

Press Release

Oman Insurance reports a Net Profit of AED190.5 million for 2019, one of the best in 5 years

Dubai, February 4, 2020

Oman Insurance Company posted a turnaround Net Profit of AED 190.5 million in 2019, making it one of the best performing years. This was achieved due to the forward-looking strategies defined in 2018 and with placing primary focus on customer satisfaction. Despite the challenging environment, with downward pressure on prices and, more than ever, the collection of premiums being a constant barrier, 2019 has been one of Oman Insurance's best years with a Net Profit of AED 190.5 million and Return on Equity of 11%.

While Gross Premium Written (GPW) decreased slightly to AED 3.55 billion against AED 3.70 billion in 2018, it was due to a conscious decision driven by selective underwriting and pruning of loss-making accounts in efforts to deliver sustainable profitability.

The company's Net Earned Premium increased to AED 1.64 billion compared to AED 1.57 billion, reflecting an increase of 4.3%. This level of Earned Premiums confirms our clear leading position as a primary insurer amongst listed companies in the UAE, which is in alignment with our strategy to better select risks and retain healthier risks on our balance sheet. Proactive measures also helped in enhancing underwriting profit which increased 14.7% to AED 432.0 million from AED 376.8 million in 2018.

A balanced investment strategy and fresh cashflow deployment also resulted in investment income being the highest in 2019 compared to last 5 years. On top of the business performance, Oman Insurance has consistently focused on strengthening its balance sheet and solvency. Strong emphasis on collections and credit management have further reduced net receivables by 12% to AED 587.5 million in 2019 compared to AED 669.6 million in 2018, with net receivables ratio being the lowest amongst listed companies in the UAE market. As a result of strategic actions, our solvency margin has now reached its highest level in the past years at approximately 225%+, which further strengthens our ability to meet policyholders' obligations.

The strength of Oman Insurance's balance sheet was also reflected by rating agencies. The Company has been rated 'A- Stable Outlook' by Standard & Poor's Global Rating Agencies and 'A Excellent' by AM Best. S&P Global ratings further stated that the company's liquidity position has remarkably improved to 'exceptional' from 'very strong' due to efforts made in de-risking the investment portfolio and fully paid-off bank borrowings by the first half of 2019. Also, and for the first time, the rating agency Moody's, the largest rating agency worldwide alongside S&P, has assigned an A2 Insurance Financial Strength to Oman Insurance stating that the company strengthened its operating profit over the past three years due to actions taken to improve underwriting quality, lower expenses and improve recurring investment income.

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About Oman Insurance Company

Oman Insurance Company (P.S.C.) was established in 1975 and is one of the leading insurance providers in the Middle East. Oman Insurance Company has operations across Emirates in the UAE as well as in Oman and a subsidiary in Turkey.

Oman Insurance provides a wide range of insurance solutions for individuals and enterprises in General, Medical and Life insurance. With a gross written premium of AED 3.7 billion in 2018, the UAE insurer is rated 'A' by AM Best, 'A-' by Standard & Poor's and A2 by Moody's.

Additional information about Oman Insurance Company can be found at www.tameen.ae

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