

Abu Dhabi National Insurance Company PJSC

YOUR RELIABLE INSURER

HALF YEAR 2020 EARNINGS RESULTS
INVESTOR PRESENTATION

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HALF YEAR 2020 RESULTS

HALF YEAR 2020 - RESILIENT PERFORMANCE IN CHALLENGING MARKET CONDITIONS

Resilient performance with sustained growth across key metrics

- Continued business momentum despite challenging market conditions
- Strong profitability across business lines

Maintained focus on profitable growth

- Gross written premiums up 9.1% and gross underwriting income up 3.2%, in line with increased business volumes and particularly strong commercial line performance
- Slight fall in consumer premiums as unprofitable business continued to be carved out and due to shrinkage of motor insurance market. This is while maintaining pricing and underwriting discipline

Stable, consistent and conservatively managed balance sheet

- Tight control of G&A expenses due to effective company-wide cost management strategy
- Continued prudent action to mitigate against the impact of COVID-19

Strong and dynamic COVID-19 response supported customers, employees and the community

- Digital expertise enabled successful 'work from home' operations that ensured seamless, uninterrupted services to customers
- Accelerated long-term digitisation strategy to enhance internal processes and the customer experience

GOOD START GOING INTO THE SECOND HALF OF 2020 DESPITE MARKET CHALLENGES AND GLOBAL ECONOMIC DISRUPTION

AED 2,562.3 Mn +9.1%	Gross written premiums
AED 877.8 Mn +14.8%	Net written premiums
AED 276.3 Mn +67.0%	Net underwriting income
AED 55.1Mn -30.3%	Investment Income
AED 189.7 Mn +59.9%	Net profit
AED 0.33 +57.1%	Basic and diluted EPS

Gross written premiums up 9.1% for first half of 2020 versus 2019

- Continued to grow customer base in Dubai and the Northern Emirates
- Particularly strong gains in commercial lines
- Only slight consumer lines fall despite macro challenges

Underwriting results up versus same period in 2019

- Maintained selectivity in underwriting and pricing discipline

Achieved growth in both top-line as well as bottom-line profitability

- Strong profitability across business lines
- Tight control of costs in challenging market environment

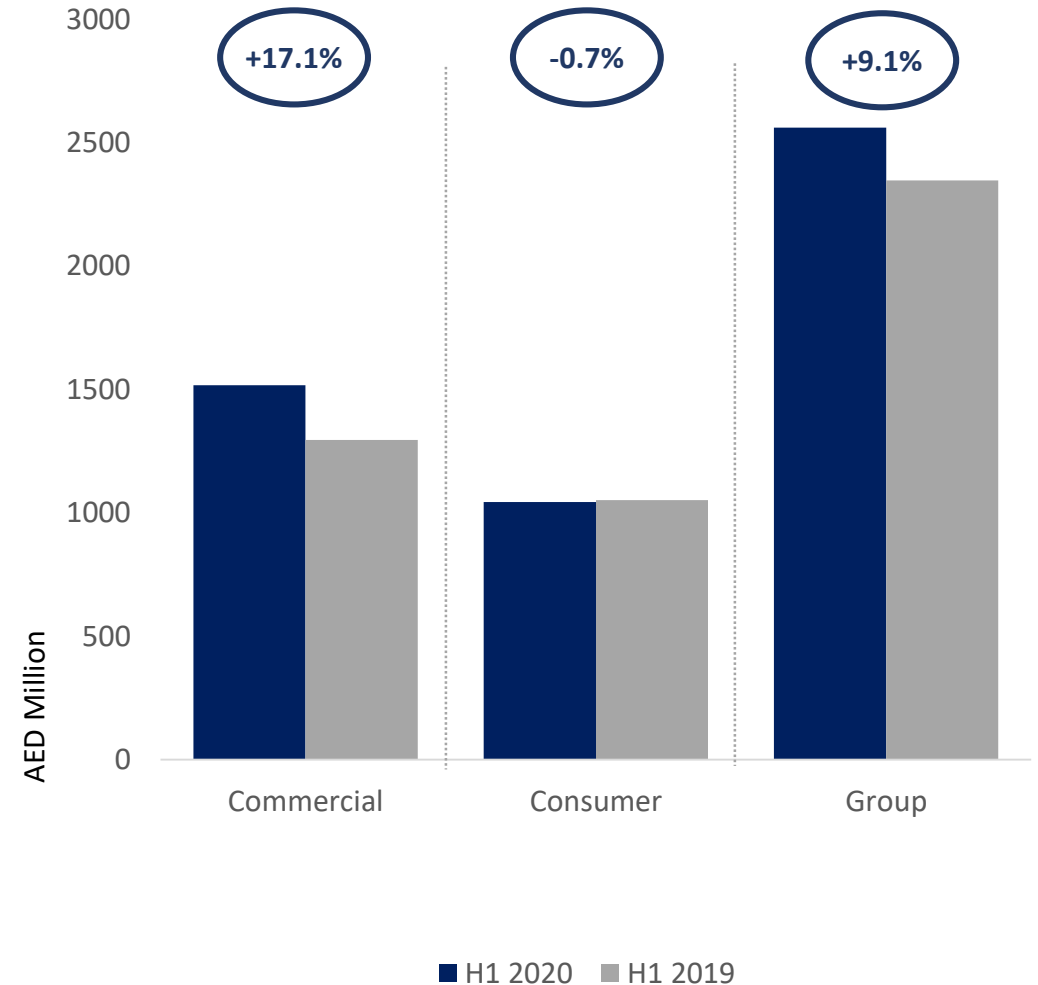
Basic and diluted earnings per share of AED 0.33 vs AED 0.21 last year

- Resilient financial performance reflected in strong EPS growth

INSURANCE PERFORMANCE BY SEGMENT: GROSS WRITTEN PREMIUMS

AED Million

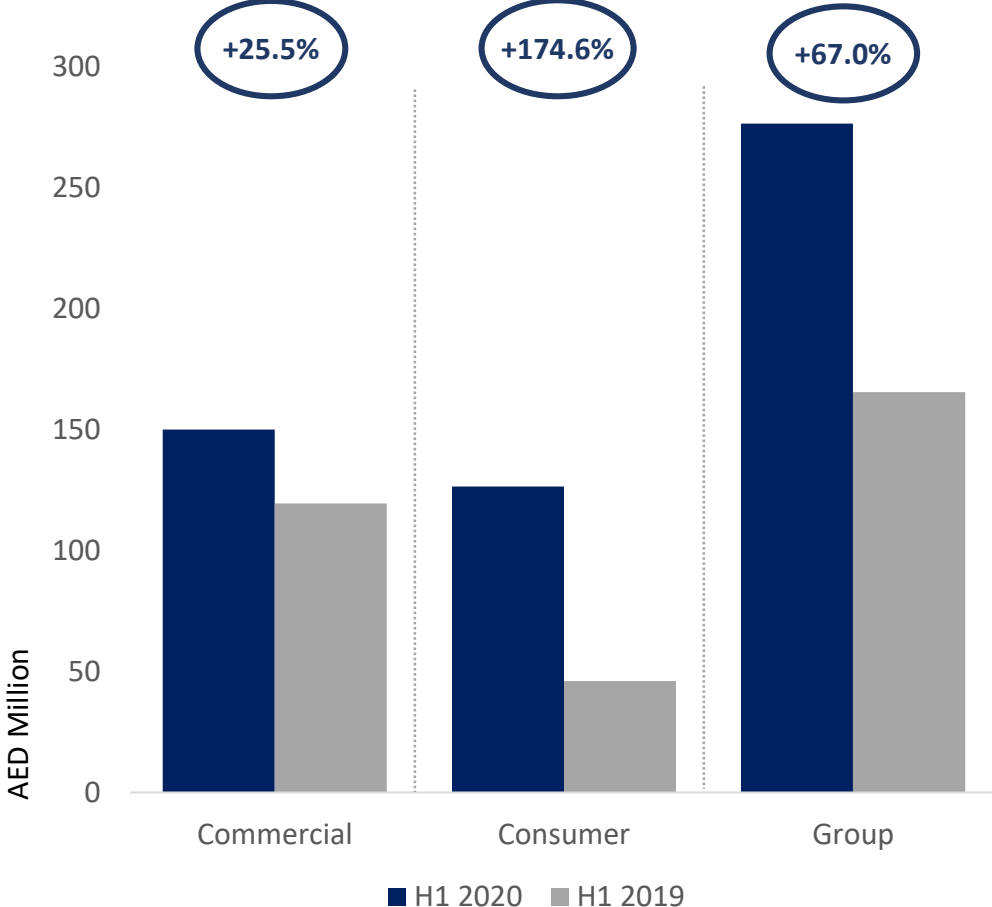
- Healthy Group-level GWP growth of 9.1%
- Maintained leadership position in corporate and commercial lines
- Particularly strong commercial lines performance sees GWP increase 17.1% year over year
- Consumer lines performed resiliently despite the macro conditions, decreasing slightly by 0.7%



INSURANCE PERFORMANCE BY SEGMENT: NET UNDERWRITING INCOME

AED Million

- Significant growth of 67% in Group-wide underwriting profitability driven primarily by pricing discipline and hardening of premium rates in certain segments
- Focus on profitable business delivers particularly strong improvement in consumer line underwriting income

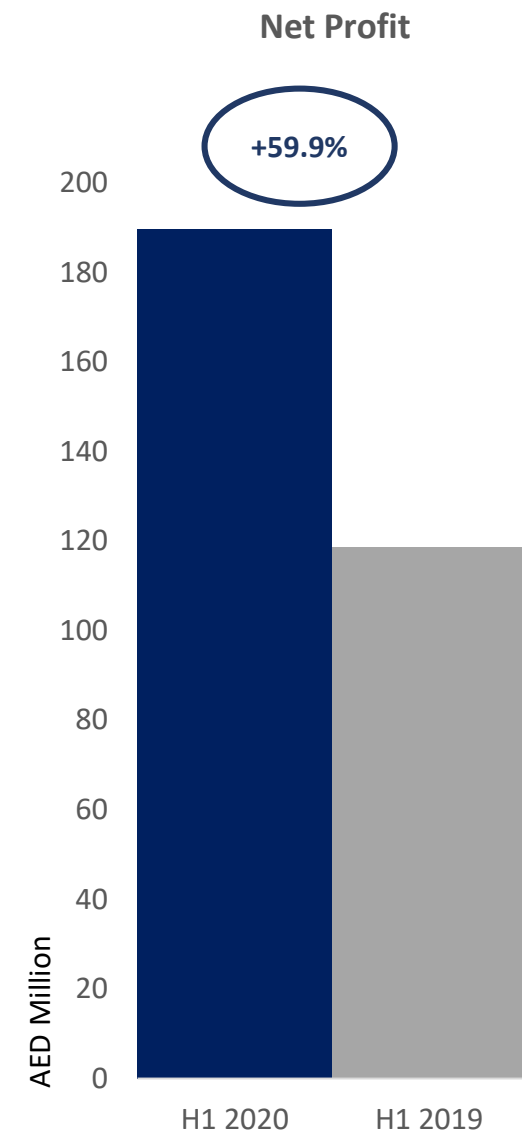


PROFIT AND LOSS STATEMENT

AED Million

	H1 2020	H1 2019	Variance
Net underwriting income	276.3	165.4	67.0%
Investment Income	55.1	79.1	-30.3%
General & Admin expenses – adj*	(117.0)	(119.2)	-1.8%
Net Profit – adj*	214.4	125.3	71.1%
Provision for doubtful debts	(24.7)	(6.7)	268.7%
Net profit	189.7	118.6	59.9%
Basic and diluted earnings per share (AED)	0.33	0.21	57.1%

- Substantial net profit increase reflects disciplined approach to risk, pricing and coverage
- Extreme market volatility contributed to lower investment income
- Expense efficiency maintained by rightsizing operations. Ongoing efforts to find expense savings without impacting service quality

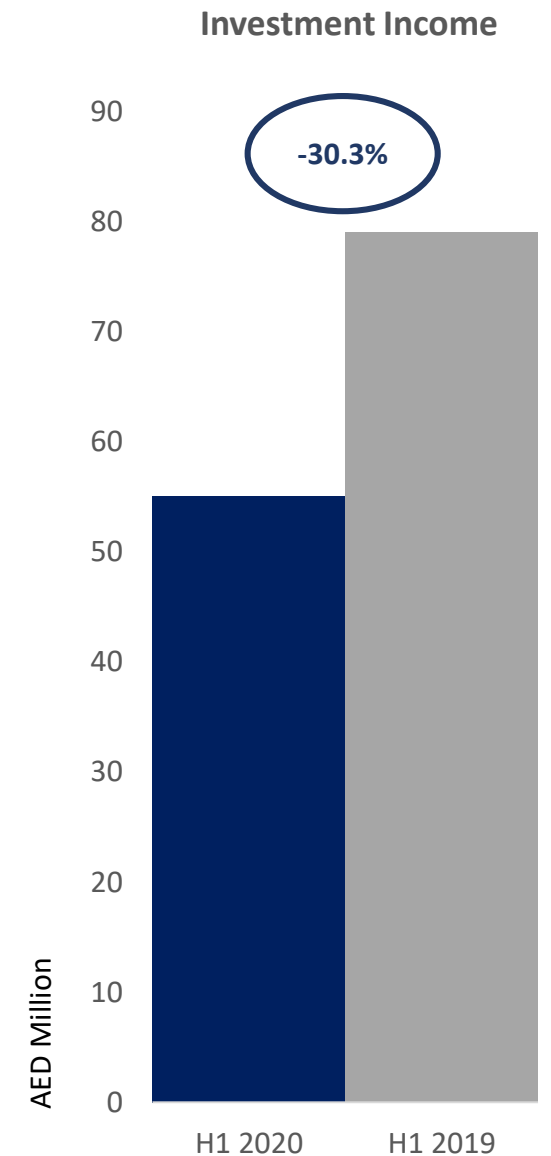


INVESTMENT PERFORMANCE

AED Million

	H1 2020	H1 2019	Variance
Dividend income	49.5	44.1	12.2%
Other investment income	5.6	35.0	-84.0%
Investment Income	55.1	79.1	-30.3%

- Investment income for H1 adversely impacted by market volatility caused by the pandemic
- Higher dividend income compensated partly for the MTM impact of financial market volatility
- Liquidity position continues to be stable

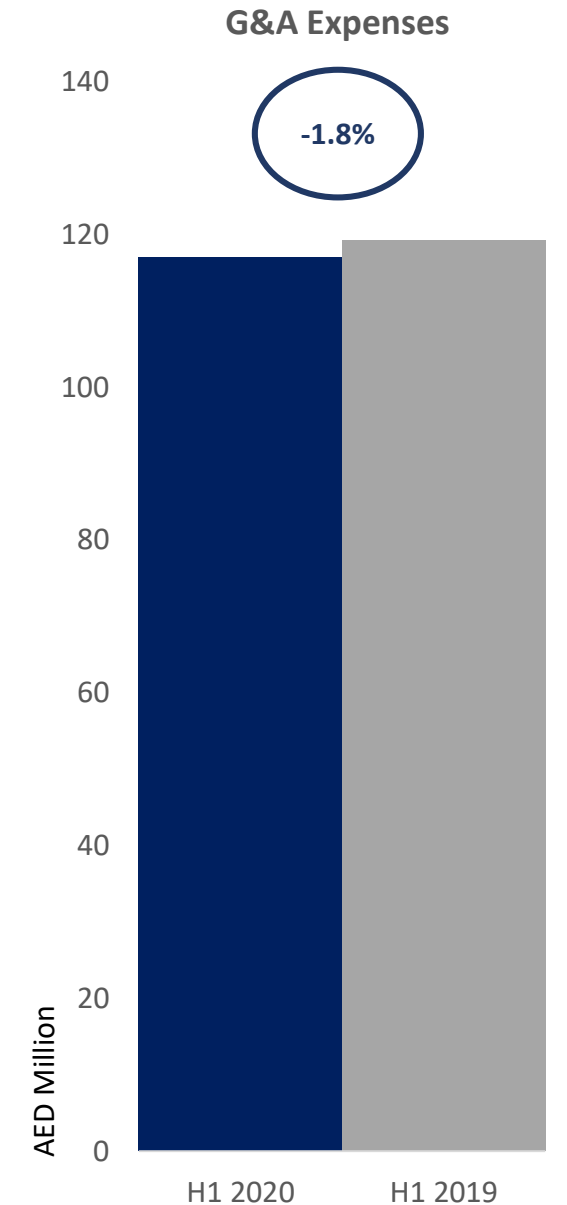


GENERAL & ADMIN EXPENSES

AED Million

	H1 2020	H1 2019	Variance
General & Admin expenses*	117.0	119.2	-1.8%
G&A* / GWP Ratio	4.6%	5.1%	-0.5%

- Tight control of G&A expenses due to effective company-wide cost management strategy
- Accelerated long-term digitisation strategy to enhance internal processes and the customer experience

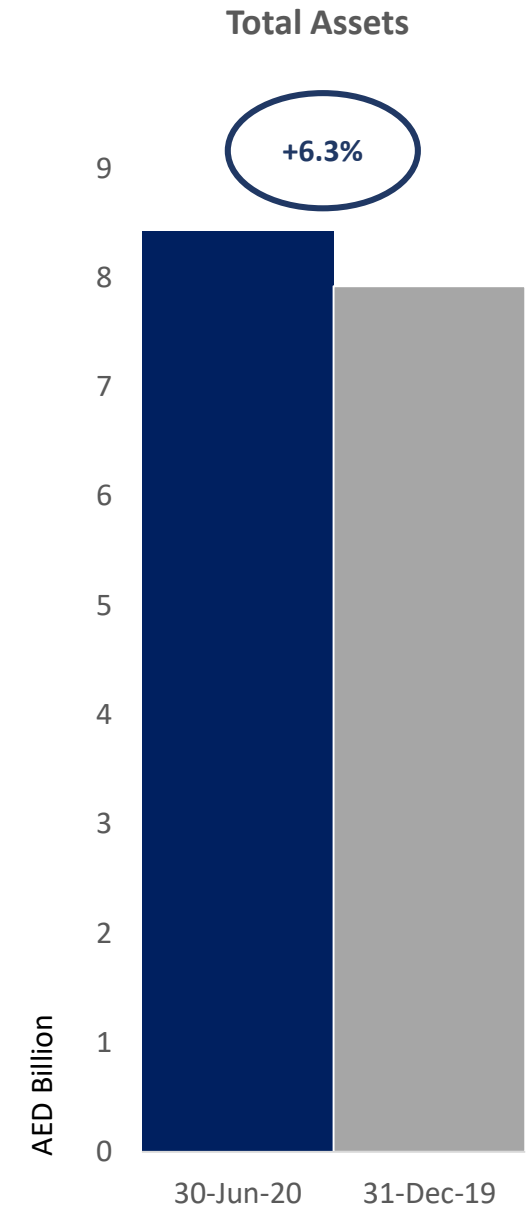


BALANCE SHEET

AED Million

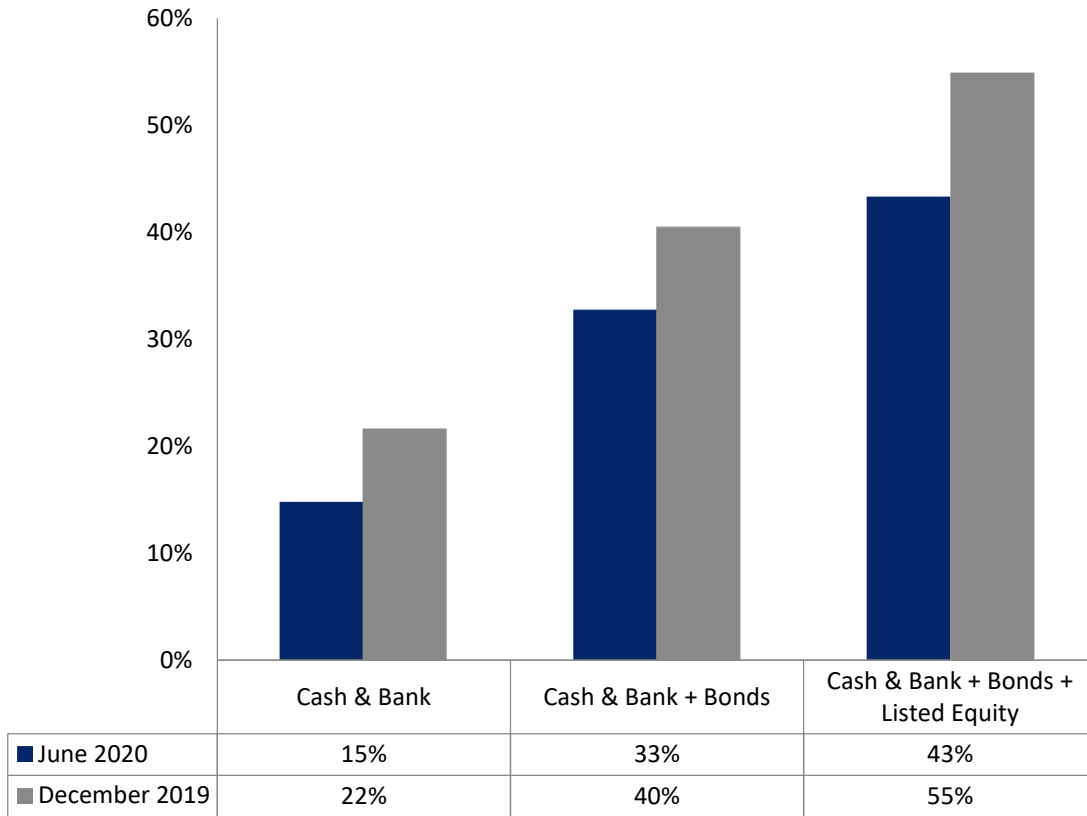
	30 Jun 2020	31 Dec 2019	Variance
Investment Assets	3,718.0	3,952.9	-5.9%
Total Assets	8,421.9	7,921.0	6.3%
Total Equity	2,187.9	2,296.3	-4.7%
Technical Reserves	4,803.6	4,251.6	13.0%
Total Liabilities	6,234.1	5,624.7	10.8%

- Capitalisation and solvency remain robust
- Continued prudent action to mitigate against the impact of COVID-19

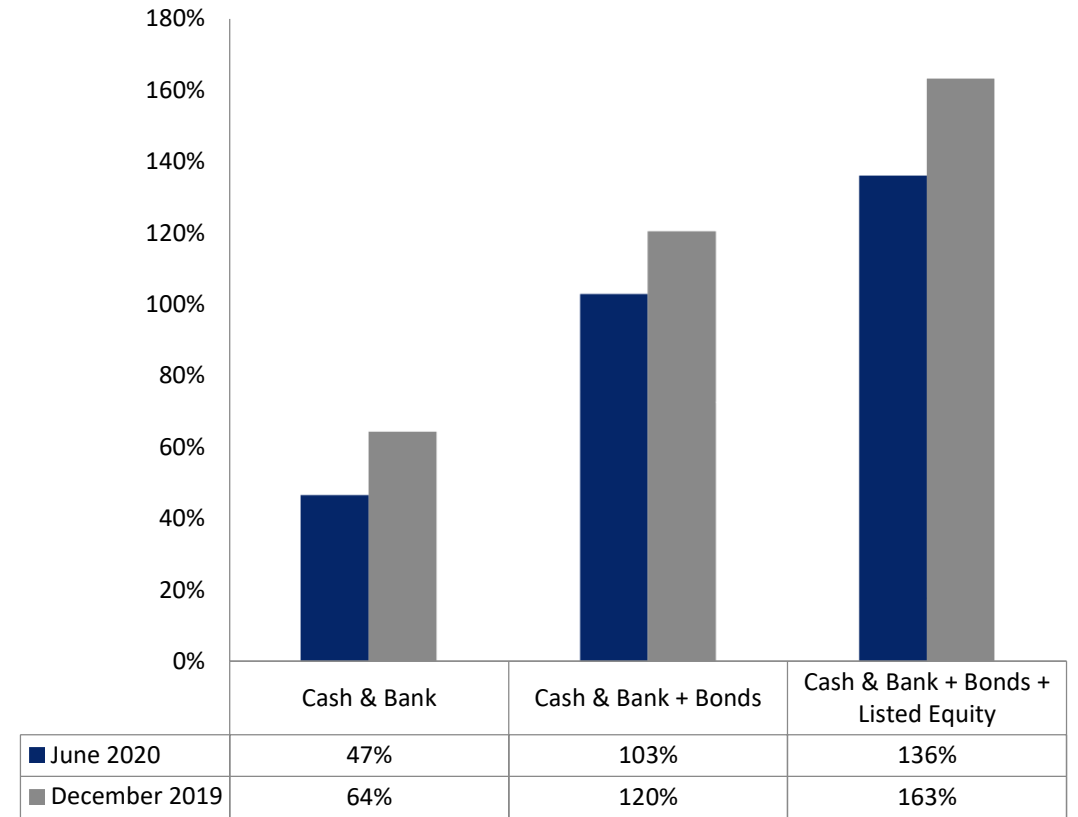


LIQUIDITY ANALYSIS – TECHNICAL RESERVES

Liquidity on Gross Technical Reserves



Liquidity on Net Technical Reserves



KEY PERFORMANCE RATIOS

	H1 2020	H1 2019	Variance
Premium retention ratio	34.3%	32.6%	1.7%
Net loss ratio	59.4%	77.9%	-18.5%
Combined ratio	80.2%	93.9%	-13.7%
Expense* ratio (on net earned premium)	17.2%	18.5%	-1.3%
Expense* ratio (on gross written premium)	4.6%	5.1%	-0.5%
Return on Equity	8.5%	5.6%	2.9%
	30 Jun 2020	31 Dec 2019	Variance
Shareholder equity as a % of technical reserves	45.5%	54.0%	-8.5%

BUSINESS UPDATE

H1 2020 - NON-FINANCIAL UPDATES

PRODUCTS/SERVICES

- Expansion of brand proposition in Dubai and the Northern Emirates
- Launched **Saeed**, ADNIC's new virtual assistant, to enhance customer engagement in a modern, innovative and technologically-friendly manner



AWARDS

- Won the “UAE Insurer” category at the **MENA Insurance Awards 2020**. The awards celebrate the achievements of insurers, reinsurers and brokers in the region
- Claimed the “**Corporate Social Responsibility Award**” at the **Golden Shield Excellence Awards 2020** held at Insuretek Middle East



CSR

- AED 3 million donation to Ma'an Abu Dhabi's '**Together We Are Good**' programme
- Joined forces with #CompaniesforGood at the start of the year to clean up the beaches of Abu Dhabi
- Partnered with Bait Al Khair Society to **provide 1000 Iftar meals** during the month of Ramadan and monthly food programmes for needy families
- Partnered with the General Authority of Islamic Affairs and Endowments to **support 'Health Waqf' initiative**
- Partnered with Emirates Down Syndrome Association to **support its initiatives** and activities for full season (2020 – 2021)



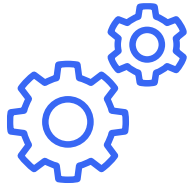
OUTLOOK

OUTLOOK & PRIORITIES



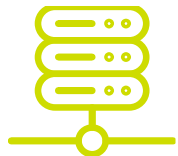
MACRO

- IMF predicts global economy to contract by 4.9% in 2020. Insurance will continue to play a vital role in supporting the economy and helping companies and individuals mitigate risk
- Market volatility likely to continue even though financial market normalisation may happen before economies normalise
- Being a responsible company is fundamental to ADNIC's long-term, ADNIC will continue to give back to the local community through our wide-ranging and long-standing CSR initiatives and activities
- To stay competitive in a challenging environment, we will also continually improve the experience and keep coming out with innovative products and services to meet the changing needs of our customers.



OPERATIONAL

- Service levels remain largely unaffected with ADNIC providing uninterrupted service to customers and supporting migration to digital channels
- Development of in-house mortality table for more accurate and relevant pricing
- Continue to invest in technologies that enable our clients to interact more efficiently and increasingly remotely
- Our strategy and flexible operating model position us to take advantage of industry change
- Focus on low volatility investments and maintaining a diversified portfolio by geography and asset class.



PRODUCTS/SERVICES

- 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
- Build on brand reputation, financial strength and specialist expertise as insurance becomes a priority in uncertain times
- Continued investment in product development and expand individual Life insurance proposition

APPENDIX – SUMMARY FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS

for six-month period ended 30 June

	2020	2019
	AED 000's	AED 000's
Underwriting income		
Gross written premiums	2,562,340	2,347,922
Net written premiums	877,790	764,643
Net premiums earned	680,136	642,884
Gross underwriting income	706,479	684,871
Net claims incurred	(403,672)	(500,575)
Net underwriting income	276,296	165,438
Income from investments	55,122	79,134
Profit for the period	189,677	118,628
Basic and diluted earnings per share (AED)	0.33	0.21

KEY PERFORMANCE INDICATORS BY SEGMENT

for six-month period ended 30 June

Commercial (AED 000's)	2020	2019
Gross written premiums	1,517,946	1,295,856
Net premiums earned	204,311	172,102
Net claims incurred	(56,167)	(73,994)
Net commission and other underwriting expense	1,767	21,306
Net underwriting income	149,911	119,414
Premium retention rate	15.4%	16.1%

Consumer (AED 000's)	2020	2019
Gross written premiums	1,044,394	1,052,066
Net premiums earned	475,825	470,782
Net claims incurred	(347,505)	(426,581)
Net commission and other underwriting expense	(1,935)	1,823
Net underwriting income	126,384	46,024
Premium retention rate	61.6 %	52.8%

AWARDS



UAE Insurer Award



Excellence in Insurance Digitization



Best Call Centre of the Year
in the Insurance Sector



Best Insurance Provider of the Year



Corporate Social Responsibility
Award



Mohammed Bin Rashid Al Maktoum
Business Excellence Award

THANK YOU

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