



ABU DHABI NATIONAL INSURANCE COMPANY P.J.S.C
**Q3 EARNINGS RESULTS INVESTOR
PRESENTATION**

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Q3 2022 RESULTS

Q3 2022: SOLID PERFORMANCE AMID SIGNIFICANT VOLATILITY

Solid financial performance combined with expense discipline

- Net profit down 19.8% for the first nine months impacted by changing market conditions
- Cost discipline remains a cornerstone. Growth in expenses trails business growth

Resilience across the business

- Gross written premiums up 32.4% driven by broad based growth
- Commercial lines GWP up 50.7% year-on-year. Growth is contributed by major lines of business (e.g. offshore energy)
- Consumer lines GPW up 10.0% year-on-year

Continued focus on operational efficiency and enhanced delivery

- Cost discipline maintained with G&A expenses growth due to investments in new technologies and capabilities
- Enhancement of sales and services capabilities particularly in digital distribution
- A blockchain based motor recovery platform being implemented along with other companies to automate motor recoveries



AED 4,293.3 Mn +32.4%	Gross written premiums
AED 1,253.3 Mn +15.4%	Net written premiums
AED 370.2 Mn -4.8%	Net underwriting income
AED 267.6 Mn -19.8%	Net profit
AED 93.8 Mn -25.4%	Investment income
AED 0.47 -20.3%	Basic and Diluted EPS

Growth momentum maintained amid challenging market conditions

- Net underwriting income remains strong at AED 370.2 million with a combined ratio of 83.9%
- GWP up 32.4% year-on-year with Commercial lines growth of 50.7% and Consumer lines growth of 10.0%

Sustainable investment performance despite volatile market conditions

- Investment Income was impacted by volatility across asset classes as well as timing differences in receipt of dividends
- Investment income was down 25.4% year-on-year

Basic and diluted earnings per share of AED 0.47

INSURANCE PERFORMANCE BY SEGMENT: GROSS WRITTEN PREMIUMS

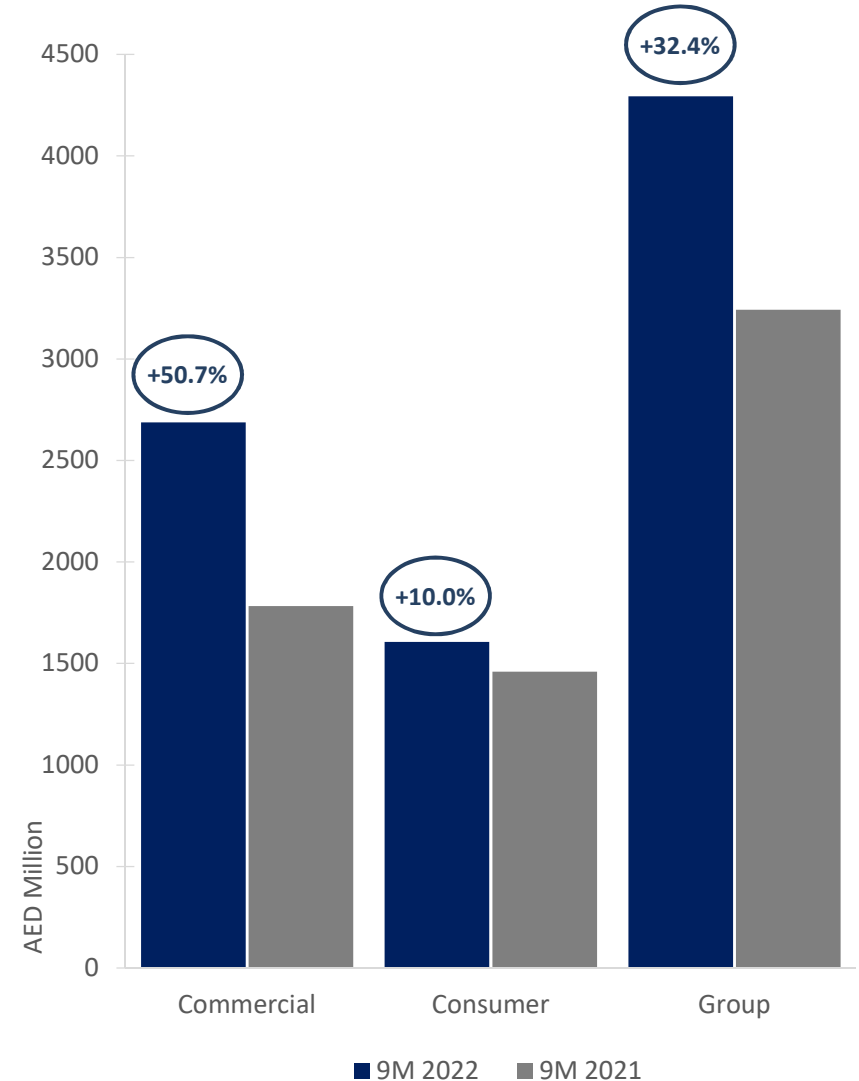
- Group-level GWP up 32.4% to AED 4,293.3 million for the first nine months of the year

Commercial

- Gross premium income at AED 2,687.6 million registered a growth of 50.7% over prior year. Growth was contributed by major lines of business (e.g offshore energy)
- Increase in ADNIC's automatic treaty capacity which strengthened competitive positioning
- ADNIC's international business continues to make good progress, with the office in London adding value in specialty lines

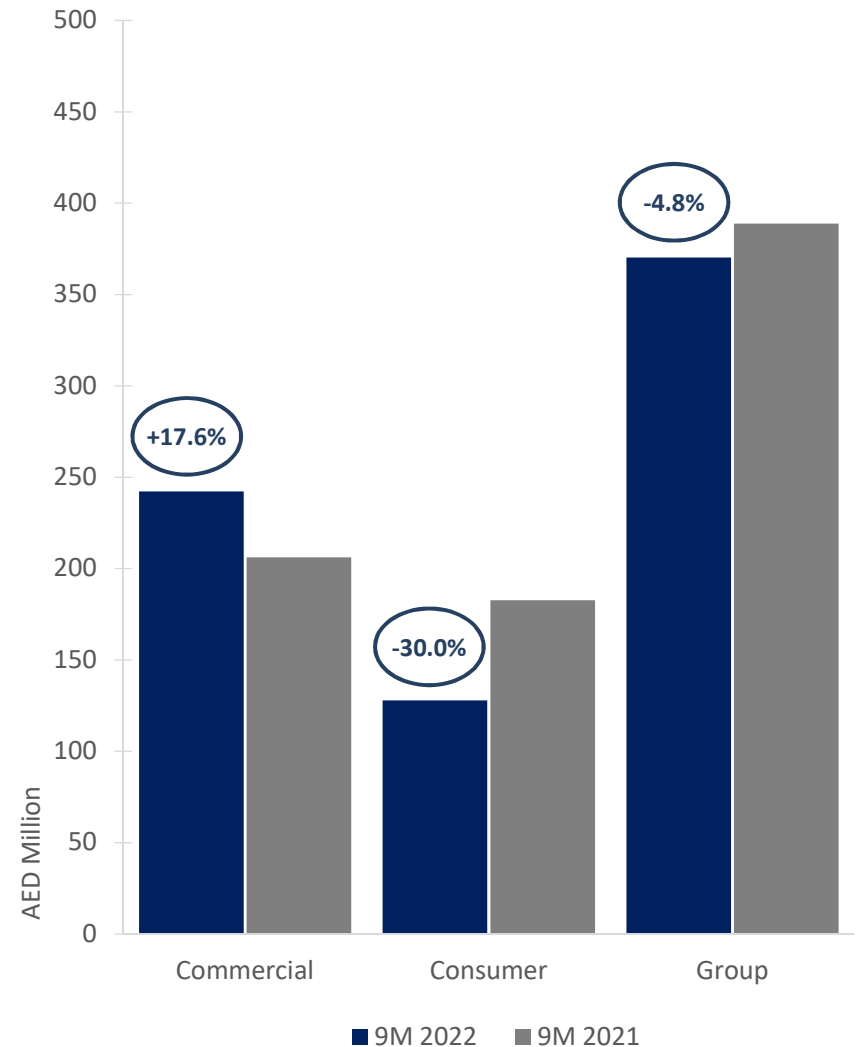
Consumer

- Top Line growth of 10.0% driven primarily by very strong Life performance supported by solid growth in Medical. Stable to moderate growth in Personal Accident and Retail Motor



INSURANCE PERFORMANCE BY SEGMENT: NET UNDERWRITING INCOME

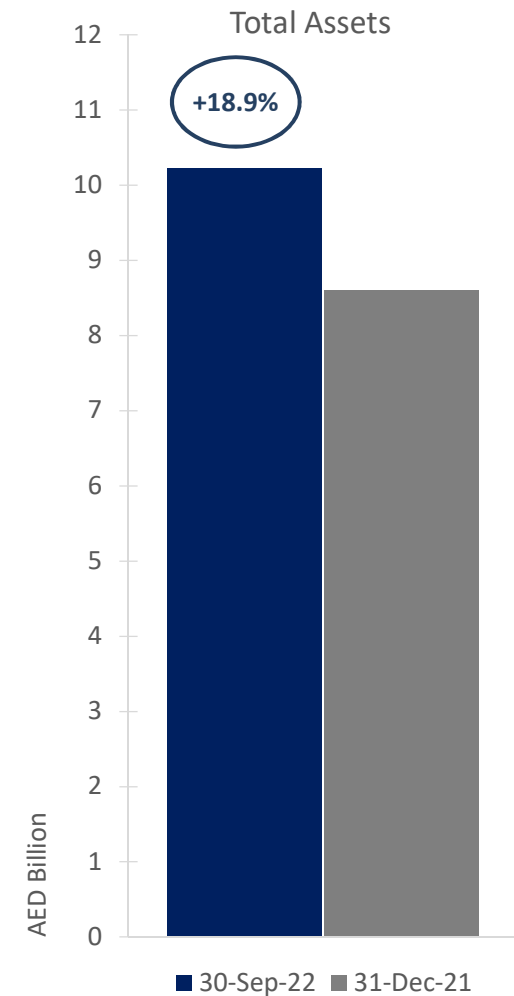
- Group-wide underwriting income remains strong at a Combined ratio of 83.9% and reached AED 370.2 million
- Consumer Lines Underwriting Income remains solid at a combined ratio of 95.5% despite the ongoing competitive retail pricing and normalisation in consumer behavioural patterns Commercial Lines combined ratio is at 54.7%.
- Continuous pursuit of accelerated growth strategies in more capital efficient segments (higher profit margins at lower capital requirements) such as digital products, new individual and SME products and strengthening of reinsurance partnerships in the employee benefits space



SUMMARY OF FINANCIAL POSITION AED Million

	30 Sep 2022	31 Dec 2021	Variance
Total Assets	10,230.7	8,606.3	18.9%
Investment Assets	4,470.2	4,698.7	-4.9%
Deposits & Cash	787.2	1,032.0	-23.7%
Total Liabilities	7,645.1	5,774.8	32.4%
Technical Reserves	5,504.2	4,215.4	30.6%
Total Shareholders' Equity	2,585.6	2,831.5	-8.7%

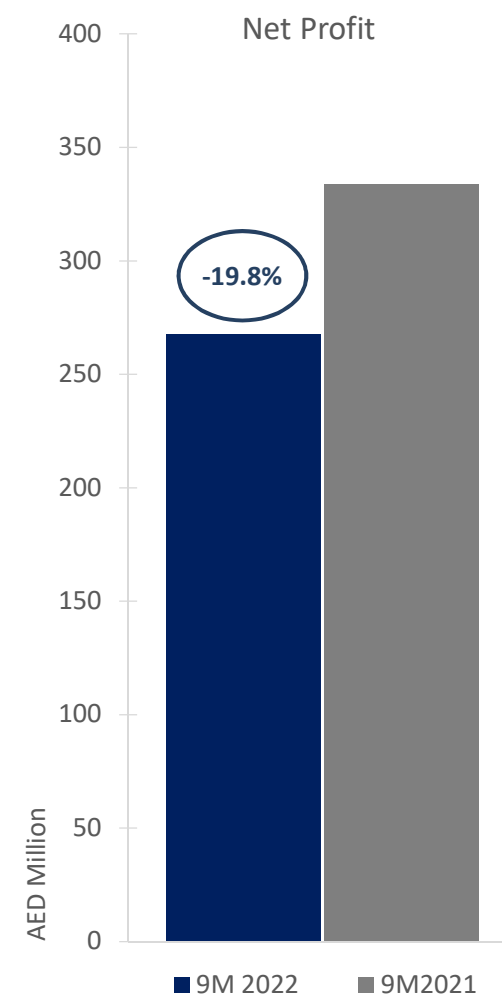
- Healthy 18.9% growth in total assets
- Strong balance sheet strength with total assets growing to AED 10.2 billion
- Solvency well in excess of regulatory and rating agency minimum requirements



SUMMARY OF PROFIT AND LOSS AED Million

	9M 2022	9M 2021	Var.
Net underwriting income	370.2	388.8	-4.8%
Investment Income	93.8	125.8	-25.4%
General & Admin expenses	(191.3)	(170.5)	12.2%
Provision for doubtful debts	(5.1)	(10.4)	-51.0%
Net profit	267.6	333.7	-19.8%
Basic and diluted earnings per share (AED)	0.47	0.59	-20.3%

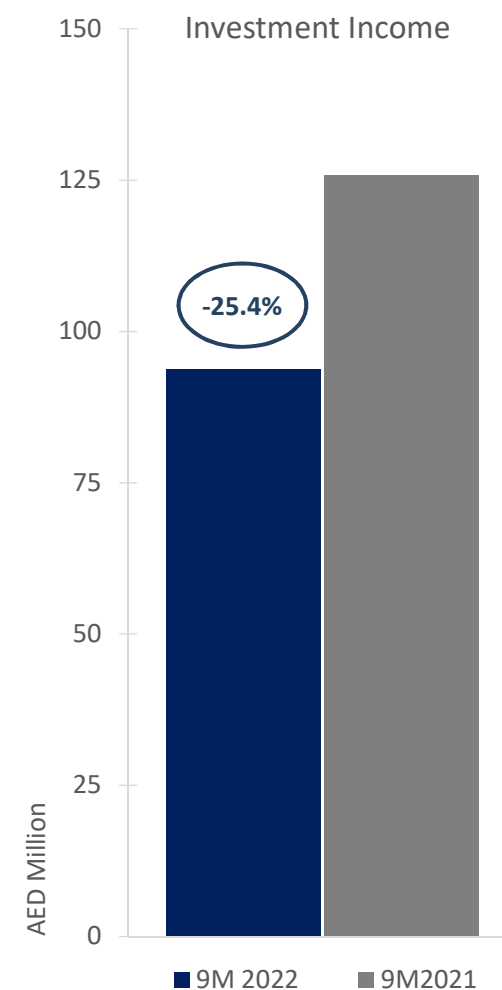
- Net underwriting income remains solid with combined ratio at 83.9%
- Investment income is temporarily impacted by market conditions
- General and operating expenses growth is due to investments in technology
- Effective management of the receivable portfolio has allowed reduction in bad debt provision charge despite the growing portfolio



INVESTMENT PERFORMANCE AED Million

	9M 2022	9M 2021	Var.
Dividend income	87.8	89.4	-1.8%
Other investment income	(3.3)	26.6	-112.4%
Income from investment properties (net)	9.3	9.8	-5.1%
Investment Income	93.8	125.8	-25.4%

- Investment income impacted by extreme MTM volatility in all asset classes.
- ADNIC continues to monitor risk closely and are making changes as required to reduce downside
- Fixed income portfolio continues to be invested in high grade paper

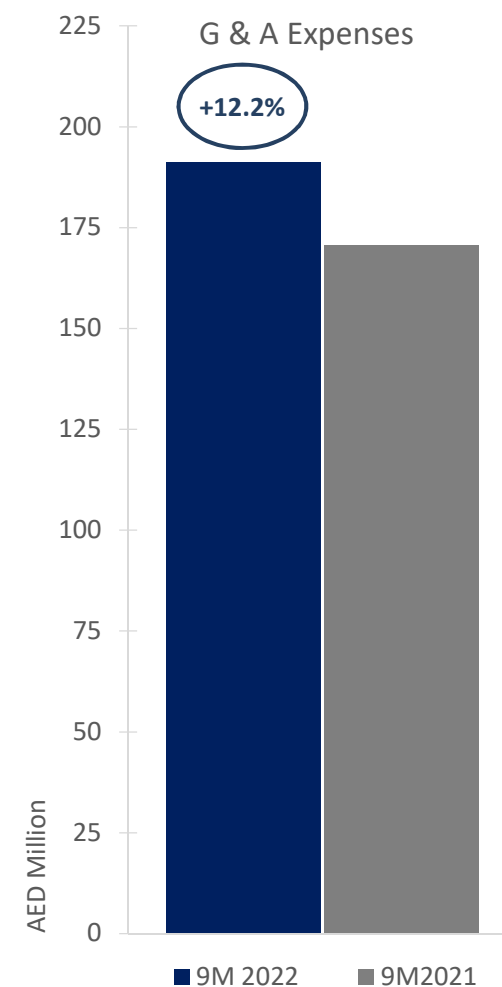


GENERAL & ADMIN EXPENSES AED Million

	9M 2022	9M 2021	Var.
General & Admin expenses *	191.3	170.5	12.2%
G&A * / GWP Ratio	4.4%	5.3%	-0.9%

- Continued to maintain strong expense control and overall expenses growing at much slower pace than top-line

* Excluding provision for doubtful debts



KEY PERFORMANCE RATIOS

	9M 2022	9M 2021	Variance
Premium retention ratio	29.2%	33.5%	-4.3%
Net loss ratio	63.4%	63.1%	0.3%
Combined ratio	83.9%	80.3%	3.6%
Expense ratio* (on net earned premium)	17.7%	16.2%	1.5%
Expense ratio* (on gross written premium)	4.5%	5.3%	-0.8%
Return on Equity	9.9%	12.8%	-2.9%
	30 Sep 2022	31 Dec 2021	Variance
Shareholder equity as a % of technical reserves	47.0%	67.2%	-20.2%

* Excluding provision for doubtful debts



**BUSINESS
UPDATE**

Q3 2022 NON-FINANCIAL UPDATES

PRODUCTS/SERVICES

- New partnership with JAFZA to provide medical insurance and property insurance at exclusive rates
- Developed new sales and services capabilities particularly in digital distribution, which will positively impact multiple lines of business
- More synergies being created to improve cross-selling opportunities
- Partnership with XA on Addenda's Blockchain-based, end-to-end digital solution that enables insurers to reconcile motor recovery receivables between each other

AWARDS

- Finalists in 'General Insurance Company of the Year' category at Middle East Insurance Industry Awards 2022 to be announced in November

CSR

- Renewed our commitment with a number of organisations and are actively contributing to social initiatives across the UAE
- On going partnership with Emirates Nature-WWF to contribute to local conservation projects and help pave the way for the UAE to achieve its net-zero goals
- Ongoing new UAE national training programme 'Emkanati' to hire and empower Emirati talent in the insurance sector



OUTLOOK

OUTLOOK & PRIORTIES



MACRO

- 2022 continues the trend of market stabilisation and recovery post COVID pandemic
- Focus continues to be on maintaining pricing discipline across all lines of business



OPERATIONAL

- Steady expansion of ADNIC's inwards treaty business enabling profitable product and territorial differentiation
- ADNIC implemented a blockchain based motor recovery platform being implemented along with other companies to automate motor recoveries.
- Continuous pursuit of growth strategies in more capital efficient segments



PRODUCTS/SERVICES

- ADNIC developed new sales and services capabilities particularly in digital distribution, which will positively impact multiple lines of business
- ADNIC launched alternative risk transfer solutions and built new distribution partnerships.



AWARDS

AWARDS



UAE Insurer of
the Year Award



Mohammed Bin
Rashid Al Maktoum
Business
Excellence Award



Best Call Centre
(Operational/ Across
Industries) - 2022



'Technology Deployment
in Recruitment' in People
First HR Excellence
Awards



HR
Digitalisation
Initiative award



Claims Initiative
of the Year 2021
- UAE



Best Insurance
Provider of the
Year 2019, 2021



Best Industry Call
Centre (Insurance) -
2022



General Insurer
of the Year



Excellence in
INSURTECH

THANK YOU

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