

DIRECTORS' REPORT

For the period ended 31st March 2026

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 three-month period ended on 31st March 2026 prepared in accordance with IFRS 17 accounting standards. The company achieved 311% increase in Profit after Tax of RO 3.21 million, compared to RO 0.78 million in the corresponding period of Q1-2025. This substantial profit growth was achieved through strong investment portfolio results in 2026 coupled with persistent underwriting performance.

Business Environment

The global economy has entered materially more challenging phase than envisaged at the beginning of the year. Following the outbreak of conflict in middle east in late February 2026, the International monetary fund (IMF), in its April 2026 world economic outlook report has revised the global GDP growth down to 3.1% and lifted its global headline inflation projection to 4.4%, driven by higher energy price and food prices amidst supply chain challenges.

The GCC economics now faces a turbulent year driven by geopolitical situation. IMF now projects MENA region growth of just 1.1% in 2026, reflecting lower oil production and the broader knock-on effect of the conflict.

Oman’s economic outlook remains favorable, with IMF indication of GDP growth of 3.5%, down by 0.5% from previous estimate due to global market volatility. This growth is supported by strong non-oil activity and surge in natural gas output. S&P affirmed BBB-/A3 long- and short-term rating of Oman in March 2026 and maintained the Stable Outlook. These indicators underscore the continued ability of the Omani economy to adapt to global fluctuations, supported by a package of economic and fiscal reforms, thereby enhancing growth sustainability and maintaining economic stability over the medium term.

The Omani insurance market continued to witness intense competition among 16 players, with total market premiums increasing by 3.93% to RO 185.08 million in Q1 2026, compared to RO 178.69 million in Q1 2025, as per the FSA report (March 2026). Within this landscape, Oman Qatar Insurance Company maintained its strong market positioning, ranking third in terms of Gross Written Premium (GWP) with a market share of 14% as of March 2026. Despite the highly competitive and price-sensitive environment, the Company sustained its market presence through a performance-driven strategy and continuous alignment with evolving customer needs.

The medical insurance segment has experienced elevated loss ratios, primarily driven by prior aggressive pricing practices and a significant increase in claims. However, the market is currently undergoing a pricing correction, with insurers progressively adjusting premiums to more sustainable levels. The positive impact of these corrective measures is expected to materialize over the coming periods, contributing to an improvement in the currently elevated loss ratios.

During Q1 2026, the Company reported GWP of RO 26.19 million, representing a decrease of 6% compared to RO 27.62 million in Q1 2025. However, insurance revenue increased by 6% to RO 15.93 million, up from RO 15.10 million in the corresponding period last year, reflecting improved revenue recognition and portfolio mix. The medical segment delivered strong growth of 13.9%, while the life segment contracted by 24.6%. Personal lines showed a positive trend with growth of 14.9%. In contrast, the Property and Casualty (P&C) segment declined by 8.5%, mainly due to intense competition and softening premium rates, resulting in lower premium realization.

The Company reported an insurance service loss of RO 490K in Q1 2026, compared to a loss of RO 100K in Q1 2025. This decline was primarily driven by prudent reserve strengthening within the medical and motor portfolios, coupled with a higher risk adjustment factor arising from revised actuarial assumptions implemented in 2026. In response to these challenges, OQIC has undertaken targeted measures to enhance portfolio profitability, including the implementation of stricter underwriting discipline, correction in medical

premium pricing and strengthened claims management processes.

Net investment and other income increased significantly to RO 4.59 million in Q1 2026, representing a 291% increase from RO 1.18 million in Q1 2025. This exceptional performance was driven by strong returns from the Company’s equity portfolio, particularly benefiting from the robust performance of the Muscat Stock Exchange, which recorded an increase of 39% during the period. The Oman market remained relatively insulated from regional geopolitical developments. In comparison, the GCC S&P Index increased modestly by 1.2%, supported mainly by Saudi Arabia’s performance (up 7.2%), while other GCC markets recorded weaker or negative returns.

As a result of the strong investment performance, profit after tax increased substantially to RO 3.21 million, reflecting a 311% year-on-year growth from RO 0.78 million in Q1 2025. It is noteworthy that the Company recognized a Pillar II tax provision of RO 482K during the period, compared to nil in Q1 2025, following the implementation of the global minimum tax framework.

Shareholders Returns

The Company’s strong financial performance during the period translated into attractive returns for shareholders. Net Asset Value (NAV) per share increased to 264 Baizas as at 31 March 2026, based on 161,218,570 issued equity shares, reflecting continued growth in shareholders’ equity. The Company’s market capitalization stood at RO 30.15 million, underscoring sustained investor confidence and the Company’s solid market positioning.

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