

CHAIRMAN'S REPORT – JUNE 2018

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2018

Dear Shareholders,

On behalf of the Board of Directors of Vision Insurance SAOG, I am immensely pleased to present the financial performance of your Company upto the end of the 2nd Quarter ended 30th June 2018. Profit Before Tax of RO 1.43 Million was higher by 18% over 2017 mainly due to a 27% growth in Underwriting Surplus to RO 2.29 million. Profit after Tax (PAT) was RO 1.22 Million, 14% increase over 2017.

Key Financial Highlights:

- Main financial highlights are as presented below:
- Gross written premium of RO 13.88 Million, 18% growth over RO 11.73 Million in corresponding period of 2017.
 - Net written Premium at RO 4.42 Million, 20% increase over RO 3.67 Million of 2017.
 - Gross Underwriting Surplus increased by 27% to RO 2.29 Million from RO 1.79 Million in 2017.
 - Realised Investment Income was RO 0.48 Million, 5% lower than RO 0.50 Million in 2017.
 - Profit after Tax increased by 14% to RO 1.22 Million from RO 1.07 Million in 2017.
 - Overall S&P GCC index increased by 11.98% during first six months of 2018. The MSM Index was down by (10.35%) during the same period. Comprehensive investment income upto half year ended 30th June 2018 including valuation gains and losses was higher at RO 0.28 Million against RO 0.10 Million in 2017.
 - Total comprehensive income increased by 53% to RO 1.02 Million from RO 0.67 Million in 2017.
 - Comprehensive income per share based on weighted average number of shares outstanding at June 2018 is RO 0.010 Baiza compared to RO 0.007 Baizas in corresponding period of 2017.

Cyclone Mekunu

The Company has received notification for claims in the Dhofar region due to cyclone Mekunu which impacted Salalah in end of May 2018. Company is adequately protected against these losses through well structured reinsurance programme supported by panel of strong reinsurers with excellent financial rating. The financial impact of the claims reported on the Company's net account is not expected to be significant due to the reinsurance arrangements.

Outlook for 2018:

Your company has sustained the trend of consistent profitability for last eight years since 2010. Further Consolidation of corporate portfolio combined with cautious expansion of the retail lines through opening of new branches will drive the Company's growth in premium and profitability. With the upward rebound in oil price, your Board believes that the Company will sustain the growth and profitability achieved in 2017.

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 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

	30-June-18	30-June-17	2017
	RO	RO	(Full Year Audited) RO
ASSETS			
Non-current assets			
Property, furniture and equipment	317,820	278,805	324,465
Available-for-sale investments	6,395,771	5,603,772	5,415,785
Deposits	13,518,091	7,323,946	13,495,101
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	20,231,682	13,206,523	19,235,351
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Current assets			
Reinsurance assets	24,798,335	11,957,751	14,160,103
Insurance and other receivables	6,556,417	6,115,191	5,356,255
Cash and bank balances	2,343,123	7,487,355	4,794,183
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	33,697,875	25,560,297	24,310,541
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TOTAL ASSETS	53,929,557	38,766,820	43,545,892
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EQUITY AND LIABILITIES			
Equity			
Share capital	10,000,000	10,000,000	10,000,000
Capital reserve	87,182	84,849	87,182
Fair value reserve	(414,769)	(209,775)	(217,506)
Legal reserve	816,200	634,003	816,200
Contingency reserve	1,816,188	1,543,488	1,816,188
Retained earnings	1,242,965	1,130,996	1,425,514
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Total equity	13,547,766	13,183,561	13,927,578
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Non-current liabilities			
Employees' end of service benefits	273,269	212,732	241,971
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Current liabilities			
Insurance contract liabilities	31,364,580	17,174,748	20,231,584
Trade and other liabilities	8,743,942	8,195,779	9,144,759
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	40,108,522	25,370,527	29,376,343
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Total liabilities	40,381,791	25,583,259	29,618,314
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TOTAL EQUITY AND LIABILITIES	53,929,557	38,766,820	43,545,892
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Net assets per share (RO)	0.135	0.132	0.140
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	Unaudited 6 months Ended 30 June 2018 RO (Unaudited)	Unaudited 3 months Ended 30 June 2018 RO (Unaudited)	Unaudited 6 months Ended 30 June 2017 RO (Unaudited)	Unaudited 3 months Ended 30 June 2017 RO (Unaudited)
Income:				
Gross insurance premiums written	13,882,062	6,123,011	11,726,286	5,777,835
Reinsurer's share of gross insurance premiums written	(9,463,611)	(4,028,625)	(8,056,830)	(3,867,273)
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Net insurance premium written	4,418,451	2,094,386	3,669,456	1,910,562
Change in unearned premium reserve ("UPR"):				
Gross change in UPR	(563,470)	864,311	(508,913)	(301,299)
Reinsurer's share of UPR	357,826	(806,959)	(79,904)	(37,594)
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Net change in UPR	(205,644)	57,352	(588,817)	(338,893)
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Net insurance premium revenue earned	4,212,807	2,151,738	3,080,639	1,571,669
Investment income, net	479,127	215,101	505,834	112,134
Other operating income	128,961	85,413	59,935	37,276
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	4,820,895	2,452,252	3,646,408	1,721,079
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Expenses:				
Gross claims and loss adjustment expenses paid	5,968,102	3,114,520	4,759,674	2,648,546
Reinsurer's share of the gross claims and loss adjustment expenses paid	(3,519,323)	(1,802,648)	(2,799,475)	(1,620,961)
Gross change in insurance liabilities	10,569,526	10,785,147	(461,714)	(522,109)
Reinsurer's share of the gross change in insurance liabilities	(10,280,405)	(10,532,074)	489,081	507,872
Expenses on acquisition of insurance contracts (net)	(611,504)	(308,030)	(701,892)	(313,841)
General and administration expenses	1,461,088	763,292	1,146,168	612,919
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	3,387,484	2,020,207	2,431,842	1,312,426
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Profit for the year before taxation	1,433,411	432,045	1,214,566	408,653
*Income tax	(215,960)	(70,129)	(142,010)	(61,346)
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Profit for the year after tax	1,217,451	361,916	1,072,556	347,307
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Other comprehensive income that will be reclassified to the profit or loss				
Net change in fair value of available-for-sale investments	(197,263)	(120,749)	(405,799)	(89,436)
Impairment on investments available-for-sale recycled to profit or loss				
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Other comprehensive income for the period, net of tax	(197,263)	(120,749)	(405,799)	(89,436)
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Total comprehensive income for the period	1,020,188	241,167	666,757	257,871
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Basic and diluted earnings per share**	0.012	0.004	0.011	0.003
Total comprehensive income per share	0.010	0.002	0.007	0.003