

BOARD OF DIRECTORS REPORT
ON THE UN-AUDITED FINANCIALS RESULTS
FOR THE THREE MONTHS ENDED 31st MARCH 2020

Dear Shareholders,

After Compliments,

I am pleased to present on behalf of the Board of Directors of Muscat Insurance Company SAOG, the un-audited financial results for the three months ended 31st March 2020.

Business Results

MIC is facing an exceptional situation as well as the whole world is in a dilemma of the spread of the pandemic of Coronavirus (COVID - 19) the Board of Directors has instructed management and the staff to adhere with Supreme Committee and change the business plan in line with the efforts made to limit the developments resulting from the spread of the pandemic of Coronavirus (COVID- 19).

The Gross Premiums decreased by 5% to OMR 7.720 Million from OMR 8.148 Million in 2019.

On the General insurance side, the gross written premium was OMR 6.609 Million as compared to OMR 7.027 Million for the same period last year. As result of the efforts made to limit the developments resulting from the spread of the pandemic of Coronavirus (COVID- 19).

On the Life & Medical insurance side gross written premium was OMR 1.110 Million as compared to OMR 1.121 Million for the same period last year.

Our underwriting results decreased to OMR295K from OMR 938K 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 new products 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 811K compared to OMR741K for the same period in 2019, increase of 10%.

Investments

Investment income for the period decreased by 74% from OMR 463K to OMR 122K this is mainly due to unrealized losses on local equity. Realized investment income increased by 34% from OMR 467K to OMR 627K while unrealized loss was OMR 505K against loss of OMR 4K for the same period in 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 21 branches of the company is 100%. This is in addition to the company's commitment to work together with the Capital Market Authority and the Ministry of Manpower to contain the proposed number of job seekers in accordance with the directives of the Council of Ministers.

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 Haitham bin Tariq bin Taimour Al Said vision and support for private enterprise in the Sultanate of Oman and pray to the Almighty to shower His everlasting blessing on His Majesty for his good health and long life 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