



Management Discussion & Analysis

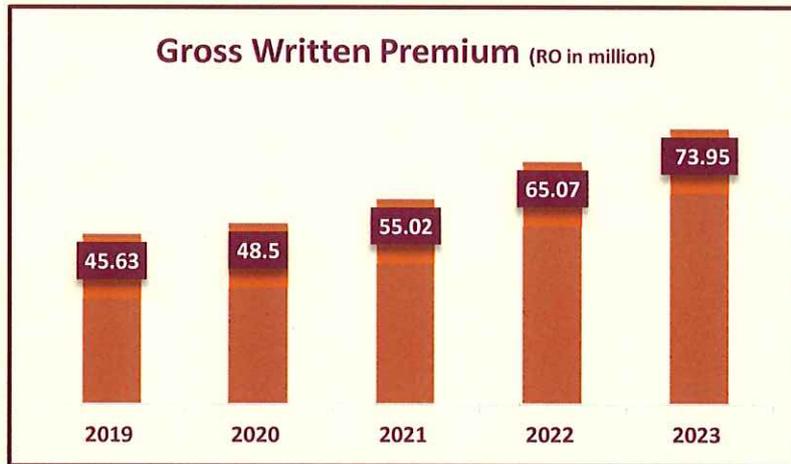
The Management discussion report presented below is a summary on the FY 2023 performance and is in line with the financial statements of the year under review.

The Company has successfully implemented the new International Financial Reporting Standard IFRS 17 and the Financial Statement for the year ended 31st December 2023 are prepared based IFRS 17. The Company has restated specific comparative figures for the previous year in accordance with the new standard.

Operating Performance

The year 2023 continued to witness challenging environment due to stiff competition in the Insurance Market.

We continued our efforts to improve the portfolio balance and prudent underwriting for all lines of business including motor based on statistical and actuarial analysis. The Company ended the year with gross written premium of RO 73.95 million against RO 65.07 million last year, representing a growth of 13.6% year on year.



The Company has a market share of 13 % based on GWP as at 31st December 2023, ranking it the second largest insurer in the Sultanate of Oman.

Insurance Revenue of the Company was RO 70.37 million against RO 64.23 million for the previous year which represents year on year growth of 9.6%



Actuarial Assessment of Insurance Liabilities

The Company continues to get the Insurance Liabilities recommended by an independent actuarial firm and maintain reserves.

Investment Income

The Company reported an investment income of RO 7.91 million for the year ended 31st December 2023 as against a RO 3.78 million in the same period last year.

Financial Highlights (Figures in million OMR)

Particulars	31 st December 2023	31 st December 2022	Change %
Insurance Revenue	70.37	64.23	9.6%
Insurance Service Results	1.40	1.21	15.7%
Net Insurance and Investment Results	8.53	5.32	51.8%
Profit after tax	6.16	3.89	58.4%

The sound underwriting policy of the Company helped to post Insurance Service Results of RO 1.4 million against previous year of RO 1.21 million, which represents 15.7% growth

The Company has achieved Profit after Tax of RO 6.16 million in 2023 as compared to profit of RO 3.89 million in 2022.

SWOT Analysis**Strengths**

- **Brand strength and reputation in the market** – The Company has a strong market presence and reach in majority of the Wilayats in the Sultanate.
- **Claims customer service** – The Company has focus on customer centricity to ensure that policyholders receive claim payments in timely manner.
- **Strong relationship with reinsurers** – The Company has a long standing relationship with global reinsurers.
- **Strong Management team** – The Board has actively supported the Management team in various endeavors . Highly qualified personnel in senior management positions are steering the company in key functions such as sales & marketing, internal audit, accounts, credit control, Reinsurance, underwriting and claims management.

Weakness

Rebalancing of Portfolio – The Company is conscious of risks of high contribution from single line of business. The Management has identified new product lines that it intends to develop and launch during the course of the next financial year to diversify the portfolio mix.

Opportunities

- **Maximising the potential of branch network**-The Company has the largest branch network in the country and our reach to the customer is available at the smallest of towns of the Sultanate of Oman. The team is motivated to provide highest standards of the service to the customers at their door steps and harness the true potential of our reach.
- **Digitizing of Customer Service** –Digital customer service facilities are being implemented which will allow customers to have a better experience.
- **Medical Insurance** -- Medical insurance is underpenetrated and there is a substantial potential to make this socially relevant product accessible to the general public.

Threats

- **Uncertain Geopolitical conditions in the world**
- **Sustained economic pressures and low oil prices** – Low oil prices and unforeseen events like Corona virus outbreak may result in adversely impacting growth opportunities.
- **Excess capacity** – With over 20 companies vying for market share in a somewhat saturated market, especially motor, margin compression will continue to have an adverse impact on the Company's largest product line.

Human Resources

The most critical of our priorities is to protect and retain all that is good at the workplace and build on a foundation of meritocracy. The Management has initiated a number of steps to impart training to the employees. The Omanisation rate as on 31st December 2023 was 85%

Future Outlook

Oman's economy is expected to grow by 3% per cent in 2024 as compared to estimated 2.3 per cent growth in 2023. This growth is mainly attributed to an increase in the value-added of non-oil activities, according to the estimates released by the Ministry of Finance

Economic and geopolitical challenges may adversely affect energy prices and supply chains, leading to high inflation rates and growing global debt risks.

We are implementing business plans with focus on Digitalization and Process reengineering which will improve the customer experience. This would transform the company as the Insurer of Choice for all Stakeholders.

We would like to extend our sincere best wishes to His Majesty Sultan Haitham Bin Tarik, and we pledge our constant support and commitment for the economic development of the Sultanate under his leadership.

We thank our Customers, the Capital Market Authority, Shareholders and Board of Directors for the continued support and guidance to the Company as well as the unstinted hard work of all the employees. A sincere thanks and gratitude to them all.



Sunil Kohli
Chief Executive Officer

