BOARD OF DIRECTORS REPORT
ON THE UN-AUDITED FINANCIAL RESULTS
FOR THE SECOND QUARTER ENDED 30th June 2023

Dear Shareholders,

On behalf of the Board of Directors of Muscat Insurance Company (SAOG), I have the pleasure to present to you the Un-Audited Financial Statements of the company for the Six months period ended on 30th June 2023.

Overview of the Company

The overall businesss environment for the year 2023 in the Sultanate has remained stable with the insurance industry. The positive impact for upgrading the credit rating from International agency to Sutlanate of Oman gave positive impact to all sectors. Our operational resilience has been strong based on the reinsurance support and strong client base.

The investment sector was bullish towards the period on the back of increase in the Oil sector which had positive impact in local market.

Business Results

In comparison to Q2/2022, the gross written premium increased from OMR 10.110m to OMR 13.810m demonstrating an exemplary growth of 37%. In the General Division, we had an excellent portfolio mix with 76% non-motor and 24% motor. This was achieved despite severe pricing competition.

Despite the commendable growth recorded over RO.3.6M, the company made a loss of RO.367K due to heavy motor and medical losses. The company has put in place quality manpower and facilities infrastructure in terms of customer service support. We are addressing the issues and we would return with a sustainable proposition.

The company is considering the best insurance solutions in the days to come to grow digitally both in retail and in corporate.

Corporate Governance

The Company continues to implement the Code of Corporate Governance as required by the laws and regulations of its regulatory authorities and maintains a high standard of compliance and best practices under its applied policies.

Human Resources

The company promotes national cadres and supports their career development in all areas of the company's activities. Muscat Insurance provides internal and external training to meet the needs of Omani employees, motivate them and increase their participation in various activities at headquarters and in the branch network. The Board of Directors is committed to developing national cadres.

On behalf of the Board, I am honored to inform the shareholders that the Omanization rate in the Company's branch network is 100%. The Company continues to work closely with the Capital Market Authority and the Ministry of Manpower - in the mutual spirit of progress.

Internal Control System

The Company reviews the adequacy, effectiveness, and compliance of internal control procedures through its Audit Committee. In addition, the internal and external auditors submit their reports with their observations and recommendations for improving the existing internal control system. Management reviews these recommendations and takes all necessary steps for continuous improvement.

Acknowledgement

The Board of Directors thank management, our clients, reinsurers, and shareholders for their continued and ongoing support. The Board of Directors particularly appreciates the continued support and determined efforts of the Company's leadership and staff. On behalf of the Board of Directors, I would like to take this opportunity to express our humble gratitude and loyalty to His Majesty Sultan Haitham bin Tariq bin Taimur Al Said for his vision and support of the private sector in the Sultanate of Oman, and to pray to the Almighty to shower His Majesty with His everlasting blessings for good health and long life, so that he may 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,

Mohammed Amer Satour Al Metwally

Chairman