

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

<b>Date</b>	4 <sup>th</sup> Feb 2025
<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>	2024 Annual Financials
<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 93.1% and net insurance service results totaling AED 448.9 million. Furthermore, we have achieved a record Gross Written Premium (GWP) of AED 7.5 billion, representing a substantial growth of 50.4% compared to last year. Group consolidated investment income for the year was AED 272.7 million, reflecting an increase of 31.9% compared to last year. It reflects the resilience of our underlying asset allocation mix to the emerging market conditions and trends. Insurance Service Result has grown by 22.5% year on year to reach AED 448.9 Million. While the insurance market in UAE was tremendously impacted by the flood events ADNIC was able to deliver double-digit growth in this critical KPI which reflects the robustness and strong underwriting and analytical discipline in the way our business is managed and produced.</p> <p>As at 31 Dec 2024, at a consolidated Group level Total Assets has increased by 52.9% to AED 11.8 billion compared to AED 7.7 billion as at 31st Dec 2023. Total Shareholders' Equity stood at AED 3.5 billion.</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>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. ADNIC continues to maintain and invest towards a sophisticated Enterprise Risk Management framework and market leading comprehensive Reinsurance Risk Transfer programs. We are also moving ahead with establishing a dedicated Artificial Intelligence specific data management unit to ensure continues .delivery of optimal risk reward financial returns</p>

Summary of operational performance during the financial period	<p>ADNIC has demonstrated a strong underwriting performance, reflected in net insurance service results of AED 448.9 million.</p> <p>Strong UW performance at Combined ratio at 93.1%</p> <p>Outstanding Investment book performance which demonstrated the growth at 31.9% versus prior</p> <p>Profitability surged as at 31<sup>st</sup> Dec 2024, with net profit before tax reaching AED 466.4 million – a significant 16.3% increase year-over-year. Following regulatory requirements, ADNIC has adopted the corporate income tax, resulting in a net profit after tax of AED 419.5 million.</p> <p>An increase in earnings before tax per share from AED 0.70 to AED 0.81.</p>																																
Summary of profit and loss during the financial period	<table><tr><th>AED'000</th><th>YTD Dec 2024</th><th>YTD Dec 2023</th><th>Change</th></tr><tr><td>Net insurance service result</td><td>448,990</td><td>366,608</td><td>82,382</td></tr><tr><td>Income from investment, net</td><td>272,718</td><td>206,686</td><td>66,032</td></tr><tr><td>Insurance finance income and expenses, net</td><td>(31,003)</td><td>7,672</td><td>(38,675)</td></tr><tr><td>Total income</td><td>690,705</td><td>580,966</td><td>109,739</td></tr><tr><td>Other operating expenses</td><td>(224,268)</td><td>(179,799)</td><td>(44,469)</td></tr><tr><td>Zakat and income tax expense</td><td>(46,979)</td><td>(4)</td><td></td></tr><tr><td>Profit for the period</td><td>419,458</td><td>401,163</td><td>18,295</td></tr></table>	AED'000	YTD Dec 2024	YTD Dec 2023	Change	Net insurance service result	448,990	366,608	82,382	Income from investment, net	272,718	206,686	66,032	Insurance finance income and expenses, net	(31,003)	7,672	(38,675)	Total income	690,705	580,966	109,739	Other operating expenses	(224,268)	(179,799)	(44,469)	Zakat and income tax expense	(46,979)	(4)		Profit for the period	419,458	401,163	18,295
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Summary of financial position as at the end of the financial period	<p>Total Deposits &amp; cash: AED 740.3 million</p> <p>Total Assets: AED 11.80 billion</p> <p>Total Shareholders' Equity: AED 3.52 billion</p>																																
Summary of cash flows during the financial period	<p>Net cash generated from operating activities AED 43.5 million</p> <p>Net cash used in investing and financing activities AED 720.9 million</p>																																
Main performance indicators	<table><tr><th></th><th>Dec-24</th><th>Dec-23</th><th>Change</th></tr><tr><td>Premium retention</td><td>35.5%</td><td>35.0%</td><td>0.5%</td></tr><tr><td>Net claims ratio</td><td>70.5%</td><td>67.1%</td><td>3.4%</td></tr><tr><td>Expense ratio*</td><td>22.6%</td><td>20.5%</td><td>2.1%</td></tr><tr><td>Combined ratio</td><td>93.1%</td><td>87.6%</td><td>5.5%</td></tr><tr><td>Return on equity</td><td>13.0%</td><td>14.2%</td><td>-1.2%</td></tr></table> <p>*incl. bad debt, risk adjustment and finance income (expense)</p>		Dec-24	Dec-23	Change	Premium retention	35.5%	35.0%	0.5%	Net claims ratio	70.5%	67.1%	3.4%	Expense ratio*	22.6%	20.5%	2.1%	Combined ratio	93.1%	87.6%	5.5%	Return on equity	13.0%	14.2%	-1.2%								
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Expectations for the sector and the company's role in these expectations	<p>Unprecedented rainfall in UAE in April 2024 caused major floods heavily impacted the insurance industry. The floods are reported to have caused major claims spikes in the motor, property, business interruption and travel sectors of the insurance market. The majority of the impact is transferred to reinsurance market which has caused the hardening of the reinsurance cost and changing the terms which we expect is going to continue during 01/01/25 renewal cycle.</p> <p>It is also noted that while the financial and solvency positions of the larger UAE insurers including ADNIC are generally resilient with respect to the damage of floods in April 2024, we expect that significant number of listed insurers in UAE have</p>																																

	<p>solvency levels which are close to the regulatory minimum, which might cause critical issues in the near future and some market consolidation.</p> <p>ADNIC has proven its resilience to the major events and adequacy of the reinsurance protection for major events</p>
<b>Expectations regarding the economy and its impact on the company and the sector</b>	<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.</p> <p>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.</p> <p>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.</p> <p>ADNIC will continue to support the economy development by providing the insurance support in all the areas of growth.</p>
<b>Future plans for growth and changes in operations in future periods</b>	<p>ADNIC continues to maintain and invest towards a sophisticated Enterprise Risk Management framework and market leading comprehensive Reinsurance Risk Transfer programs. We are also moving ahead with establishing a dedicated Artificial Intelligence specific data management unit to ensure continuous delivery of optimal risk reward financial returns. Continued focus on operational efficiencies particularly in high customer impact areas.</p> <p>Maintain the focus on sustainability as a key operational pillar.</p>
<b>The size and impact of current and projected capital expenditures on the company</b>	<p>Net capital expenditure for the year ended 31 December 2024 was AED 19.70 million.</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>The company's board of directors noted the progress in implementation of the company's strategy.</p>

Charalampos Mylonas  
Chief Executive Officer

Signature:



4 Feb 2025

Company's Seal:

