insurance solutions notwithstanding difficult market conditions in certain lines.

Total Assets



Shareholders' Equity



- ADNIC continues to be a strongly capitalised insurer with a robust solvency ratio.
- ADNIC has one of the most prudent claims reserving in the industry and reserves are reviewed regularly.
- We maintain our rating of A- (stable outlook) by S&P.

Statement of Key Figures

AED '000	3Q 2019	3Q 2018	9M 2019	9M 2018
Gross Written Premium	634,384	413,148	2,982,306	2,225,987
Net Premiums Written	152,560	169,398	917,203	1,134,324
Net Premiums Earned	336,163	393,328	979,047	1,104,034
Net Claims Incurred	(233,453)	(266,983)	(734,028)	(773,953)
Net Underwriting Income	108,663	111,598	274,101	304,690
Investment Income	27,224	20,968	106,358	90,673
G&A Expenses	(60,074)	(64,338)	(186,018)	(176,601)
Net Profit	75,813	68,228	194,441	218,762
Total Comprehensive Income	71,012	80,293	220,706	232,535

Important information

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