

Template for discussion report and analysis of the board of directors of the listed public shareholding company

Date	9 th May 2023																												
Name of the Listed Company	Abu Dhabi National Insurance Company PJSC																												
The period of the financial statements covered by the report	First Quarter 2023																												
Overview of the main results during the financial period	<p>Strong UW performance with Combined ratio at 85.9% (IFRS 17 basis) compound with increased net retention.</p> <p>Increase in Expenses as a reflection in investment into the technology and digital transformation.</p> <p>Excellent investment income results driven by change in asset allocation and favorable market conditions.</p> <p>New accounting standard (IFRS 17) was applied since 01st of January 2023 and its impact on Company Profit and Loss is not material.</p> <p>2022 numbers were reinstated in line with IFRS 17 standard.</p>																												
Securities issued during the financial period	None																												
Summary of the most important non-financial events and developments during the financial period	<p>New wins in Engineering & Construction, Marine Cargo & Hull, Property and Medical LOBs were notable during the quarter.</p> <p>Healthy renewal rates across multiple lines.</p> <p>Strong pipeline, thrust on increased retention and prudent underwriting will continue to contribute both in\ top and bottom line in Q2</p>																												
Summary of operational performance during the financial period	<p>ADNIC has demonstrated a strong underwriting performance, reflected in net insurance service results of AED 94.1 million.</p> <p>The net income from investments for the first quarter of 2023 has increased by 94% to AED 46.3 million. The main drivers of investment income were higher interest and coupon incomes due to changes made in asset allocation in the prior year. Stable dividend income and higher mark-to-market gains also had a positive impact on the overall result.</p> <p>As an outcome of strong underwriting and investment performance ADNIC has delivered net profit of AED 99.7 million (17.2 % increase versus prior) , and an increase in earnings per share from AED 0.15 to AED 0.17</p>																												
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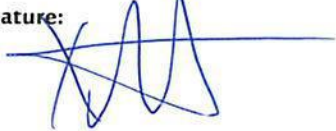
<p>Summary of financial position as at the end of the financial period</p>	<p>Total Deposits & cash: AED 822 million Total Assets: AED 6.55 billion Total Shareholders' Equity: AED 2.62 billion</p>																								
<p>Summary of cash flows during the financial period</p>	<p>Net cash used in operating activities AED 74.5 million Net cash generated from investing activities AED 199.6 million Net cash used in financing activities AED 228.0 million</p>																								
<p>Main performance indicators</p>	<table border="1" data-bbox="539 719 1437 999"> <thead> <tr> <th></th> <th>Q1 2023</th> <th>Q1 2022</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>Premium Retention</td> <td>30.4%</td> <td>25.1%</td> <td>5.3%</td> </tr> <tr> <td>Net Claims Ratio</td> <td>64.6%</td> <td>64.0%</td> <td>0.6%</td> </tr> <tr> <td>Expense Ratio*</td> <td>21.3%</td> <td>17.9%</td> <td>3.4%</td> </tr> <tr> <td>Combined Ratio</td> <td>85.9%</td> <td>81.9%</td> <td>4.0%</td> </tr> <tr> <td>Return on equity</td> <td>3.7%</td> <td>3.3%</td> <td>0.4%</td> </tr> </tbody> </table> <p>* incl. bad debt, risk adjustment, finance income (expense)</p>		Q1 2023	Q1 2022	Variance	Premium Retention	30.4%	25.1%	5.3%	Net Claims Ratio	64.6%	64.0%	0.6%	Expense Ratio*	21.3%	17.9%	3.4%	Combined Ratio	85.9%	81.9%	4.0%	Return on equity	3.7%	3.3%	0.4%
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<p>Expectations for the sector and the company's role in these expectations</p>	<p>Capacity is buoyant with over-placement common putting pressure on pricing and signing Bottom line focus with increased customer satisfaction is the priority. Continued optimisation of retentions in commercial segment. Lifestyle customisable products (PAYG, Telematics, Mobile Applications) Behavioural predictive analytics vs traditional burning cost analytics. Medical: utilization to stabilise and settlement cycle to further accelerate Credit Life: Expect growth in line with overall economy Motor : Rationalization of technical terms and conditions</p>																								
<p>Expectations regarding the economy and its impact on the company and the sector</p>	<p>Growth prospects in the medium-term outlook remain positive due to rising oil prices Government policy will remain cantered on diversifying the economy away from a dependence on energy rents, aiming to build on Abu Dhabi and Dubai's success in emerging as regional hubs for finance, construction, retail and tourism. To support diversification efforts, development of the energy sector will continue in the medium-term. Investment in the natural gas sector in particular is expected to increase in the years ahead to unlock the country's production potential The UAE's National Energy Strategy 2050 aims for 50% of electricity generation to be sourced from renewables including nuclear power, up from less than 20% in 2021, with 38% generated by natural gas and 12% by coal ADNIC will continue to support the economy development by providing the insurance support in all the areas of growth</p>																								
<p>Future plans for growth and changes in operations in future periods</p>	<p>Continue to invest in technologies to improve service delivery and distribution Continued focus on operational efficiencies particularly in high customer impact areas Maintain the focus on sustainability as a key operational pillar</p>																								

The size and impact of current and projected capital expenditures on the company	Net capital expenditure for the quarter ended 31 March 2023 was AED 1.02 million.
The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year	The company's board of directors noted the progress in implementation of the company's strategy.

Charalampos Mylonas

Chief Executive Officer

Signature:



09 May 2023

Company's Seal:

