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FOR IMMEDIATE RELEASE

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AM Best Affirms Credit Ratings of Abu Dhabi National Takaful Company P.S.C.

LONDON, 12 December 2024—AM Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of “a-” (Excellent) of Abu Dhabi National Takaful Company P.S.C. (ADNTC) (United Arab Emirates). The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect ADNTC’s balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management.

ADNTC’s balance sheet strength is underpinned by its risk-adjusted capitalisation at the strongest level, as measured by Best’s Capital Adequacy Ratio (BCAR), on a combined policyholder and shareholder fund basis. AM Best expects BCAR scores to remain at the strongest level prospectively, underpinned by sufficient internal capital generation to support the company’s anticipated business growth. A limiting factor in the company's balance sheet strength includes ADNTC’s high dependence on reinsurance, although the associated credit risk is partially mitigated through the use of a reinsurance panel of sound financial strength.

ADNTC has a track record of strong operating performance. For 2023, the company reported a net profit after tax of AED 97 million, equivalent to a return on equity of 22.4%. ADNTC’s combined family and general takaful portfolios have together achieved strong underwriting performance over the medium term, evidenced in 2023 by a net/net combined ratio of 84.8%. Operating earnings are further enhanced by robust investment income, which in 2023 benefitted from rising interest rates in the UAE.

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The company has a niche position in the UAE insurance market as a takaful operator. ADNTC reported significant growth in revenue consecutively in 2022 and 2023 as the company implements a strategic plan, where it intends to enhance its product and geographic diversification. AM Best notes that ADNTC faces strong competition from well-established peers in its target markets, and hence its growth strategy faces execution risk.

This press release relates to Credit Ratings that have been published on AM Best’s website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best’s [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best’s Credit Ratings](#). For information on the proper use of Best’s Credit Ratings, Best’s Performance Assessments, Best’s Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best’s Ratings & Assessments](#).

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