Report of the Board of Directors

Dear Shareholders,

We have the pleasure in presenting you the financial results of Oman Insurance Company (P.S.C.) "**Sukoon**" for the quarter ended 31 March 2023.

GCC region has shown resilience to challenging global macroeconomic conditions as buoyant oil prices contribute to continued fiscal surplus across the region. This does provide growth opportunities in the insurance sector. Having said that, the market continues to witness intense competition coupled with inflationary pressures whilst the claims frequency is back to normal.

Sukoon has reported insurance revenue amounting to AED 1.06 billion with net profit reaching AED 68.2 million in three months ended 31 March 2023. The Company's maintains exceptional capital and solvency position. These results are underpinned by sustained growth momentum across all business segments whilst ensuring underwriting and cost discipline with solid delivery of best-in-class customer experience. Sukoon's balanced investment portfolio has produced 30% growth in the net investment income inspite of the volatility in the global financial markets.

In accordance with the guidelines of Central Bank of the UAE (CBUAE) and International Accounting Standards Board (IASB), Sukoon with effect from 1st January 2023 has successfully implemented IFRS 17 for its consolidated financial statements. The accounting standard is poised to improve the visibility and predictability of profits in insurance companies and produce better comparability of results across the industry. We are pleased to inform you that Sukoon's fundamental operating business, financial strength, liquidity and claims settlement is expected to remain unchanged. Furthermore, our capital position remains outstanding with strong solvency position and no impact in dividend payout ability.

The outlook for FY 2023 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 company for their sincere and dedicated contribution to the successful growth of the Company.

May God; the Almighty; guide our steps.

On behalf of the Board,

Abdul Aziz Abdulla Al Ghurair
Chairman
10 May 2023