



شركة أبوظبي الوطنية للتأمين  
ABU DHABI NATIONAL INSURANCE COMPANY

YOUR RELIABLE INSURER

## Abu Dhabi National Insurance Company Pjsc

Investor Presentation for the year ended 31<sup>st</sup> December 2019



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# Business Update



# Business Highlights 2019

- Key Market Developments
  - Globally some price hardening has been seen in specific commercial lines such as aviation, marine hull, energy & construction.
  - In other areas, pricing conditions remain difficult due to significant competition.
  - In 2019 ADNIC won the prestigious Mohamed Bin Rashid Al Maktoum Business Excellence Award.
- ADNIC has gained market share under challenging market conditions
  - Total GWP increased by 29.1%.
  - Several key strategic accounts were acquired.
  - New product development underway.
  - Making further efforts to develop international business.
- Cost discipline maintained due to economies of scale
  - Continuous cost optimization. Reduction in expense ratios.
  - Focus on investments in technology & automation.



# Business Highlights 2019

- Substantial improvement in underwriting profits
  - Disciplined pricing.
  - Improvement in profitability seen in most lines of business, particularly in commercial lines.
  - Large accounts also profitable.
- Strong Investment returns
  - Investment income up by 48%.
  - Portfolio is well diversified by asset class and focus remains on income generating investments & geographic diversification.
- Strong capitalization
  - Credit rating maintained at A- with stable outlook.
  - Focus on shareholder value creation led to RoE of 12.9% in 2019 and EPS of AED 0.50 per share.



# Financial Performance

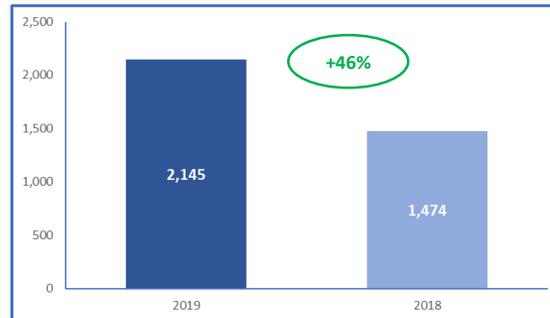


# Topline Growth

## Gross Written Premium



## Commercial Lines GWP



## Consumer Lines GWP



- Growth more geographically diversified.
- ADNIC's technical & service capabilities have enabled it to win market share.

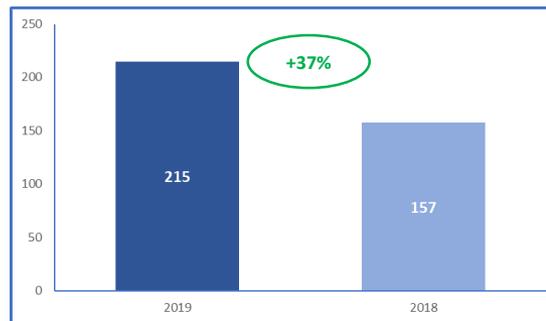


# Profitable Growth – Underwriting Income

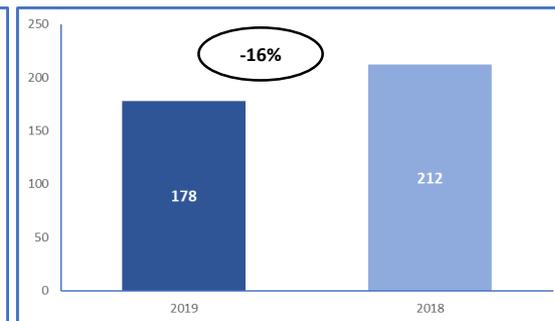
## Net Underwriting Income



## Commercial Lines



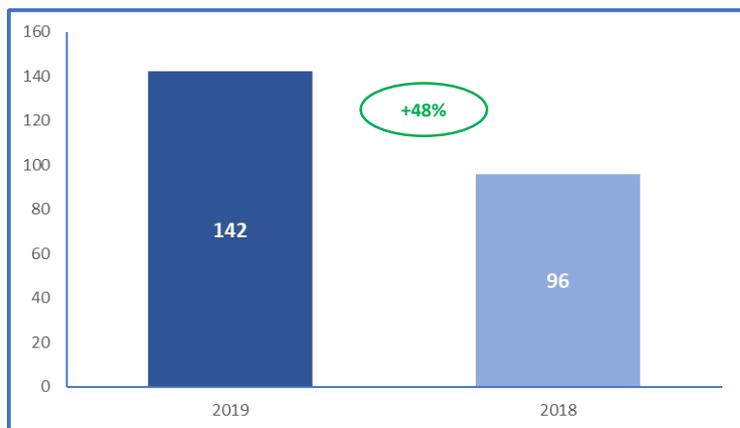
## Consumer Lines



- Underwriting profit continued to be strong with YoY increase in several lines.
- Overall performance of the consumer lines portfolio continued to be positive.
- Medical line under pressure due to intense price driven competition.



# Robust Investment Returns

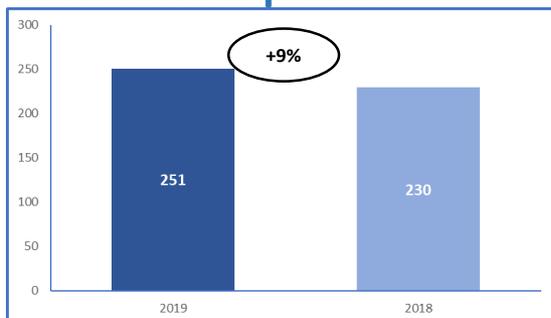


- Portfolio is well diversified by asset class and retains 'pro growth' outlook. Focus is on more diversification geographically
- Focus on income generation led to significantly higher dividend income. Also lowers volatility somewhat.
- Sufficient liquidity maintained at all times to support business operations.
- Soft rental market impact offset by focus on maintaining occupancy and judicious maintenance expenses on property portfolio.

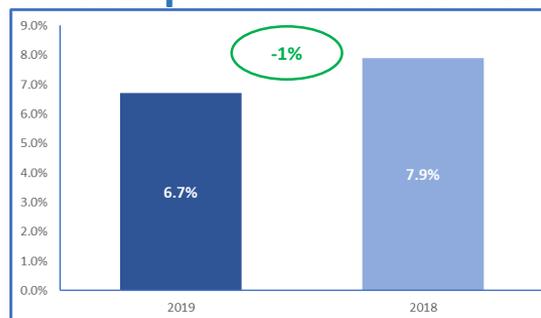


# General & Admin Expenses

## Total G&A Expenses



## G&A Expenses as % of GWP

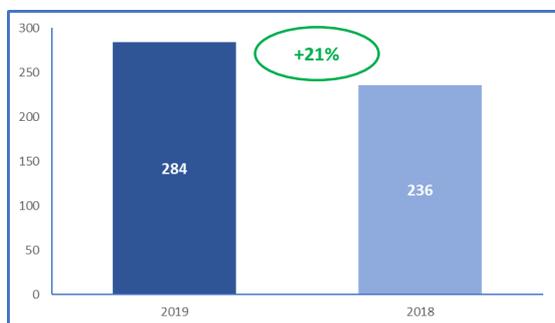


- Expense ratio well under control. ADNIC's expense ratio remains amongst the lowest.
- Company is deriving economies of scale to drive cost efficiency.
- Slight growth in expenses due to number of one-off expenditures. Costs increase in line with profitability estimates and lower than business growth. Judicious expenditure to support business growth.
- Some increase also due to costs incurred to put in place automation solutions for efficient back-office processing which will generate savings in future years.

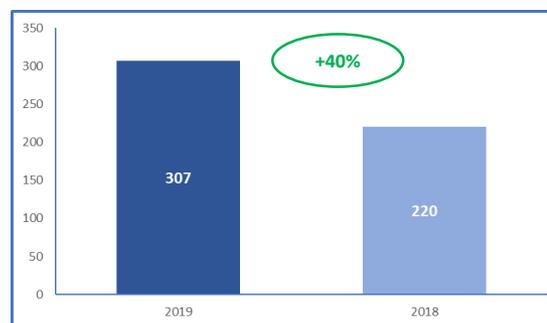


# Profitability

## Net Profit



## Total Comprehensive Income



- Improvement in profitability driven by investment returns and strong underwriting performance, particularly in commercial lines.
- Underwriting decisions focussed on profitability.



# Profitability

## Earnings per Share



## Return on Equity

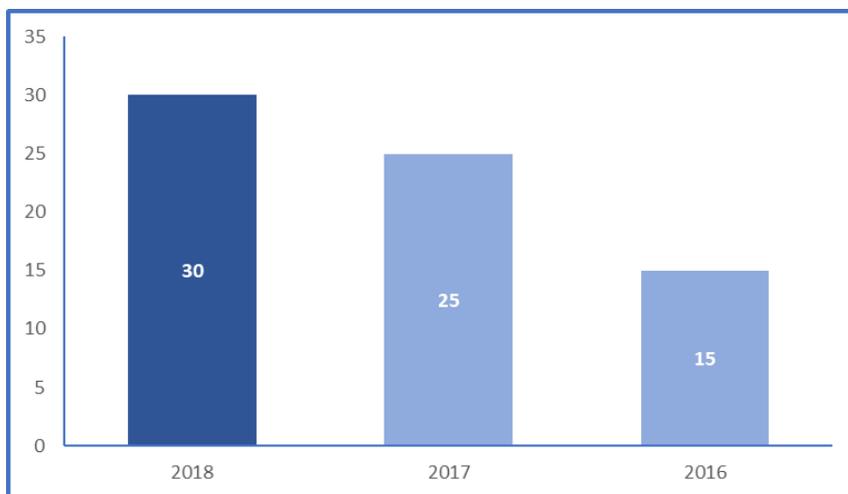


- Stable shareholder returns despite increased capital base.
- Consistent value creation and RoE above index returns.
- Consistent double digit RoE and dividend payment demonstrates ability to generate significant shareholder value.



# Profitability

## Dividends per Share (fils per share)

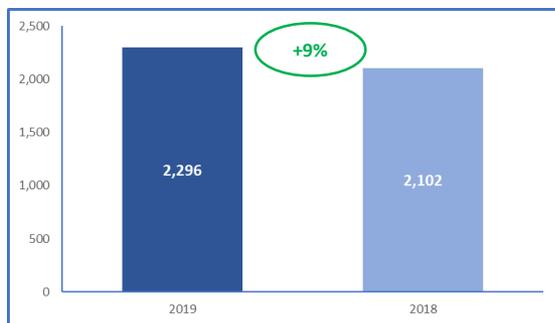


- Steadily growing dividend per share over the last three years.
- Three year (2017-2019) total shareholder return is 41.6% (source: Bloomberg)

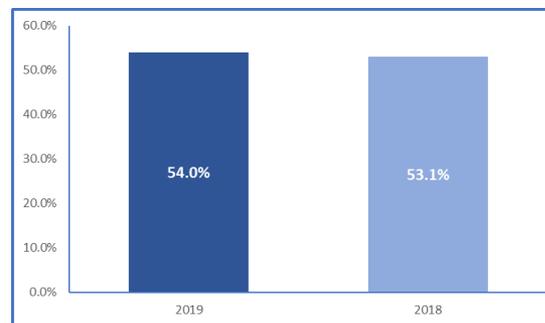


# Capitalization

## Shareholders' Equity



## Shareholders Equity/Technical Reserves



- Strong capitalization enables ADNIC to write complex and large risks and be preferred insurer.
- Capital base expanded as a result of conversion of MCB to equity shares.
- Standard & Poor's maintained rating at A- with stable outlook.
- Technical reserves maintained at adequate levels and continue to be amongst the highest.



# CSR Initiatives



# Corporate Social Responsibility

- ADNIC's unwavering commitment to the community is a key factor in maintaining its position as one of the region's leading insurers.
- ADNIC continues to strengthen its existing partnerships with organisations such as **Al Bayt Mitwahid Association**, the **UAE Genetic Diseases Association**, the **Mohammed Bin Rashid Al Maktoum Knowledge Foundation** and **Bayt Al Khair** ,while exploring new areas where the company can make a difference.



# Statement of Key Figures



## Statement of Key Figures

AED millions	2019	2018
Gross Written Premium	<b>3,756</b>	2,909
Net Underwriting Income	<b>393</b>	369
G&A Expenses	<b>251</b>	230
Investment Income	<b>142</b>	96
Net Profit	<b>284</b>	236
Total Comprehensive Income	<b>307</b>	220
Shareholders' Equity	<b>2,296</b>	2,102
Total Assets	<b>7,921</b>	7,250
Technical Reserves	<b>4,252</b>	3,958



# Important information

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