

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

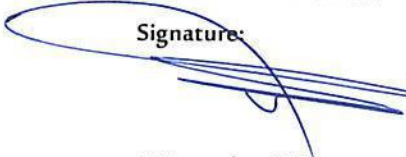
Date	4 th November 2020																																										
Name of the Listed Company	Abu Dhabi National Insurance Company PJSC																																										
The period of the financial statements covered by the report	Third Quarter 2020.																																										
Overview of the main results during the financial period	Gross written premiums up 6.2% and net profit up 45.5% as at the end of third quarter of 2020. All consumer and commercial lines maintained exceptionally strong profitability in Q3. Strong profitability maintained through underwriting discipline, the introduction of the analytics control cycle in the decision-making process and the implicit reduction in the underlying risk exposures as a result of reduced population movements. Profitability across lines was very strong with Total Underwriting Profits up 44.0% for the nine months to AED 394.7 million.																																										
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	<p>Healthy underlying growth in net profit and total assets</p> <p>Performance underpinned by strong balance sheet and solvency position</p> <p>Maintained strong 2019 momentum with strong solvency position</p> <p>Ongoing efficiency programme and focus on profitable business lines</p> <p>GWP up 6.2% in line with increased business volumes and particularly strong commercial line performance.</p> <p>Consumer lines performed resiliently despite the macro conditions, decreasing moderately by 2.6%</p>																																										
Summary of profit and loss during the financial period	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">3Q 2020</th> <th style="text-align: right;">3Q 2019</th> <th style="text-align: right;">Var.</th> <th style="text-align: right;">9M 2020</th> <th style="text-align: right;">9M 2019</th> </tr> </thead> <tbody> <tr> <td>Net underwriting income</td> <td style="text-align: right;">118.4</td> <td style="text-align: right;">108.7</td> <td style="text-align: right;">8.9%</td> <td style="text-align: right;">394.7</td> <td style="text-align: right;">274.1</td> </tr> <tr> <td>Investment Income</td> <td style="text-align: right;">29.9</td> <td style="text-align: right;">27.2</td> <td style="text-align: right;">9.9%</td> <td style="text-align: right;">85.0</td> <td style="text-align: right;">106.4</td> </tr> <tr> <td>General & Admin expenses</td> <td style="text-align: right;">(55.1)</td> <td style="text-align: right;">(60.2)</td> <td style="text-align: right;">-8.5%</td> <td style="text-align: right;">(172.1)</td> <td style="text-align: right;">(179.5)</td> </tr> <tr> <td>Provision for doubtful debts</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">0.2</td> <td style="text-align: right;">-100.0%</td> <td style="text-align: right;">(24.7)</td> <td style="text-align: right;">(6.6)</td> </tr> <tr> <td>Net profit</td> <td style="text-align: right;">93.2</td> <td style="text-align: right;">75.8</td> <td style="text-align: right;">22.9%</td> <td style="text-align: right;">282.8</td> <td style="text-align: right;">194.4</td> </tr> <tr> <td>Basic and diluted earnings per share (AED)</td> <td style="text-align: right;">0.16</td> <td style="text-align: right;">0.13</td> <td style="text-align: right;">23.1%</td> <td style="text-align: right;">0.50</td> <td style="text-align: right;">0.34</td> </tr> </tbody> </table>		3Q 2020	3Q 2019	Var.	9M 2020	9M 2019	Net underwriting income	118.4	108.7	8.9%	394.7	274.1	Investment Income	29.9	27.2	9.9%	85.0	106.4	General & Admin expenses	(55.1)	(60.2)	-8.5%	(172.1)	(179.5)	Provision for doubtful debts	0.0	0.2	-100.0%	(24.7)	(6.6)	Net profit	93.2	75.8	22.9%	282.8	194.4	Basic and diluted earnings per share (AED)	0.16	0.13	23.1%	0.50	0.34
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Summary of financial position as at the end of the financial period	Total Deposits & cash: AED 873.9 million Total Technical reserves: AED 4.47 billion Total Shareholders' Equity: AED 2.38 billion																											
Summary of cash flows during the financial period	Net cash generated from operating activities AED 238.9 million Net cash used in investing activities AED 287.0 million Net cash used in financing activities AED 144.6 million																											
Main performance indicators	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%; text-align: center;">9M 2020</th> <th style="width: 15%; text-align: center;">9M 2019</th> </tr> </thead> <tbody> <tr> <td>Premium retention ratio</td> <td style="text-align: center;">32.7%</td> <td style="text-align: center;">30.8%</td> </tr> <tr> <td>Net loss ratio</td> <td style="text-align: center;">60.3%</td> <td style="text-align: center;">75.0%</td> </tr> <tr> <td>Combined ratio</td> <td style="text-align: center;">80.3%</td> <td style="text-align: center;">91.0%</td> </tr> <tr> <td>Expense ratio * (on net earned premium)</td> <td style="text-align: center;">17.1%</td> <td style="text-align: center;">18.3%</td> </tr> <tr> <td>Expense ratio * (on gross written premium)</td> <td style="text-align: center;">5.4%</td> <td style="text-align: center;">6.0%</td> </tr> <tr> <td>Return on Equity</td> <td style="text-align: center;">12.1%</td> <td style="text-align: center;">8.8%</td> </tr> <tr> <td colspan="3" style="text-align: center;">30 Sep 2020 31 Dec 2019</td> </tr> <tr> <td>Shareholder equity as a % of technical reserves</td> <td style="text-align: center;">53.1%</td> <td style="text-align: center;">54.0%</td> </tr> </tbody> </table> <p>*Excluding provision for doubtful debts</p>		9M 2020	9M 2019	Premium retention ratio	32.7%	30.8%	Net loss ratio	60.3%	75.0%	Combined ratio	80.3%	91.0%	Expense ratio * (on net earned premium)	17.1%	18.3%	Expense ratio * (on gross written premium)	5.4%	6.0%	Return on Equity	12.1%	8.8%	30 Sep 2020 31 Dec 2019			Shareholder equity as a % of technical reserves	53.1%	54.0%
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Expectations for the sector and the company's role in these expectations	ADNIC will continue to respond to the increasing digital-first mindset of retail and SME customers through ongoing product and service innovation. COVID-19 has significantly increased customer service expectations and reinforced the importance of getting it right first time.																											
Expectations regarding the economy and its impact on the company and the sector	Positive outlook due to an uptick in market activity and the continued customer preference for strong and reliable insurers during unprecedented times. The overdue correction in reinsurance terms and premium rates will positively impact the market. With the global COVID-19 pandemic likely to extend well into 2021, ADNIC will continue to give back to the community through a wide range of CSR initiatives.																											
Future plans for growth and changes in operations in future periods	ADNIC's successful adaptation to the new normal has yielded operational efficiencies that leave it well placed in 2021. Continued dynamic adjustment of distribution strategy in line with changing customer needs, including the acceleration of varied digital transformation journeys.																											

The size and impact of current and projected capital expenditures on the company	Net capital expenses for nine months ended was AED 14.4 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.

Ahmad Idris
 Chief Executive Officer

Signature:



4 November 2020



Company's Seal: