

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

Date	30 th April 2020			
Name of the Listed Company	Abu Dhabi National Insurance Company PJSC			
The period of the financial statements covered by the report	First Quarter 2020.			
Overview of the main results during the financial period	GWP up by 7.7% due to several large account wins. Strong underwriting profitability due to pricing discipline and hardening of rates in some markets. Increase in net profits driven by growth in most lines of business, slight increase in investment income and cost discipline.			
Securities issued during the financial period	none			
Summary of the most important non-financial events and developments during the financial period	ADNIC utilized its digital infrastructure and business continuity plan to respond effectively to COVID-19 pandemic and to deliver uninterrupted services. A comprehensive range of preventive measures was undertaken to maintain health & safety of employees as well as support customers and stakeholders.			
Summary of operational performance during the financial period	Healthy underlying growth in net profit and total assets Performance underpinned by strong balance sheet and solvency position Maintained strong 2019 momentum with strong solvency position Ongoing efficiency programme and focus on profitable business lines GWP up 7.7% following number of large corporate client wins in Q1 Slight fall in consumer premiums as unprofitable business continued to be carved out while maintaining pricing and underwriting discipline			
Summary of profit and loss during the financial period	Q1 2019	Q1 2020	Variance	
	Net underwriting income	84.3	151.2	79.4%
	Investment Income	32.3	35.0	8.4%
	General & Admin expenses	(64.0)	(63.6)	-0.6%
	Net profit	52.6	122.6	133.1%
	Basic and diluted earnings per share (AED)	.09	0.22	144.4%

Summary of financial position as at the end of the financial period	Total Deposits & cash: AED 727.4 million Total Technical reserves: AED 5.1 billion Total Shareholders' Equity: AED 2.0 billion																											
Summary of cash flows during the financial period	Net cash used in operating activities AED 32.6 million Net cash used in investing activities AED 158.9 million Net cash used in financing activities AED 144.6 million																											
Main performance indicators	<table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">Q1 2019</th> <th style="text-align: right;">Q1 2020</th> </tr> </thead> <tbody> <tr> <td>Premium retention ratio</td> <td style="text-align: right;">32.6%</td> <td style="text-align: right;">32.1%</td> </tr> <tr> <td>Net loss ratio</td> <td style="text-align: right;">79.3%</td> <td style="text-align: right;">57.0%</td> </tr> <tr> <td>Combined ratio</td> <td style="text-align: right;">94.0%</td> <td style="text-align: right;">74.7%</td> </tr> <tr> <td>Expense ratio (on net earned premium)</td> <td style="text-align: right;">18.8%</td> <td style="text-align: right;">18.4%</td> </tr> <tr> <td>Expense ratio (on gross written premium)</td> <td style="text-align: right;">3.7%</td> <td style="text-align: right;">3.4%</td> </tr> <tr> <td>Return on Equity</td> <td style="text-align: right;">2.5%</td> <td style="text-align: right;">5.6%</td> </tr> <tr> <td></td> <td style="text-align: right;">31 Dec 2019</td> <td style="text-align: right;">31 Mar 2020</td> </tr> <tr> <td>Shareholder equity as a % of technical reserves</td> <td style="text-align: right;">54.0%</td> <td style="text-align: right;">39.9%</td> </tr> </tbody> </table>		Q1 2019	Q1 2020	Premium retention ratio	32.6%	32.1%	Net loss ratio	79.3%	57.0%	Combined ratio	94.0%	74.7%	Expense ratio (on net earned premium)	18.8%	18.4%	Expense ratio (on gross written premium)	3.7%	3.4%	Return on Equity	2.5%	5.6%		31 Dec 2019	31 Mar 2020	Shareholder equity as a % of technical reserves	54.0%	39.9%
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Expectations for the sector and the company's role in these expectations	We expect the insurance sector to grow in line with economic growth. Our focus will be to launch new products to meet the needs of our customers and invest more in digital initiatives.																											
Expectations regarding the economy and its impact on the company and the sector	The full impact of COVID-19 is being assessed. We expect financial markets and economies to recover over time. Impact on different business lines is likely to be mixed and is being analysed, with potential top-line pressure on Motor countered by increasing relevance of Medical and Life products. ADNIC will focus on low volatility investments and maintaining a diversified portfolio by geography and asset class.																											
Future plans for growth and changes in operations in future periods	ADNIC will focus on product development and increased digitization to drive business growth and operational effectiveness.																											

<p>The size and impact of current and projected capital expenditures on the company</p>	<p>Net capital expenses for Q1 was AED 5.6 million.</p>
<p>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</p>	<p>The company's board of directors noted the progress in implementation of the company's strategy.</p>

Ahmad Idris
 Chief Executive Officer
 Signature:



30 April 2020

Company's Seal:

