

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

<b>Date</b>	8 <sup>th</sup> Aug 2024
<b>Name of the Listed Company</b>	Abu Dhabi National Insurance Company PJSC
<b>The period of the financial statements covered by the report</b>	First Half 2024
<b>Overview of the main results during the financial period</b>	<p>ADNIC has demonstrated a strong underwriting performance, evidenced by a combined ratio of 92% and net insurance service results totaling AED 204.3 million. Furthermore, we have achieved a record Gross Written Premium (GWP) of AED 4,406 million, representing a substantial growth of 47% compared to the same period last year.</p> <p>Group consolidated investment income for the six-month period was AED 119.1 million, reflecting an increase of 8% compared to last year. ADNIC leveraged the current interest rate scenario to boost interest income from the fixed income portfolio through higher allocations. Property income and dividends also contributed positively.</p> <p>As at 30 June 2024, at a consolidated Group level Total Assets has increased by 41% to AED 10.9 billion compared to AED 7.7 billion as at 31st Dec 2023. Total Shareholders' Equity stood at AED 3.2 billion.</p> <p>ADNIC continues to focus on controlling general expenses. The growth in overall expenses was meaningfully lower than premium growth, despite ongoing investments. This commitment to efficiency is reflected in our expense ratio of 12%.</p>
<b>Securities issued during the financial period</b>	None
<b>Summary of the most important non-financial events and developments during the financial period</b>	<p>Beyond financial metrics, ADNIC continues to execute on its strategic growth objectives. Following the close of the first quarter, completed a strategic acquisition, taking a majority stake of 51% in Allianz Saudi Arabia Cooperative Insurance Company. This move strengthens ADNIC's position as a leading regional insurer and reinforces the commitment to providing exceptional customer service and innovative insurance products across the GCC. This acquisition will allow to deliver industry-leading solutions across all major insurance lines.</p> <p>Earlier this year, the UAE witnessed record-breaking rainfall in April, serving as a reminder of unpredictable weather conditions. Despite the flooding, the swift and coordinated response from emergency teams, guided by the leadership's proactive approach, mitigated the impact of the floods and ensured the safety of our community.</p> <p>Furthermore, sustainability remains a core pillar of ADNIC's strategy. Actively engaged in projects and initiatives that benefit both customers and the communities being served.</p>
<b>Summary of operational performance during the financial period</b>	<p>ADNIC has demonstrated a strong underwriting performance, reflected in net insurance service results of AED 204.3 million.</p> <p>Strong UW performance at Combined ratio at 92%</p> <p>Outstanding Investment book performance which demonstrated the growth at 8% versus prior</p> <p>Profitability surged in the first half, with net profit before tax reaching AED 224.3 million – a significant 10% increase year-over-year. Following regulatory requirements, ADNIC has adopted the corporate income tax, resulting in a net profit after tax of AED 205.2 million.</p> <p>An increase in earnings before tax per share from AED 0.36 to AED 0.39.</p>

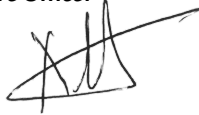
<p><b>Summary of profit and loss during the financial period</b></p>	<table border="1"> <thead> <tr> <th>AED'000</th> <th>YTD June 2024</th> <th>YTD June 2023</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Net insurance service result</td> <td>204,316</td> <td>178,107</td> <td>26,209</td> </tr> <tr> <td>Income from investment, net</td> <td>119,148</td> <td>110,753</td> <td>8,395</td> </tr> <tr> <td>Insurance finance income and expenses, net</td> <td>9,712</td> <td>(2,950)</td> <td>12,662</td> </tr> <tr> <td><b>Total income</b></td> <td><b>333,176</b></td> <td><b>285,910</b></td> <td><b>47,266</b></td> </tr> <tr> <td>Other operating expenses</td> <td>(108,884)</td> <td>(81,521)</td> <td>(27,363)</td> </tr> <tr> <td>Zakat and income tax expense</td> <td>(19,118)</td> <td></td> <td></td> </tr> <tr> <td><b>Profit for the period</b></td> <td><b>205,174</b></td> <td><b>204,389</b></td> <td><b>785</b></td> </tr> </tbody> </table>	AED'000	YTD June 2024	YTD June 2023	Change	Net insurance service result	204,316	178,107	26,209	Income from investment, net	119,148	110,753	8,395	Insurance finance income and expenses, net	9,712	(2,950)	12,662	<b>Total income</b>	<b>333,176</b>	<b>285,910</b>	<b>47,266</b>	Other operating expenses	(108,884)	(81,521)	(27,363)	Zakat and income tax expense	(19,118)			<b>Profit for the period</b>	<b>205,174</b>	<b>204,389</b>	<b>785</b>
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<p><b>Summary of financial position as at the end of the financial period</b></p>	<p>Total Deposits &amp; cash: AED 833.7 million  Total Assets: AED 10.87 billion  Total Shareholders' Equity: AED 3.23 billion</p>																																
<p><b>Summary of cash flows during the financial period</b></p>	<p>Net cash generated from operating activities AED 209.6 million  Net cash used in investing and financing activities AED 736.5 million</p>																																
<p><b>Main performance indicators</b></p>	<table border="1"> <thead> <tr> <th></th> <th>H1 2024</th> <th>H1 2023</th> <th>Change</th> </tr> </thead> <tbody> <tr> <td>Premium retention</td> <td>38.6%</td> <td>31.9%</td> <td>6.7%</td> </tr> <tr> <td>Net claims ratio</td> <td>74.5%</td> <td>64.1%</td> <td>10.4%</td> </tr> <tr> <td>Expense ratio*</td> <td>17.7%</td> <td>23.4%</td> <td>-5.7%</td> </tr> <tr> <td>Combined ratio</td> <td>92.2%</td> <td>87.5%</td> <td>4.7%</td> </tr> <tr> <td>Return on equity</td> <td>6.7%</td> <td>7.5%</td> <td>-0.8%</td> </tr> </tbody> </table> <p>*incl. bad debt, risk adjustment and finance income (expense)</p>		H1 2024	H1 2023	Change	Premium retention	38.6%	31.9%	6.7%	Net claims ratio	74.5%	64.1%	10.4%	Expense ratio*	17.7%	23.4%	-5.7%	Combined ratio	92.2%	87.5%	4.7%	Return on equity	6.7%	7.5%	-0.8%								
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<p><b>Expectations for the sector and the company's role in these expectations</b></p>	<p>Capacity is buoyant with over-placement common putting pressure on pricing and signing  Bottom line focus with increased customer satisfaction is the priority.  Continued optimisation of retentions in commercial segment.  Lifestyle customisable products ( PAYG, Telematics, Mobile Applications)  Behavioural predictive analytics vs traditional burning cost analytics.  Medical: utilization to stabilise and settlement cycle to further accelerate  Credit Life: Expect growth in line with overall economy  Motor : Rationalization of technical terms and conditions  The impact of flood happened in February and April in UAE will have the impact on the future cost of reinsurance cover as the biggest hit is taken by reinsurance markets</p>																																
<p><b>Expectations regarding the economy and its impact on the company and the sector</b></p>	<p>Growth prospects in the medium-term outlook remain positive due to rising oil prices  Government policy will remain centered on diversifying the economy away from a dependence on energy rents, aiming to build on Abu Dhabi and Dubai's success in emerging as regional hubs for finance, construction, retail and tourism.  To support diversification efforts, development of the energy sector will continue in the medium-term. Investment in the natural gas sector in particular is expected to increase in the years ahead to unlock the country's production potential  The UAE's National Energy Strategy 2050 aims for 50% of electricity generation to be sourced from renewables including nuclear power, up from less than 20% in 2021, with 38% generated by natural gas and 12% by coal  ADNIC will continue to support the economy development by providing the insurance support in all the areas of growth</p>																																

<p><b>Future plans for growth and changes in operations in future periods</b></p>	<p>Continue to invest in technologies to improve service delivery and distribution Continued focus on operational efficiencies particularly in high customer impact areas Maintain the focus on sustainability as a key operational pillar</p>
<p><b>The size and impact of current and projected capital expenditures on the company</b></p>	<p>Net capital expenditure for the year ended 30 June 2024 was AED 5.93 million.</p>
<p><b>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</b></p>	<p>The company's board of directors noted the progress in implementation of the company's strategy.</p>

**Charalampos Mylonas**

**Chief Executive Officer**

**Signature:**



**8 Aug 2024**

**Company's Seal:**

