

**BOARD OF DIRECTORS REPORT**  
**ON THE UN-AUDITED INTERIM FINANCIALS RESULTS**  
**FOR THE THREE MONTHS ENDED 31<sup>st</sup> March 2019**

Dear Shareholders,

After Compliments,

I am pleased to present on behalf of the Board of Directors of Muscat Insurance Company SAOG, the un-audited interim financial results for the three months ended 31<sup>st</sup> March 2019.

**Business Results**

The Gross Premiums decreased 1.6% to OMR 8.148 Million from OMR 8.277 Million in 2018.

On the General insurance side, the gross written premium was OMR 7.027 Million as compared to OMR 7.680 Million for the same period last year, because of the fierce competition in the market. On the Life & Medical insurance side gross written premium was OMR 1.121 Million as compared to OMR 597K for the same period last year.

Our underwriting results declined by 13% to OMR 938K from OMR 1.079 Million for the same period last year.

The company has put in place the infrastructure in terms of the qualitative manpower and facilities in terms of branch expansion for the profitable growth and this will continue during the remaining period with our focus on profitability and provision of the best insurance products. Accordingly, General and Administrative Expenses are at OMR 741K compared to OMR 702K for the same period in 2018, increase of 5%.

**Investments**

Investment income for the period increased by 581% from loss of OMR 96K to profit of OMR 463K. This is mainly due to the unrealized gain on local equity. Realized investment income increased by 12% from OMR 419K to OMR 467K while unrealized loss was OMR 4K against loss of OMR 515K for the same period in 2018.

**Building construction project**

The Board of Directors is pleased to inform the Company's shareholders that the Company's investment property project is completed and the company will be carried out its activity from the new headquarters by the end of April 2019.

**Corporate Governance**

The Company continues to implement the code of Corporate Governance as required by the Laws and Regulations of the Capital Market Authority and other regulatory authorities. The Company maintains a high standard of



compliance and best practice as required by the Code of Corporate Governance and the Company's Corporate Governance policies.

### **Human Resources**

The company adopts the encouragement of national cadres and sustains its survival in all areas of the company's activities. The company provides internal training to meet the needs of Omani employees, motivate and increase the participation of employees in various activities at the head office and branch network. The Board of Directors is keen to encourage the national cadres. I am honoured to inform the shareholders that the Omanization rate in 22 branches of the company is 100%..

### **Internal Control Systems**

The Company, through its Audit Committee reviews the adequacy, effectiveness and compliances of the internal control procedures. Further, internal auditors and external auditors submit their reports with their observations and recommendations for enhancement of the existing internal control systems. Management reviews those recommendations and takes all necessary steps for continuous improvement.

### **Acknowledgement**

The Board of Directors conveys its thanks to our Customers, Reinsurers, Bankers and Shareholders for their continued and ongoing support.

The Board of Directors especially appreciates the continued support and determined efforts made by the Management and Staff of the Company.

On behalf of the Board, I would like to take this opportunity to express our most humble gratitude and loyalty to His Majesty Sultan Qaboos bin Said for the continued peace and stability, which His Majesty's reign has brought us. We also wish His Majesty the strength and good health to allow him to continue to lead us on an enlightened path to future prosperity and development for Oman and its people.

For and on behalf of the Board of Directors,



Aimen Bin Ahmed Al Hosni  
Chairman

