Management Discussion and Analysis	
Date	31 January 2024
Name of the Listed Company	Oman Insurance Company PSC ("Sukoon") ("The Group")
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 2023 - 31st December 2023
Overview of the main results during the financial period	**Insurance revenue** - AED 4.64 billion in 2023 vs AED 3.88 billion in 2022 **Insurance service result** - AED 201 million in 2023 vs to AED 252 million in 2022 **Net investment income** - AED 190 million in 2023 vs AED 126 million in 2022 **Total Assets** as at 31-Dec-2023 - AED 8.83 billion vs AED 7.61 billion as at 31-Dec-2022 **Total Equity** as at 31-Dec-2023 - AED 2.77 billion vs AED 2.55 billion as at 31-Dec-2022
Securities issued during the financial period	None
Summary of the most important non-financial events and developments during the financial period	The Group has acquired a majority shareholding (93.04%) in Arabian Scandinavian Insurance Company - Takaful - ASCANA Insurance, and rebranded it to Sukoon Takaful. The Group has also signed a deal with Chubb Tempest Life Reinsurance Ltd, to acquire their UAE life portfolio, subject to regulatory approvals. The Group has received the DFSA license to operate its DIFC based subsidiary to administer and manage the End of Service Benefits Gratuity and Workplace Savings.
Summary of operational performance during the financial period	Insurance revenue grew by 20% to reach AED 4.64 billion in 2023 compared to AED 3.88 billion in 2022. Insurance service expenses reached AED 3.71 billion in 2023 compared to AED 2.82 billion in 2022. Insurance service result before reinsurance contracts held reached AED 0.93 billion compared to AED 1.05 billion in 2022. Net expense from reinsurance contracts held reached AED 733.8 million compared to AED 800.5 million in 2022.
Summary of profit and loss during the financial period	Net profit for the year: AED 257.4 million
Summary of financial position as at the end of the financial period	Total assets of the Group stands at AED 8.83 billion as at 31-Dec-2023 The Group continues to maintain a very strong balance sheet, exceptional capital and solvency. As at 31-Dec-2023, our solvency ratio based on Solvency Capital Requirement before proposed dividend stands at 272.2%, reaffirming our extremely strong ability to meet our policyholders' obligations.

Summary of cash flows during the financial period	Net cash generated from operating activities: AED 272.5 million Net cash used in investment activities: AED 331.9 million Net cash used in financing activities: AED 14.2 million Cash and cash equivalents at the end of the year: AED 161.5 million
Main performance indicators	Retention ratio: 42.2% Combined ratio: 95.7% Return on shareholders' equity: 9.7%
Expectations for the sector and the company's role in these expectations	Motor & Medical product pricing is expected to increase. The Company has pre-empted this trend whilst ensuring par excellence customer service and sustainable financial results.
Expectations regarding the economy and its impact on the company and the sector	In 2024, corporate tax regime will be implemented, which is expected to cement UAE's position as a leading global hub for business and investment and accelerate the UAE's development and transformation to achieve its strategic objectives. Inflationary risks are expected to persist coupled with a high interest rate environment. Cost discipline and effective claims managements are core objectives for the Company.
Future plans for growth and changes in operations in future periods	None
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 2024 of AED 23 million.
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	None

May God; the Almighty; guide our steps.

On behalf of the Board,

Badr Abdulla Ahmad Al Ghurair

Chairman

31 January 2024