

**BOARD OF DIRECTORS REPORT**  
**ON THE UN-AUDITED FINANCIAL RESULTS**  
**FOR THE THIRD QUARTER ENDED 30<sup>th</sup> SEPTEMBER 2021**

**Dear Shareholders,**

**After Compliments,**

I am pleased to present on behalf of the Board of Directors of Muscat Insurance Company (SAOG) Interim Report on the Company's activities and the un-audited financial statements for the nine months ended 30<sup>th</sup> September 2021.

**General Overview of the Business Environment:**

The overall business environment for 2021 in the Sultanate has been impacted by the global pandemic, with the Insurance Industry continuing to grow on back of Non-motor and health insurance, though market conditions remained highly competitive. MIC like its marketplace competitors 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 advised management and the staff to adhere with Supreme Committee decisions. Vaccines have been given to all employees of the company to ensure protection from infection and to ensure the business of the company is not disrupted. Our operational resilience has been strong with the safety and health of our staff and customers as primary concern as well as continuation of essential customer services made available.

The investment sector remained bearish on the back of COVID -19 and continuing closure of many sectors. Despite the slight improvement in the oil sector which reflected into the performance of both the local & global markets. Pursuant to the prospectus, the oil prices are expected to recover comparatively during 2021. This matter encourages the focus on the profitable sectors.

The Gross Premiums decreased by 22% to OMR 11.677 Million from OMR 15.061 Million in 2020.

On the General insurance side, the gross written premium was OMR 9.311 Million as compared to OMR 11.330 Million for the same period last year primarily as a result of lower volumes in Motor premiums written by 27.55% comparatively due to a highly competitive market impacted by the spread of the pandemic of Coronavirus (COVID- 19).

On the Life & Medical insurance side gross written premium was OMR 2.367 Million as compared to OMR 3.732 Million for the same period last year.

*Our underwriting results decreased to OMR 1.556 Million from OMR 1.899 Million for the same period last year, a decrease of 18%.*

The company has put in place the infrastructure in terms of the diversify the business portfolio 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, Although General and Administrative Expenses increased by 3% to OMR 2.022 Million compared to OMR 1.966 Million for the same period in 2020, Overheads are under control and the increase is mainly due to provisions.

### **Investments**

Investment income for the period increased by 167% from OMR 387k to OMR 1.036 Million, this huge variance is mainly due to unrealized losses on local equity in the previous period. Realized investment income decreased by 27% from OMR 1.161 Million to OMR 845k, while unrealized gains increased from a loss of OMR 773K to gains of OMR 191K compared to the same period in 2020.

### **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 19 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 implement the guidelines of Omanization in Insurance Sector.

### **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,

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Ranjit Singh  
Chairman