

**Chairman's Report –  
Nine Month ended September 30, 2020**

**Dear Shareholders,**

On behalf of the Board of Directors of Vision Insurance SAOG, I present the financial performance of your Company for the nine month period ended on September 30th, 2020. The impact of Covid-19 pandemic that started in early 2020 is continuing to affect life cross the globe with confirmed second wave of Virus spiking incidents reported from most of the countries in Europe and rest of the world. Despite some recovery in oil prices from rock bottom level in April 2020, the Covid driven state of restricted commercial activities and lockdowns has kept business activity subdued across the region and the world in general. GCC Equity markets posted some recovery in the third quarter, however, yielded negative returns for the first nine months of the year. In the face of these business challenges, I am pleased to report that your Company posted Profit After Tax of RO 1.24 Million maintaining the results achieved in the corresponding period in 2019 due to strong Underwriting performance of the insurance portfolio. Valuation losses from GCC equities including Oman resulted in Total Comprehensive income for the period ending lower at RO 887K, against Comprehensive Income RO 1.42 Million in 2019.

**Key Financial Highlights:**

Key Financial Highlights are as presented below:

- Profit after Tax at RO 1.24 Million, remain at par with corresponding period of September 2019.
- Gross Written Premium of RO 18.02 Million, lower by 4.66% over RO 18.90 Million of 2019. Whilst strong growth achieved in Non-Motor segment, premiums dropped in Motor and Life & Health segment in tandem with the macro movements.
- Net Written Premium at RO 4.58 Million against RO 6.16 Million of 2019, mainly due to drop in motor premium on reduced car sales due to pandemic situation, controlled underwriting in the face of rate of softening and Covid effect on medical and life segment.
- Gross Underwriting Surplus increased by 8.25% to RO 3.13 Million from RO 2.89 Million in 2019 on higher non-motor underwriting results.
- Realized Investment Income was RO 589K, lower by 27% over RO 807K in 2019 due to loss on sale of equities in regional markets.
- As a CSR initiative, a contribution of RO 75K was made to the Health Endowment Fund set up by the Government of Oman in March 2020 dedicated to the financing of healthcare services in the Sultanate.
- Excluding CSR expenses, management Expenses for the nine month period of 2020 was at RO 2.46 Million, on par with previous year.
- Total Comprehensive Income for the nine month period of 2020 was RO 887K against RO 1.42 Million in 2019 due to unrealized valuation losses of RO 355K against Valuation Gains of RO 180K in 2019. Whilst MSM Index was down by (9.21%) during the period, overall S&P GCC composite index was down by (7.19%).

**Outlook for 2020:**

The resurgence of the corona virus spreading as second wave has pushed back plans to restart economies across the globe. Lockdowns and travel restrictions are being re-imposed in most of the parts of Europe, north and south America, Asia and within GCC. Governments of most countries are taking extraordinary steps to halt the spread of virus and limit the economic and social fallout from the crisis. During the first eight month of the year, average price of Brent crude is 35% lower than a year ago. World bank report in June 2020 points to a 5.2% contraction in world GDP in 2020 due to the pandemic effect. With Government spending remaining the key driver for economic activity in the region and in Oman, the outlook will hinge on the combined impact of stimulus packages and the austerity measures. As for the insurance sector, the outlook both for the market and for the Company is that of sustenance of the premium volumes and insurance results as in the first nine months. It is hoped that regional markets will witness continued recovery as in the third quarter and complement the trend in insurance results.

**Acknowledgement:**

On behalf of all Board Members, the Management and employees of the Company, I express our profound sense of respect, admiration and gratitude to His Majesty Sultan Haitham Bin Tarik for his inspiring and visionary leadership for 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 and we sincerely thank them all. We join the people of our beloved country in wishing our revered leader His Majesty Sultan Haitham Bin Tarik many more years ahead of good Health, Peace and Prosperity.

**Ahmed Said Mohammed Al Mahrizi**

Chairman  
October 29, 2020

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION  
as at 30 September 2020**

	30-Sep 2020 RO	30-Sep 2019 RO	2019 (Full Year Audited)
<b>ASSETS</b>			
Cash and bank balances	2,957,192	6,586,229	2,453,638
Deposits	14,804,872	15,300,642	14,248,642
Insurance and other receivables	8,428,520	9,209,902	6,822,621
Reinsurance assets	30,827,111	27,609,383	31,339,380
Available-for-sale investments	5,908,669	6,772,107	6,885,004
Property, furniture and equipment	361,806	443,679	490,395
<b>TOTAL ASSETS</b>	<b>63,288,170</b>	<b>65,921,942</b>	<b>62,239,680</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	(147,039)	71,515	208,071
Legal reserve	1,072,832	950,854	1,072,832
Contingency reserve	2,550,258	2,205,765	2,550,258
Retained earnings	1,293,361	1,339,035	851,134
<b>Total equity</b>	<b>14,856,594</b>	<b>14,654,351</b>	<b>14,769,477</b>
<b>Liabilities</b>			
Insurance contract liabilities	37,253,055	34,657,147	37,867,274
Employees' end of service benefits	344,275	319,477	305,929
Trade and other liabilities	10,834,246	16,290,967	9,297,000
<b>Total liabilities</b>	<b>48,431,576</b>	<b>51,267,591</b>	<b>47,470,203</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>63,288,170</b>	<b>65,921,942</b>	<b>62,239,680</b>
<b>Net assets per share (RO)</b>	<b>0.149</b>	<b>0.147</b>	<b>0.148</b>

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
For the period ended 30 September 2020**

	Unaudited 9 months Ended 30-Sep 2020 RO (Unaudited)	Unaudited 9 months Ended 30-Sep 2019 RO (Unaudited)	Unaudited 3 months Ended 30-Sep 2020 RO (Unaudited)	Unaudited 3 months Ended 30-Sep 2019 RO (Unaudited)
<b>Income:</b>				
Gross insurance premiums written	18,027,057	18,908,773	4,749,478	4,687,452
Reinsurer's share of gross insurance premiums written	(13,446,619)	(12,748,653)	(3,433,777)	(2,778,586)
<b>Net insurance premium written</b>	<b>4,580,438</b>	<b>6,160,120</b>	<b>1,315,701</b>	<b>1,908,866</b>
<b>Change in unearned premium reserve ("UPR"):</b>				
Reinsurer's change in UPR	(98,422)	(3,410,637)	(93,346)	19,564
Reinsurer's share of UPR	831,507	3,498,917	275,490	149,744
<b>Net change in UPR</b>	<b>733,085</b>	<b>88,280</b>	<b>182,144</b>	<b>169,308</b>
<b>Net insurance premium revenue earned</b>	<b>5,313,523</b>	<b>6,248,400</b>	<b>1,497,845</b>	<b>2,078,174</b>
Investment income, net	589,388	806,876	308,320	214,377
Other operating income	193,775	179,291	57,183	42,704
Other Income	89,252	49,115	37,768	16,747
	<b>6,185,938</b>	<b>7,283,682</b>	<b>1,901,116</b>	<b>2,352,002</b>
<b>Expenses:</b>				
Gross claims and loss adjustment expenses paid	7,786,351	16,693,630	2,022,647	3,334,202
Reinsurer's share of the gross claims and loss adjustment expenses paid	(4,531,088)	(12,038,733)	(1,491,226)	(1,337,793)
Gross change in insurance liabilities	(712,641)	(3,210,674)	934,228	2,557,552
Reinsurer's share of the gross change in insurance liabilities	1,343,776	3,112,748	(221,891)	(2,947,222)
Expenses on acquisition of insurance contracts (net)	(1,706,229)	(1,202,829)	(570,738)	(395,799)
General and administration expenses	2,533,158	2,466,742	835,907	858,729
	<b>4,713,327</b>	<b>5,820,884</b>	<b>1,508,927</b>	<b>2,069,669</b>
<b>Profit for the year before taxation</b>	<b>1,472,611</b>	<b>1,462,798</b>	<b>392,189</b>	<b>282,333</b>
*Income tax	(230,384)	(221,588)	(61,608)	(44,926)
<b>Profit for the year after tax</b>	<b>1,242,227</b>	<b>1,241,210</b>	<b>330,581</b>	<b>237,407</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	(355,110)	180,016	120,381	(12,679)
Impairment on investments available-for-sale recycled to profit or loss				
<b>Other comprehensive income for the period, net of tax</b>	<b>(355,110)</b>	<b>180,016</b>	<b>120,381</b>	<b>(12,679)</b>
<b>Total comprehensive income for the period</b>	<b>887,117</b>	<b>1,421,226</b>	<b>450,962</b>	<b>224,728</b>
<b>Basic and diluted earnings per share**</b>	<b>0.012</b>	<b>0.012</b>	<b>0.003</b>	<b>0.002</b>
<b>Total comprehensive income per share</b>	<b>0.009</b>	<b>0.014</b>	<b>0.005</b>	<b>0.002</b>