

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

Date	9 th May 2022																												
Name of the Listed Company	Abu Dhabi National Insurance Company PJSC																												
The period of the financial statements covered by the report	First Quarter 2022																												
Overview of the main results during the financial period	Year-on-year gross written premiums up 20.2%, driven by outstanding growth in commercial lines at 31.8%, as well as growth in Consumer lines at 5.1% delivered through various business segment. Net profit has reached AED 84.7 million. The profit delivered in Q1 2022 was the combination of solid underwriting performance (combined ratio at 82.7%), strong investment performance despite the market volatility, and effective management of the receivables book (reduction in bad debt provision by 18.7 million versus the prior year). Though the profit delivered is below the previous year, this quarter demonstrated sustainable and healthy performance. Q1 2021 was still influenced positively by the COVID impact on retail business as well as outstanding loss experienced in the commercial segment in Q1 2022.																												
Securities issued during the financial period	None																												
Summary of the most important non-financial events and developments during the financial period	Deployed our health and wellness app 'LiveWell' that include multiple features such as health risk assessments and a health library that provides information on certain conditions, symptoms and more Developed new sales and services capabilities particularly in digital distribution, which will positively impact multiple lines of business ADNIC won 'General Insurer of the Year' at the InsurTek Golden Shield Excellence Awards 2022																												
Summary of operational performance during the financial period	Net profit has reached AED 84.7 million. Gross written premiums up 20.2% year-on-year. Outstanding growth in commercial lines at 31.8%, as well as growth in Consumer lines at 5.1% delivered through various business segment. Cost discipline maintained with G&A expenses almost flat while the business is growing at 20.2%																												
Summary of profit and loss during the financial period	(Amount in AED millions) <table><tr><th></th><th>Q1 2022</th><th>Q1 2021</th><th>Var.</th></tr><tr><td>Net underwriting income</td><td>125.9</td><td>177.2</td><td>-29.0%</td></tr><tr><td>Investment Income</td><td>23.9</td><td>38.0</td><td>-37.1%</td></tr><tr><td>General & Admin expenses</td><td>(61.6)</td><td>(59.4)</td><td>3.7%</td></tr><tr><td>Provision for doubtful debts</td><td>(3.5)</td><td>(22.2)</td><td>-84.2%</td></tr><tr><td>Net profit</td><td>84.7</td><td>133.6</td><td>-36.6%</td></tr><tr><td>Basic and diluted earnings per share (AED)</td><td>0.15</td><td>0.23</td><td>-34.8%</td></tr></table>		Q1 2022	Q1 2021	Var.	Net underwriting income	125.9	177.2	-29.0%	Investment Income	23.9	38.0	-37.1%	General & Admin expenses	(61.6)	(59.4)	3.7%	Provision for doubtful debts	(3.5)	(22.2)	-84.2%	Net profit	84.7	133.6	-36.6%	Basic and diluted earnings per share (AED)	0.15	0.23	-34.8%
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Summary of financial position as at the end of the financial period	Total Deposits & cash: AED 703.7 million Total Technical reserves: AED 5.51 billion Total Shareholders' Equity: AED 2.72 billion																																				
Summary of cash flows during the financial period	Net cash used in operating activities AED 111.1 million Net cash generated from investing activities AED 148.1 million Net cash used in financing activities AED 228.0 million																																				
Main performance indicators	<table><thead><tr><th></th><th>Q1 2022</th><th>Q1 2021</th><th>Variance</th></tr></thead><tbody><tr><td>Premium retention ratio</td><td>25.1%</td><td>32.9%</td><td>-7.8%</td></tr><tr><td>Net loss ratio</td><td>61.6%</td><td>51.1%</td><td>10.5%</td></tr><tr><td>Combined ratio</td><td>82.7%</td><td>72.9%</td><td>9.8%</td></tr><tr><td>Expense ratio* (on net earned premium)</td><td>17.5%</td><td>16.8%</td><td>0.7%</td></tr><tr><td>Expense ratio* (on gross written premium)</td><td>2.7%</td><td>3.1%</td><td>-0.4%</td></tr><tr><td>Return on Equity</td><td>3.0%</td><td>5.4%</td><td>-2.4%</td></tr></tbody></table> <table><thead><tr><th></th><th>31 Mar 2022</th><th>31 Dec 2021</th><th>Variance</th></tr></thead><tbody><tr><td>Shareholder equity as a % of technical reserves</td><td>49.4%</td><td>67.2%</td><td>-17.8%</td></tr></tbody></table> *Excluding provision for doubtful debts		Q1 2022	Q1 2021	Variance	Premium retention ratio	25.1%	32.9%	-7.8%	Net loss ratio	61.6%	51.1%	10.5%	Combined ratio	82.7%	72.9%	9.8%	Expense ratio* (on net earned premium)	17.5%	16.8%	0.7%	Expense ratio* (on gross written premium)	2.7%	3.1%	-0.4%	Return on Equity	3.0%	5.4%	-2.4%		31 Mar 2022	31 Dec 2021	Variance	Shareholder equity as a % of technical reserves	49.4%	67.2%	-17.8%
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Expectations for the sector and the company's role in these expectations	Deployment of new digital sales capabilities with priority on motor business More synergies being created to improve cross-selling opportunities. New partnerships being put in place with free zones, corporates etc. to expand distribution footprint																																				
Expectations regarding the economy and its impact on the company and the sector	As the economy continues its post-pandemic recovery, ADNOC continues to deliver strong financial results combined with expense discipline. Focus continues to be on maintaining pricing discipline across all lines of business.																																				
Future plans for growth and changes in operations in future periods	Investments continue to be made in digital infrastructure for both product distribution and client servicing Focus on Innovation, quality enhancement and new services across customer interfaces.																																				

The size and impact of current and projected capital expenditures on the company	Net capital expenditures for the quarter ended 31 March 2022 was AED 0.9 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:

09 May 2022

Company's Seal:

