

DIRECTORS’ REPORT

For the period ended 30th September 2025

Dear Shareholders,

On behalf of the Board of Directors of Oman Qatar Insurance Company S.A.O.G. (“OQIC” the company), I am pleased to present the company’s unaudited Financial Statements for nine-month period ended on 30th September 2025 prepared in accordance with IFRS 17 accounting standards. The company achieved a Profit after Tax of RO 3.18 million, compared to RO 1.87 million in the corresponding period of Q3-2024. This substantial profit growth was achieved through strong investment portfolio results in 2025 coupled with persistent underwriting performance.

Business Environment

The Global economy is gradually adjusting to a landscape reshaped by new policy measures and extreme tariff scenario, which subsequently softened, thanks to further deals and resets. Consequent to this scenario, International monetary fund (IMF) has projected global economic growth to slow down from 3.3% in 2024 to 3.2% in 2025 and 3.1% for 2026 (IMF report of October 2025). Inflation is projected to slow down globally.

Economic growth in GCC region is expected to increase in the medium-term to 3.5% in 2025 and 4.50% in 2026 against estimated growth of 1.8% in 2024, which is likely to be driven by the robust expansion of non-oil sectors. However, global trade uncertainty presents significant challenge to this growth projection. To mitigate these risks, GCC countries need to accelerate economic diversification reforms and strengthen regional trade.

Oman’s economic outlook remains favorable, with GDP expanded by 2.4% in first half of 2025, driven by strong non-oil activity and surge in natural gas output. Inflation also remains low during the period.

Moody’s upgraded Oman’s Long term issuer rating to Baa3 from Ba1 and changed the outlook to stable from positive. Other rating agency S&P has also affirmed the Sultanate of Oman’s long-term sovereign credit rating at ‘BBB-’ with a Stable Outlook. These upgrades are driven by lower public debt, improved spending efficiency, budget surpluses, and a stronger financial position.

Company Performance

The Omani insurance market continued to experience intense competition among 16 peers as per FSA report in 2025. The increase in the loss ratio across non-life business segments was primarily driven by unsustainable price competition and a significant rise in motor and medical claims. These challenges have adversely impacted on the underwriting income of insurers.

Amidst this competitive and price-sensitive environment, Oman Qatar Insurance Company successfully maintained a strong market presence, underpinned by a performance-driven approach and constantly addressing ever-evolving customer needs.

The Company recorded Gross Written Premium (GWP) of RO 63.06 million in Q3-2025, same as compared to RO 63.79 million in Q3-2024. The Company continued to occupy third position in terms of GWP market share in Oman, based on gross written premium figures published by the Financial Services Authority (FSA) for Q3-2025. Insurance revenue declined by 5% to RO 48.54 million, from RO 51.12 million in Q3-2024. Insurance revenue under medical segment grown by 9.7% , whereas Life segment contracted by 24.5% during the period. The Property & Casualty lines contracted by 13% due to steep competition among peers and softer insurance rates in the market resulting in lower premium realization. Personal lines also contracted by 5% mainly due to timing variation of premium earnings during the period compared to previous year. Overall contraction in Insurance revenue was due to selective non-renewal of accounts where pricing pressure compromised profitability, in line with the Company’s disciplined underwriting strategy.

The Company reported net insurance finance results of RO 526K for Q3-2025, compared to RO 1,090 K in Q3-2024. This decline is primarily attributed to prudent reserve strengthening within the medical portfolio and a higher risk adjustment factor driven by revised actuarial assumptions in 2025. In response, OQIC has implemented targeted initiatives to improve portfolio profitability, including the introduction of stricter underwriting guidelines and reinforced claims management protocols.

Net investment and other income rose sharply to RO 4.24 million in Q3-2025, representing 84% increase from RO 2.30 million in Q3-2024. This strong performance was driven by improved yields on fixed income instruments and robust returns from the Company’s equity and mutual fund investments across the GCC region. GCC S&P index surged by 3.8% during the year and MSX performed exceptionally well in Q3-2025 with overall increase of index by 13.2% in 2025. Consequently, profit after tax surged to RO 3.18 million, reflecting a 69% year-on-year increase from RO 1.87 million. This notable growth was primarily attributed to the exceptional performance of the Company’s equity investment portfolio during the up to September 2025.

Shareholders Returns

Positive results achieved by the company have generated attractive returns for investors. Net Asset Value (NAV) per share as on 30th September 2025 was 253 Baizas on 161,218,570 equity shares. Market capitalization stood at RO 28.20 million as of 30th September 2025.

Appreciation

On behalf of the Board of Directors, I thank Ministry of Commerce, Industry and Investment Promotion and the Financial Services Authority for their continued guidance and support. We also affirm our gratitude to our clients and partners for their trust in us, to our shareholders for their strong confidence, and to the company management and staff for their continued efforts.

We would like to extend our sincere best wishes to His Majesty Sultan Haitham Bin Tarik, and we pledge our constant support and commitment for the economic development of the Sultanate for achieving the strategic directions and goals of Oman Vision 2040. We pray to the almighty Allah to protect His Majesty and help Oman continue its progress and transformation under His Majesty’s wise leadership.

Salem Khalaf Al-Mannai

Chairman