

Company's Report

Dear Shareholders,

On behalf of the Board of Directors of Oman United Insurance Company SAOG, I have the pleasure to present to you the Un-Audited Financial Statements of the company for the Three months' period ended on 31 March 2023.

Operation Performance Highlights:

Particulars	31 st March 2023	31 st March 2022	Change%
Gross Written Premium	10,313,828	10,695,168	-3.6
Gross Underwriting Results	669,252	1,361,007	-50.8
Realized Investment and other income	1,243,906	1,036,182	+20.0
Net Profit for the period (after tax)	842,664	1,097,041	-23.2

Gross Written Premium and Underwriting Results:

The gross premium income of all insurance lines of business amounted to R.O 10.3 Million compared to R.O 10.7 Million in the same corresponding period of the year 2022 depicting a decrease of (3.6%). This reduction was mainly due to non-renewal of certain project policies. The increased motor losses with increased frequency and severity has impacted the underwriting margins. The increased competition continues to keep the price under pressure. The gross underwriting profit of all lines of business amounted to R.O 669K compared to underwriting profits of R.O 1.3 Million in the corresponding period of last year depicting a decrease of (50.8%).

As a result of our focus on the quality of business, certain measures would be implemented to continue the selective underwriting policy adopted by the management thereof.

Investment and other income Results:

We expect Muscat Stock Exchange to perform well resulting in increased investment opportunities. We will accordingly realign our investment portfolio, swapping from fixed income instruments to equity investments in a phased manner in line with the Regulations of the Investment of the Assets of Insurance Companies.

The company achieved a total realized investment income of R.O 1.2 Million, compared to R.O 1.0 Million in the corresponding period last year depicting an increase of 20%. The net investment income after adjusting for unrealized investment losses amounted to R.O 1.5 Million compared to R.O 1.1 Million for the same period last year i.e. an increase of 38%.

Net profit:

The company's net profit after tax amounted to R.O 842K as against net profit after tax of R.O. 1.1 Million in the corresponding period of last year, depicting a decrease of (23.2%), accordingly the earnings per share amounted to 8 Bzs against 11 Bzs in the corresponding period of last year.

Business risks:

Honorable shareholders: As you know, insurance business is exposed to natural calamities which are likely to influence the reinsurance costs. Additionally, the performance of the investment portfolio is very much influenced by the prevailing economic and political conditions.

However, the management has been exerting its utmost efforts by adopting a conservative risk management mechanism that mitigates the effects of the risks related to the activity.

Changes in the Legislative and Regulatory reporting:

IFRS 9 & IFRS 17 for the insurance industry are under implementation effective from 1st January 2023. These changes entail intensive actuarial reserving methodology and reporting standards.

Acknowledgement:

On behalf of the Board, I would like to thank the shareholders, our loyal customers, reinsurers and employees. Our sincere thanks and appreciation also extended to Capital Market Authority for their tremendous support in regulating and developing the local insurance sector and for their assistance, which has led to the smooth functioning of operations.

Finally, our sincere thanks and gratitude to His Majesty Sultan Haitham Bin Tariq. We all pray to Almighty Allah to shower His Majesty with blessings, keep him in good health and give him long life. Our sincere thanks and appreciation extended to His Majesty's rational government and we wish to the Omani people always Progress and prosperity.

Thank You and Kindest Regards

Salim Bin Nassir Al Busaidi

Chairman

April 2023