



شركة أبوظبي الوطنية للتأمين
ABU DHABI NATIONAL INSURANCE COMPANY

YOUR **RELIABLE** INSURER

1st Quarter 2014

Management Discussion & Analysis

Preface

ADNIC has embarked Year 2014 with a profitable growth both in revenue and underwriting profitability with a renewed commitment to deliver profitability and sustainable value to our shareholders and partners respectively. We are pleased to share with you a summary of our financial results for the period ended 31 March 2014.

Gross Written Premium – Gross written premium for the period ended 31 March 2014 grew by 33% to AED 993 million from AED 747 million during the same period last year. Several anticipated energy and property projects have now been underwritten and are reflected in our financial results.

Premium Retention – The overall premium retention ratio has decreased to 43% for the period ended 31 March 2014 compared to 52% during the same period last year. The overall premium retention ratio is lower due to one-off high value and complex projects underwritten in Q1'2014.

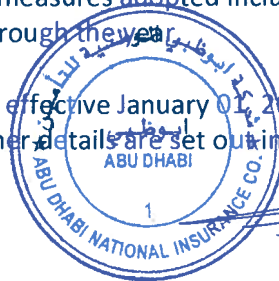
Net Underwriting Income – Net underwriting income for the period ended 31 March 2014 increased by 8% to reach AED 70 million compared to AED 64 million for the same period of 2013. The underwriting income growth has been achieved through prudent underwriting and effective claims management.

Net Investment and Other Income – Net investment and other income for the period ended 31 March 2014 increased by 69% reaching AED 36 million against AED 21 million for the same period of 2013. The strong performance of the UAE equities market in the first quarter helped us generate higher profits on our trading portfolio coupled with higher stock dividend payouts. Our change in asset allocation to higher yielding assets like fixed income and real estate has borne fruit as income from these asset classes was also up sharply compared to the same period last year.

Net Profit – The net profit for the period ended 31 March 2014 grew by 49% to AED 55 million compared to AED 37 million reported during the same period of 2013. This has resulted due to various measures adopted including continued focus on enhancing profitability. We are hopeful that these measures shall deliver strong results through the year.

The company has changed some of its accounting policies effective January 01, 2014 with the objective to provide more relevant and reliable information of the company's financial performance. Further details are set out in the said document.


Walid Sidani
Chief Executive Officer




Alaa Fares
Chief Financial Officer

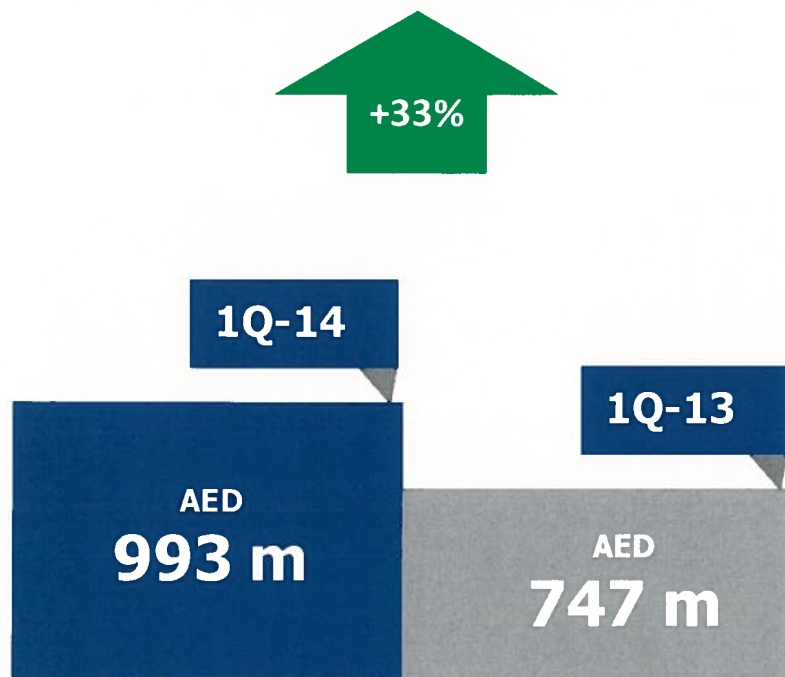
Results Key Highlights

- ✓ • Strong top-line growth with Gross Premium Written increasing 33% over the same period in 2013
- ✓ • Net underwriting income increased by 8%, over the same period in 2013, to reach AED 70 million.
- ✓ • Net Investment Income increased by 69% reaching AED 36 million against AED 21 million for the same period in 2013.
- ✓ • Net Profit increased 49% to AED 55m against AED 37m over the same period in 2013. EPS increased to AED 0.15 compared to AED 0.10 same period last year.
- ✓ • Total Comprehensive income grew by 71% to AED 119 million as compared to AED 70 million same period last year .
- ✓ • Robust liquidity position with cash at AED 887m covering 80% of net insurance contract obligations to policyholders and partners.
- ✓ • Change in accounting policy enables fairer assessment of company's financial performance and position.

Focused execution of **Perpetual Excellence Plan** to deliver targets

Product & Channel Expansion

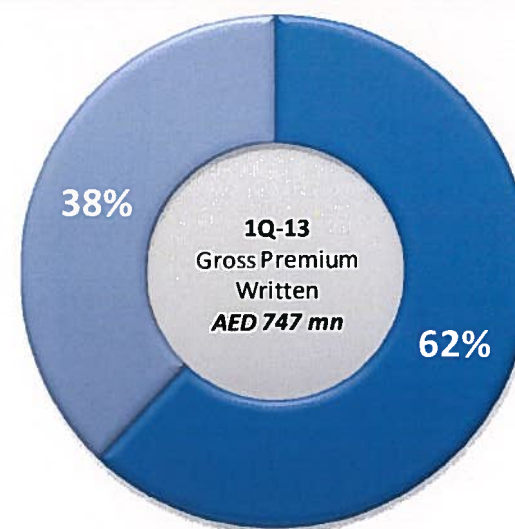
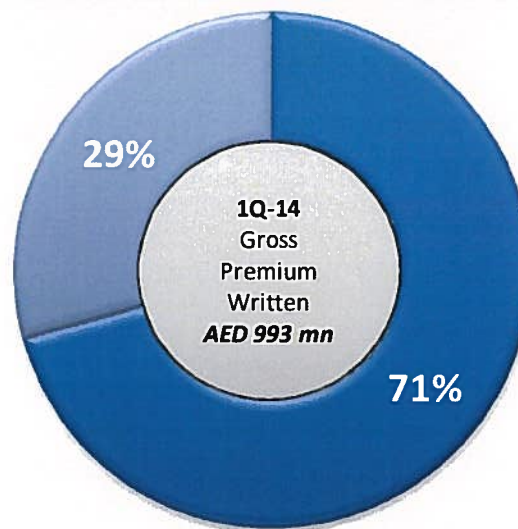
Gross Written Premium



	1Q-14	1Q-13
Gross Written Premium	AED 993 m	AED 747 m
Reinsurance Premium Ceded	AED 568 m	AED 355 m
Net Written Premium	AED 425 m	AED 392 m
Premium Retention Ratio	43 %	53 %

Segmental Growth

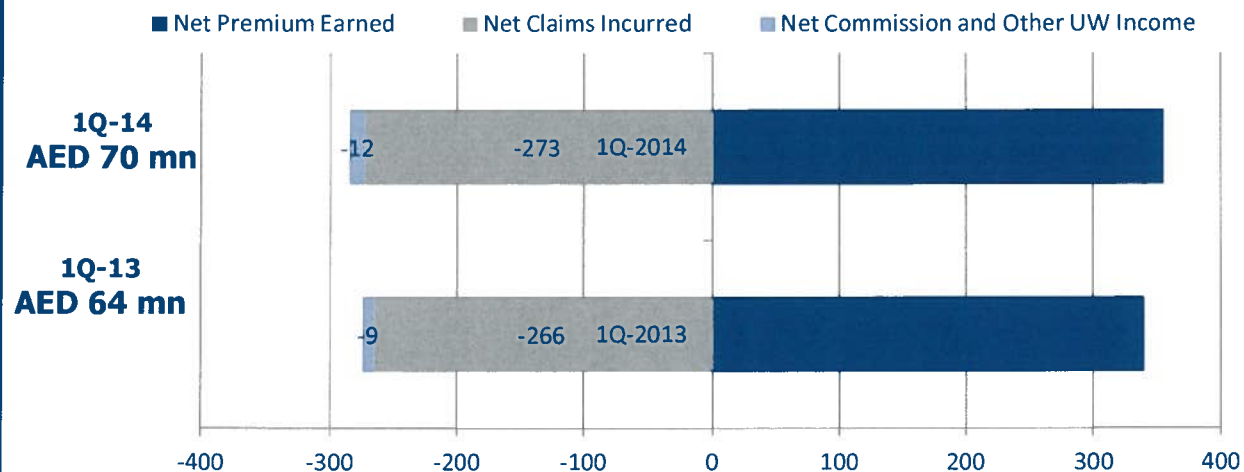
	CONSUMER LINES			COMMERCIAL LINES		
	1Q-14 AEDm	1Q-13 AEDm	Variance	1Q-14 AEDm	1Q-13 AEDm	Variance
Gross Written Premium	291	284	2%	702	464	51%
Premium Retention Ratio	89%	95%	-6%	24%	27%	-3%



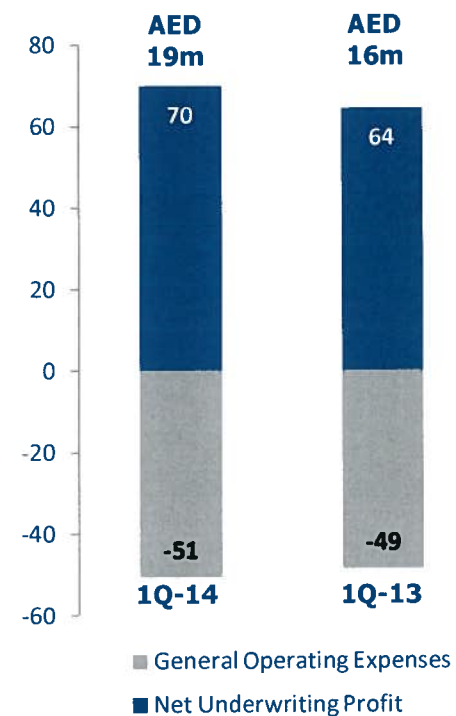
*Commercial lines segment incorporates all classes of Marine Hull , Cargo, Aviation & Aerospace, Energy, Property, Liabilities, Financial Lines and Engineering insurance
Consumer lines segment incorporates all classes of Life and Personal Accident, Motor and Medical insurance*

Operating Performance

Net Underwriting Profit



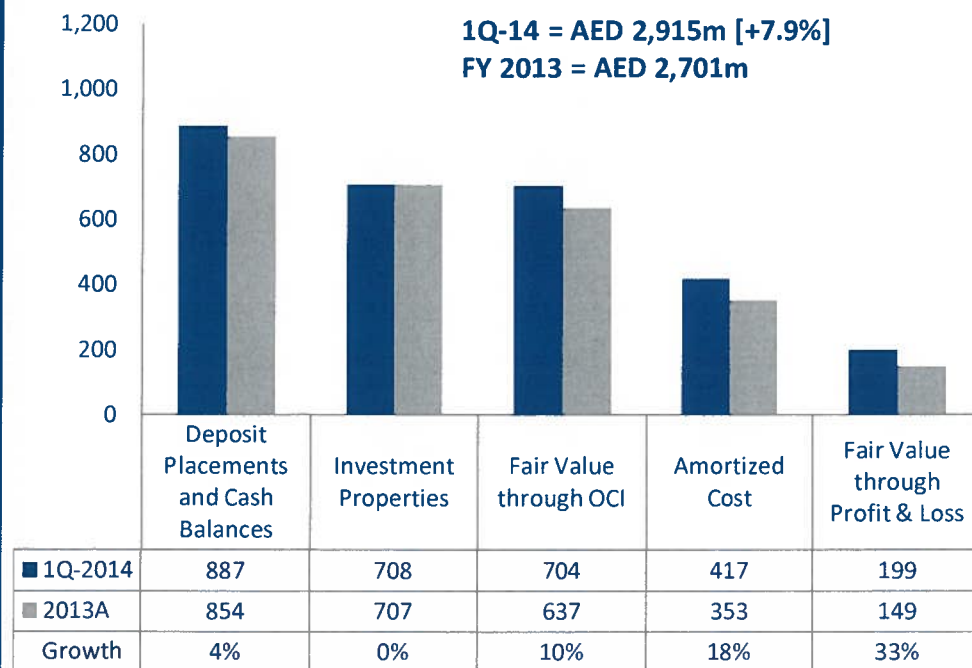
Net Technical Profit



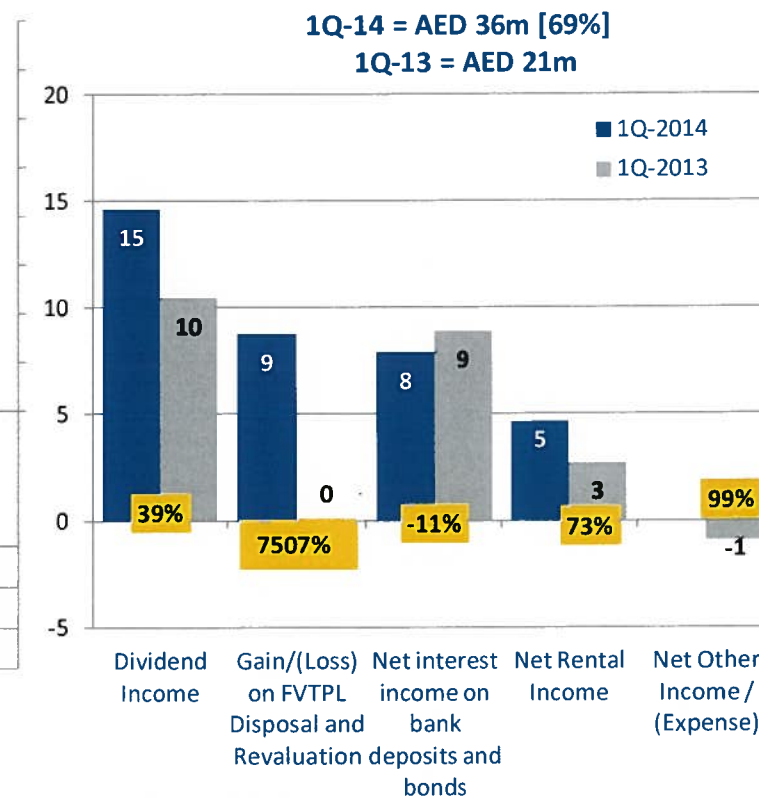
KPIs	1Q-14	1Q-13
Loss ratio	77%	78%
Expense ratio	14%	14%
Combined ratio	95%	95%

Prudent Investment Strategy

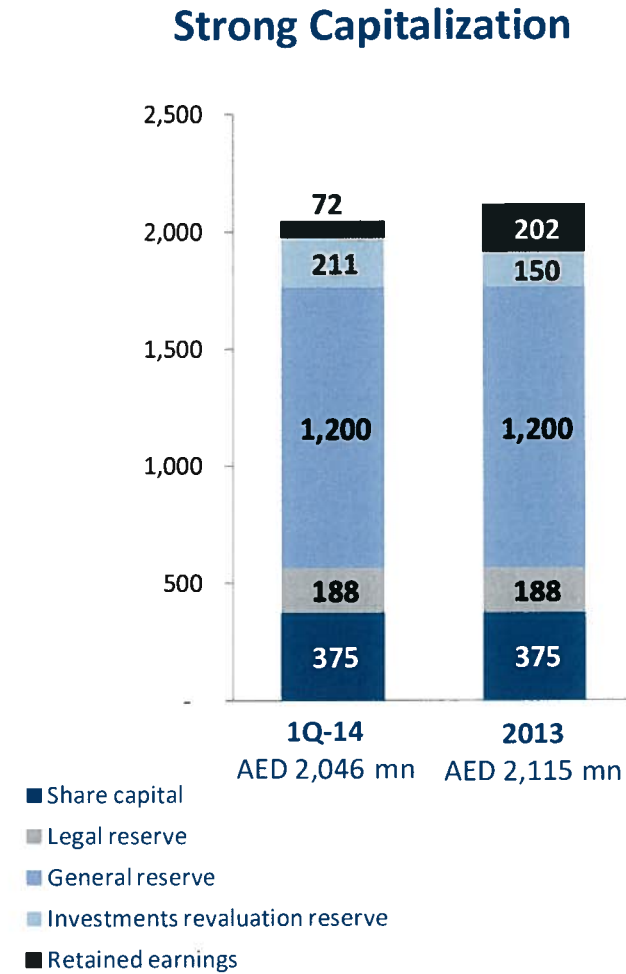
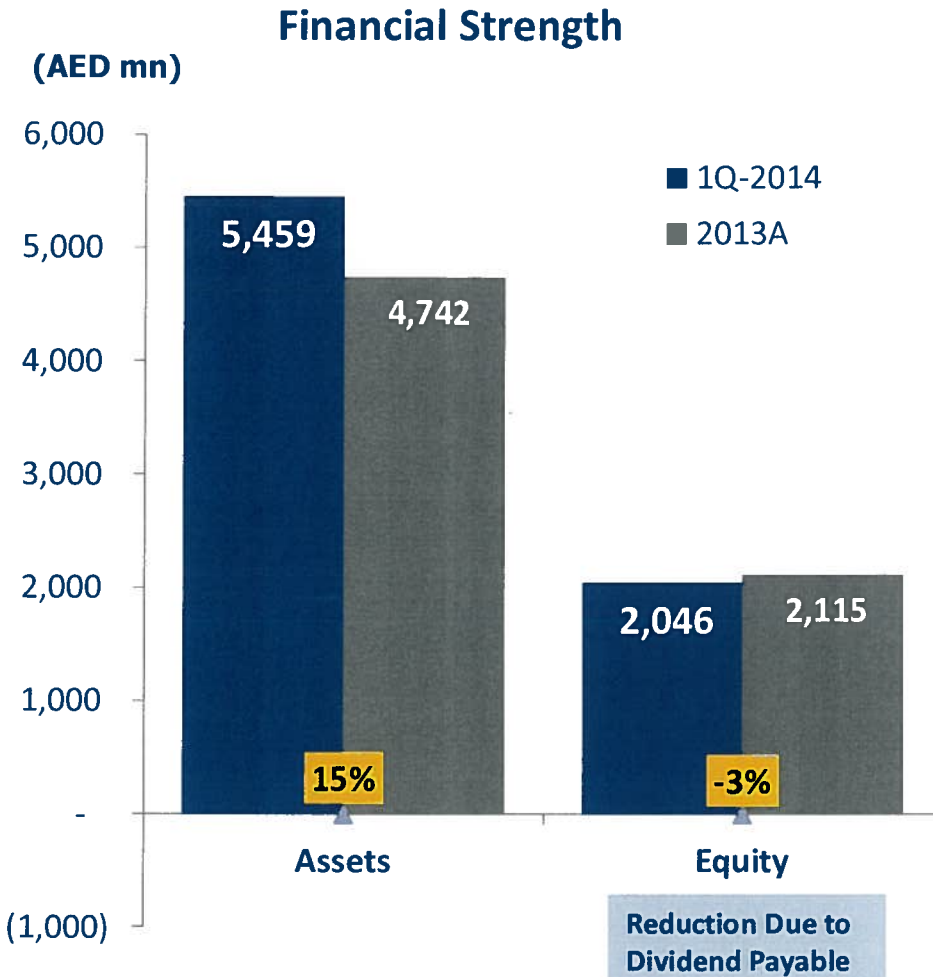
INVESTMENT ASSETS (AEDm)



INVESTMENT INCOME (AEDm)



Financial Strength and Capitalization



Change in Accounting Policies effective 1-Jan-14

The company has changed its accounting policies for the following:

- Unearned Premium Reserves
- Unearned Reinsurance Commission Income
- Deferred acquisition cost
- Other Underwriting Expenses/ Income

Objective:

- To provide more relevant and reliable information of the company's financial performance.
- Transition to UAE Insurance Authority Draft regulations and in line with the global practices to recognize revenue more accurately over the effective period of insurance contract coverage.
- This allows the management to strategize more effectively and establish more robust action plans to enhance company's profitability.

1Q 2014 Financial Highlights - Recap

	1Q-14 AED	1Q-13 AED	Variance
Gross Written Premium	993 m	747 m	+33%
Net Profit	55 m	37 m	+49%
Total Comprehensive Income	119 m	70 m	+71%
Earnings Per Share (EPS)	0.15	0.10	+49%

	1Q-14 AED	FY 2013 AED	Variance
Total Assets	5,459 m	4,742 m	+15%
Capitalization	2,046 m	2,115 m	(3%)

Strategic Focus- 1Q 2014 and onwards

We are focused on enhancing profitability through:

- More emphasis on profitable segments
- Cost containment measures to ensure effective operations
- Increasing our premium retention ratio prudently
- Further strengthening enterprise risk management
- Optimizing operational efficiency through technology

Customer Service Enhancement

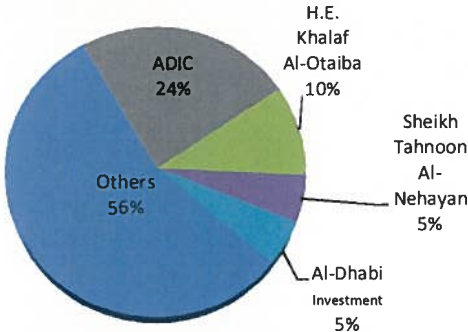


One App
Endless convenience
Download the ADNIC Medical Insurance App for iOS and Android devices now!

- ADNIC recently embarked on a full-scale e-commerce strategy and consequently implemented its first **“ADNIC Mobile” Application.**
- Downloadable Mobile Application enables ADNIC medical cardholders to access medical insurance related information such as Member Benefits and Claims Information for themselves and their dependents through their very own Smartphone from any GPRS / 3G / wireless (Wi-Fi) network.
- User-friendly solution for managing and tracking medical insurance claims while on the go offering safe, easy, fast and simple access to the medical insurance services.
- Will be expanded to other consumer lines products in the near future.

ADNIC Snapshot

Key Shareholders



Board of Directors

- H.E. Khalifa Mohamed Al-Kindi, **Chairman**
- Sheikh Mohammed Bin Saif Al-Nehayan, **Vice Chairman**
- Sheikh Theyab Bin Tahnoon Al-Nehayan
- H.E. Ahmed Ali Al-Sayegh
- H.E. Sultan Rashid Al-Dhaheri
- Mr. Ghanem Ali Hamooda Al-Dhaheri
- Mr. Mohammed Abdulazeez Al-Mehairi
- Mr. Khalifa Sultan Al-Suwaidi
- Mr. Abdulla Khalaf Al-Otaiba

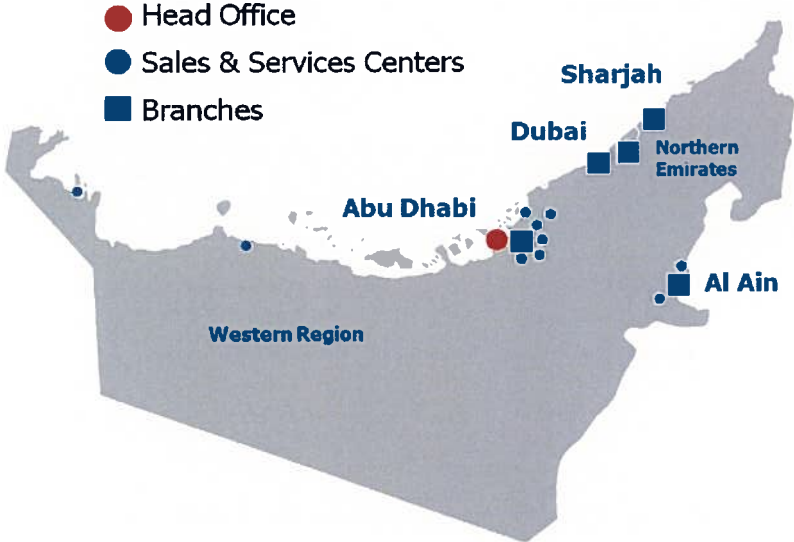
Chief Executive Officer: Mr. Walid Sidani

2 Regional Offices

5 Branches

10 Sales and Service Centers

487 Employees



Disclaimer

This document could contain forward-looking statements about Abu Dhabi National Insurance Company.

Such forward looking statements are based upon the current belief and expectations of ADNIC's management and are subject to risks and uncertainties, which could cause actual results to differ from the forward looking statements.

Any information that is set out in document should be considered in light of these risks.

Please note that all figures in this document pertain to the periods ending 31st March 2014 and 2013 respectively, unless indicated otherwise