عمـــان للتاميـــن
Oman Insurance

Management Discussion and Analysis	
Date	9 February 2022
Name of the Listed Company	Oman Insurance Company P.S.C.
Example: Annual Financials, First Quarter, Second Quarter, Third Quarter, or Preliminary Annual Financials	Annual Financials
The period of the financial statements covered by the report	1st January 2021 - 31st December 2021
Overview of the main results during the financial period	**Gross Written Premium** was AED 3.54 billion in 2021 vs AED 3.59 billion prior year **Net Earned Premium** was AED 1.55 billion compared to AED 1.63 billion prior year **Net Underwriting Income** was AED 399.0 million vs to AED 440.9 million **Net Income** was AED 206.1 million vs. AED 196.5 million prior year – our highest Net Income over the past 7 years. **Total Assets** of the Company at the end of year 2021 stood at AED 7.57 billion as against AED 7.61 billion at the end of year 2020. **Total Equity** of the Company at the end of year 2021 stood at AED 2.23 billion as against AED 2.07 billion at the end of year 2020.
Securities issued during the financial period	None
Summary of the most important non-financial events and developments during the financial period	The Group has gained 'A- Positive Outlook' rating by Standard & Poor's Global Rating Agencies and 'A Excellent' by AM Best. S&P Global ratings further mentioned in its report that the company's capital adequacy is well above the 'AAA' level, and the liquidity position is 'exceptional'. This is a result of our focused efforts in de-risking the investment portfolio with a deleveraged balance sheet. Moody's, the largest rating agency worldwide alongside S&P, assigned an A2 Insurance Financial Strength to Oman Insurance. Moody's noted that this A2 rating reflects our strong market position in the Middle East and North African (MENA) region as well as the fact that Oman Insurance has strengthened its operating profit over the past three years due to actions taken to improve underwriting quality, lower expenses and improve recurring investment income. The Group has received "in principle"' approval from Lloyd's to launch Syndicate 2880 under the Syndicate-in-a-Box (SIAB) initiative. This will be the first Lloyd's Syndicate in the GCC. With less than 100 Lloyd's syndicates worldwide, OIC's SIAB initiative reflects our pedigree in the global insurance industry.
Summary of operational performance during the financial period	Gross Written Premium was almost in line with last year at AED 3.54 billion in 2021 compared to AED 3.59 billion in 2020. Life Assurance and Medical increased by 5.9% to AED 1.90 billion against AED 1.80 billion in 2020. Underwriting discipline coupled with effective claims management led to curtail the Net Incurred Claims to AED 745.5 million in 2021 against AED 776.1 million in 2020.General Insurance declined 8.5% to AED 1.63 billion against AED 1.79 billion in 2020.

شركة عمان للتأمين (ش م ع)، رأس المال المدفوع ٤٦١,٨٧٢,١٢٥ درهم إماراتي، رقم س ت ٤١٩٥٢، رقم القيد ٩ لدى المصرف المركزي لدولة الامارات العربية المتحدة بتاريخ ١٩٨٤/١٢/٢٤ رقم التسجيل الضريبي: ١٠٠٢٥٨٥٩٤٩٠٠٠٠٣
المكتب الرئيسي: ص. ب ٥٢٠٩، دبي، الإمارات العربية المتحدة. هاتف: ٧٧٧٧ ٢٣٣ ٤ ٩٧١+، فاكس: ٧٧٧٥ ٢٣٣ ٤ ٩٧١+ www.omaninsurance.ae
Oman Insurance Company (P.S.C.), Paid up Capital 461,872,125, C.R. No. 41952, Licensed by the Central Bank of the UAE, No. 9 dated 24/12/1984 TRN 100258594900003
Head Office: P.O. Box 5209, Dubai, United Arab Emirates. Tel.: +971 4 233 7777, Fax: +971 4 233 7775, www.omaninsurance.ae

Classification: OIC-Business

Summary of profit and loss during the financial period	The Company posted a Net Income of AED 206.1 million in 2021 compared to AED 196.5 million in 2020. Return on Equity was 9.6% in 2021 vs 9.9% in 2020.
Summary of financial position as at the end of the financial period	Our enhanced receivables and credit management has delivered the strongest performance by generating free cash flow in 2021 which was partially utilized by further investing into financial investments. This has led to a 3.6% increase in the Group's invested assets to AED 3.93 billion against AED 3.80 billion in 2020. Net receivables have further reduced by 4.9% to AED 545.9 million in 2021. Our net receivables ratio in 2021 is at the lowest ever at 15.4%. Group has consistently focused on strengthening its balance sheet and solvency. As a result, our solvency capital requirement before proposed dividend has now reached its highest level approximately at 275% (minimum regulatory requirement:100%) which is an increase of around 15% compared to the last year, reaffirming our extremely strong ability to meet our policyholders' obligations
Summary of cash flows during the financial period	Generated AED 70.6 million cash from operating and investing activities.
Main performance indicators	Net Loss ratio: 70.7% Net Commission Ratio: 3.6% Administrative and Other Expense Ratio: 19.5% Combined Ratio: 93.8%
Expectations for the sector and the company's role in these expectations	Claim frequency and medical service utilization are expected to reach or surpass pre-covid levels in 2022. Motor pricing is expected to re-adjust. The Company has pre-empted this trend and has slowly readjusted premiums upwards whilst ensuring par excellence customer service and sustainable financial results.
Expectations regarding the economy and its impact on the company and the sector	Resurgent economic activity with a successful launch to the Expo 2020 in the second half of 2021 has been offset by concerns related to COVID-19 variants and its impact being felt moving into 2022. With the change in working weekdays to align with international markets, The Company is well poised to capitalize on opportunities arising from our SIAB initiative. Similarly, this is also likely to benefit the rest of the insurance sector and the economy at large.
Future plans for growth and changes in operations in future periods	Continuous improvement to our technological platforms and the implementation of our digital transformation strategy. We will also be looking to increase our risk retention through selective and prudent underwriting. Expense management will always be a priority, with a focus on being leaner and more efficient by revisiting all the processes of our value chain. We will continue to be relentless on cash collection and free cash flow generation coupled with a balanced investment strategy to utilize our high solvency optimally.
The size and impact of current and projected capital expenditures on the company	With continued improvement to our technological platforms and digital transformation strategy, we expect a Net capital expenditure in 2022 of appx. ~ AED 26M compared to AED 34M in 2021.

عمــان للتاميــن
Oman Insurance

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	The Company completed the transaction for the sale of its subsidiary, ITACO Bahrain Co W.L.L, and this transaction and its financial effect are reflected in the financial statements

May God; the Almighty; guide our steps.

On behalf of the Board,

Abdul Aziz Abdulla Al Ghurair

Chairman

9 February 2022

شركة عمان للتامين (ش. م. ع)، راس المال المدفوع ٤٦١،٨٧٢،١٢٥ درهم اماراتي؛ رقم س. ت. ٤١٩٥٢، رقم القيد ٩ لدى المصرف المركزي لدولة الامارات العربية المتحدة بتاريخ ١٩٨٤/١٢/٢٤ رقم التسجيل الضريبي ١٠٠٢٥٨٥٩٤٩٠٠٠٠٣
المكتب الرئيسي: ص. ب ٥٢٠٩، دبي، الإمارات العربية المتحدة، هاتف: ٧٧٧٧ ٢٣٣ ٤ ٩٧١+، فاكس: ٧٧٧٥ ٢٣٣ ٤ ٩٧١+ www.omaninsurance.ae
Oman Insurance Company (P.S.C.), Paid up Capital 461,872,125, C.R. No. 41952, Licensed by the Central Bank of the UAE, No. 9 dated 24/12/1984 TRN 100258594900003
Head Office: P.O. Box 5209, Dubai, United Arab Emirates. Tel.: +971 4 233 7777, Fax: +971 4 233 7775, www.omaninsurance.ae