

## Chairman's Report – March 2019

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION as at 31 March 2019

## INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME For the period ended 31 March 2019

Dear Shareholders,

On behalf of the Board of Directors of Vision Insurance SAOG, I present the financial performance of your Company upto the end of the 1st Quarter ended 31<sup>st</sup> March 2019. Gross written premium increased by 14% to RO 8.84 Million from RO 7.76 Million in corresponding period of 2018. Total comprehensive income increased by 12.5% to RO 876K against RO 779 K over 2018.

### Key Financial Highlights:

Other main financial highlights are as presented below;

- Net written Premium at RO 2.14 Million, 7.75% decrease over RO 2.32 Million of 2018.
- Gross Underwriting Surplus decreased by 7% to RO 1.29 Million from RO 1.39 Million in 2018. Non-Motor Underwriting results were higher by 13% whilst Motor Underwriting results dropped by 20% due to higher claim reported during the period.
- Realised Investment Income was RO 0.260 Million, marginally lower by 1.4% over RO 0.264 Million in 2018.
- Growth in Management Expenses contributed to decrease in Profit after Tax by 21% to RO 0.67 Million from RO 0.86 Million in 2018.
- Overall S&P GCC composite index increased by 8.68% upto March 2019. The MSM Index was down by (7.87%) during the same period. Due to overall valuation gains, Comprehensive investment income upto three months ended 31<sup>st</sup> March 2019 was 148% higher at RO 0.46 Million against RO 0.19 Million in 2018.
- Comprehensive income per share at March 2019 is RO 0.009 Baiza compared to RO 0.008 Baizas in corresponding period of 2018.

### Outlook for 2019:

Motor portfolio is closely monitored to manage the softness in the pricing levels and the increase in the flow of claims. Despite absence of any significant new business opportunities at the macro level, 20% growth was achieved in Non Motor lines. These efforts will be sustained. With measures being taken to address the factors contributing to dip in profitability in the first quarter and with improvements in the performance of regional equity markets, your Board believes that the Company will sustain the improved performance in the last quarter.

### Acknowledgement:

On behalf of the Board of Directors, I express our profound sense of respect, admiration and gratitude to His Majesty Sultan Qaboos bin Said for his inspiring and visionary leadership that has ensured

	31-March-19	31-March-18	2018 (Full Year Audited)
	RO	RO	RO
<b>ASSETS</b>			
Cash and bank balances	3,364,231	4,040,614	4,971,016
Deposits	13,769,142	13,518,091	14,519,142
Insurance and other receivables	7,893,317	6,590,686	8,014,411
Reinsurance assets	31,670,277	15,073,218	27,223,214
Available-for-sale investments	6,668,585	6,472,328	6,488,486
Property, furniture and equipment	367,750	321,884	364,760
<b>TOTAL ASSETS</b>	<b>63,733,302</b>	<b>46,016,821</b>	<b>61,581,029</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10,000,000	10,000,000	10,000,000
Capital reserve	87,182	87,182	87,182
Fair value reserve	95,610	(294,020)	(108,501)
Legal reserve	950,854	816,200	950,854
Contingency reserve	2,205,765	1,816,188	2,205,765
Retained earnings	770,473	881,049	847,825
<b>Total equity</b>	<b>14,109,884</b>	<b>13,306,599</b>	<b>13,983,125</b>
<b>Liabilities</b>			
Insurance contract liabilities	38,821,816	21,443,744	34,457,184
Employees' end of service benefits	296,760	258,574	285,838
Trade and other liabilities	10,504,842	11,007,904	12,854,882
<b>Total liabilities</b>	<b>49,623,418</b>	<b>32,710,222</b>	<b>47,597,904</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>63,733,302</b>	<b>46,016,821</b>	<b>61,581,029</b>
<b>Net assets per share (RO)</b>	<b>0.141</b>	<b>0.133</b>	<b>0.140</b>

continued stability, growth and prosperity for Oman and the people of Oman. We remain thankful to Capital Market Authority and other regulatory authorities for their support. We greatly value the confidence and support extended to the Company by all our clients, business partners, shareholders and our employees that has been critical to our profitable results till date and we sincerely thank them all.

We look ahead with a great sense of pride and self-esteem and join the people of our beloved country in wishing our revered leader His Majesty Sultan Qaboos Bin Said many more years ahead of good Health, Peace and Prosperity.

**Ali bin Mohammed bin Juma Al Lawati**  
Chairman

	Unaudited 3 month ended 31 March 2019 RO (Unaudited)	Unaudited 3 month ended 31 March 2018 RO (Unaudited)
<b>Income:</b>		
Gross insurance premiums written	8,841,320	7,759,051
Reinsurer's share of gross insurance premiums written	(6,697,389)	(5,434,986)
<b>Net insurance premium written</b>	<b>2,143,931</b>	<b>2,324,065</b>
<b>Change in unearned premium reserve ("UPR"):</b>		
Gross change in UPR	(2,644,463)	(1,427,781)
Reinsurer's share of UPR	2,613,718	1,164,785
<b>Net change in UPR</b>	<b>(30,745)</b>	<b>(262,996)</b>
<b>Net insurance premium revenue earned</b>	<b>2,113,186</b>	<b>2,061,069</b>
Investment income, net	260,339	264,026
Other operating income	40,104	43,548
	<b>2,413,629</b>	<b>2,368,643</b>
<b>Expenses:</b>		
Gross claims and loss adjustment expenses paid	3,601,648	2,853,582
Reinsurer's share of the gross claims and loss adjustment expenses paid	(2,103,755)	(1,716,676)
Gross change in insurance liabilities	1,720,169	(215,621)
Reinsurer's share of the gross change in insurance liabilities	(1,833,345)	251,670
Expenses on acquisition of insurance contracts (net)	(566,196)	(503,474)
General and administration expenses	801,667	697,796
	<b>1,620,188</b>	<b>1,367,277</b>
<b>Profit for the year before taxation</b>	<b>793,441</b>	<b>1,001,366</b>
Income tax	(120,794)	(145,831)
<b>Profit for the year after tax</b>	<b>672,647</b>	<b>855,535</b>
<b>Other comprehensive income that will be reclassified to the profit or loss</b>		
Net change in fair value of available-for-sale investments	204,111	(76,514)
Other comprehensive income for the period, net of tax	204,111	(76,514)
<b>Total comprehensive income for the period</b>	<b>876,758</b>	<b>779,021</b>
<b>Earnings per share</b>	<b>0.007</b>	<b>0.009</b>
<b>Total comprehensive income per share</b>	<b>0.009</b>	<b>0.008</b>