

BOARD OF DIRECTORS REPORT ON
THE AUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE YEAR ENDED 31st DECEMBER 2009

I am pleased to present on behalf of the Board of Directors of Muscat National Holding Company SAOG the Annual Report on the Company's activities and the audited consolidated financial statements for the year ended 31st December 2009.

General Business Environment Overview

By the grace of God we have had minimal impact by the global economic crisis and recession. The sound local economy has resulted in the profits to recoup the impairment of 2008.

Achievements

I am pleased to report that the Gross Premiums rose 7.6% to OMR 12.13 Million in 2009 from OMR 11.27 Million in 2008. Our operational / underwriting result increased from OMR 1.81 Million in 2008 to OMR 1.83 Million in 2009.

The investment income is OMR 2.76 Million for 2009 compared to a loss of OMR (2.72) Million for 2008.

The net profit after tax of OMR 3.01 Million for 2009 compared with a net after tax loss of OMR (2.45) Million in 2008.

Dividend

The Board of Directors has proposed a cash dividend in respect of the year 2009 of 10% being OMR 0.100 per share amounting to OMR 500,000/=. The Company adopts a prudent dividend policy, however the dividend distribution is subject to the approval of the shareholders at the Annual General Meeting.

The amount of dividend distributed in the past five years is as follows:-

Year	2004	2005	2006	2007	2008
Cash Dividend	-	-	6%	15%	-
Bonus Shares	-	-	-	-	-

The Future Outlook

In line with the government projections we do not have serious concern relating to our investment income as of current indications.

We do not expect any adverse impact on liquidity in 2010. Our cash flow generation meets our obligations and we have sufficient banking facilities to draw down should the need arise.

Acknowledgement

The Board of Directors conveys its thanks to our Customers, Reinsurers and Shareholders for their continued and ongoing support.

The Board of Directors especially appreciates the continued support and determined efforts made by the Management and Staff of the Company.

On behalf of the Board, I would like to take this opportunity to express our most humble gratitude and loyalty to His Majesty Sultan Qaboos bin Said for the continued peace and stability, which his reign has brought us. We also wish His Majesty the strength and good health to allow him to continue to lead us on an enlightened path to future prosperity and development for Oman and its people.

For and on behalf of the Board of Directors,

Reem Omar Zawawi
Chairperson