

**BOARD OF DIRECTORS REPORT ON THE UN-AUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 30<sup>th</sup> SEPTEMBER 2025**

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 nine months period ended on 30 September 2025.

**General Overview of the Business Environment & Outlook:**

The insurance sector has maintained its stability, supported by continuous growth in the insurance industry, despite the highly competitive market environment. Our tools have been distinguished by strong operational flexibility and consistent reinsurance arrangements, in addition to maintaining high standards of excellent customer service.

The Company has shown committed measure and reinvigorated its technical strength, in writing only adequate mix of quality business to assist in consistent delivery of results.

**Business Results**

As per IFRS 17 standards, the Insurance Revenue decreased by 16% to OMR 13.396 M in comparison to Q3 2024 OMR 15.975M .We achieved the envisaged portfolio mix of with 58% non-motor ,26% motor and balance Life & Medical. This was achieved consciously by refocusing on profitable portfolio, albeit severe pricing competition. The non-motor growth is supported by Direct corporate, broker business.

As a result of several positive initiatives taken in last three quarters such as focusing on profitable business mix, effective monitoring of Motor book of business, managing claims effectively, investing in right resources, the Company could regain to generating profits in Quarter 3 2025 by RO 744K compared to RO 68K during previous year.

The Company is embarking to review the best and most cost-effective insurance solutions available that would supplement the growth objectives and also stand in good stand amongst its competitors in the age of digital world.

**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.

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**Human Resources**

The Company is committed to recognising national cadres in successful achievement of their individual career goals Muscat Insurance arrange consistently internal and external training on a continuous basis to enhance the skill levels of Omani employees and motivate them to be confident citizens of future in leadership roles The Board of Directors is committed to developing the talent of national cadres by providing adequate level of coaching and mentoring as required, at periodic intervals.

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 Financial Services 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 consistently takes all necessary steps for continuous improvement.

**Acknowledgement**

The Board of Directors thanks 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,