<u>Report of the Board of Directors</u>

Dear Shareholders,

We have the pleasure in presenting you the financial results of Oman Insurance Company (P.S.C.) "**Sukoon**" for the six month period ended 30 June 2023.

We continue to be entrusted by our customers and valued partners, and this is reflected in 8% growth in gross written premiums with Insurance revenue growing by 21% reaching to AED 2.19 billion. Positive results have been further supplemented by 25% growth in the net investment income reaching at AED 89 million. Having said that, the consequences of sharp increases in inflation will drive up the claims cost which will be felt across most lines of the insurance industry. Net profit has reached AED 121.6 million in six month ended 30 June 2023. These results are underpinned by sustained growth momentum across all business segments whilst ensuring prudent underwriting, cost discipline, a balanced investment portfolio and solid delivery of best-in-class customer experience. The Company continues to maintain exceptional capital and solvency position.

We are excited to inform you that we have successfully completed the acquisition of 93.04% of Arabian Scandinavian Insurance Company P.S.C. (ASCANA). This acquisition is in line with our strategy to diversify our sources of business and strengthen our ability to meet a wider range of customer needs with Shariah-compliant products, further reinforcing our position as an insurer of choice in the UAE.

Additionally, Sukoon has established its Life and Workplace Solutions company in DIFC (Oman Insurance Workplace Savings Solution Limited) and received license from DFSA for the same. This new subsidiary will focus on developing and building our pension business which we anticipate as having tremendous potential in the upcoming years.

The outlook for the rest of the year remains positive yet cautious, with the UAE economy not immune to global macro-economic headwinds arising from inflation which the insurance market needs to reflect in its product pricing. We will continue building on our strengths and remain committed to delivering on our strategy of sustainable profitable growth.

We would like to put on record our sincere appreciation and gratitude towards all stakeholders of Sukoon. We continue to draw inspiration and guidance from our valued customers and partners whose trust and confidence helps us to continue the journey untiringly. We would like to thank our management and staff of the Group for their sincere and dedicated contribution to the successful growth of the Group.

May God; the Almighty; guide our steps.

On behalf of the Board,

Abdul Aziz Abdulla Al Ghurair
Chairman
25 July 2023