Muscat National Holding Company SAOG
Unaudited condensed consolidated statement of cash flows for the six months ended

	30 June 2010 RO	30 June 2009 RO
Operating activities		
Profit before taxation	**566,387**	3,113,347
Adjustments for:		
Depreciation	**40,135**	40,278
Net unrealised loss(gain) on investments securities	**482,389**	(2,124,983)
Realised loss on removal of investment securities	**4,553**	67,300
Amortisation of issue expenses on Bank Muscat Bonds	**2,808**	702
Loss on disposal of property, plant and equipment	**23**	-
Accrual for employees' end of service benefits	**16,826**	15,299
Interest income	**(200,986)**	(93,282)
Dividend income	**(451,174)**	(545,915)
Interest expense	**35,646**	53,534
Rental income	**(37,745)**	(36,346)
Profit before changes in operating assets and liabilities	**458,862**	489,934
Premiums and insurance balances receivable	**(419,250)**	(2,246,499)
Reinsurers' share of outstanding claims	**(109,216)**	948,851
Gross outstanding claims	**190,811**	(904,696)
Reinsurers' share of unearned premium reserve	**(1,080,345)**	(1,947,519)
Movement in gross unearned premium reserve	**1,246,315**	2,286,251
Other assets	**(97,872)**	(139,290)
Due to reinsurers	**128,272**	2,200,908
Other liabilities and accruals	**212,934**	47,038
Cash from operations	**530,511**	734,978
Taxation paid	**(156,845)**	(105,464)
Interest paid	**(35,646)**	(53,534)
Employees' end of services benefits paid	**(664)**	(573)
Net cash from operating activities	**337,356**	575,407
Investing activities		
Purchase of fixed assets	**(19,773)**	(3,759)
Encashment of bank deposits	**1,365,727**	6,354,107
Increase in bank deposits	**(1,087,348)**	(2,923,942)
Purchase of Bank Muscat bonds	**-**	(3,972,027)
Purchase of investment securities	**(50,045)**	(12,035)
Proceeds from sale of investment	**(9,734)**	61,507
Proceeds from sale of property, plant and equipment	**68**	-
Interest income	**200,986**	93,282
Dividends received	**451,174**	545,915
Rental income	**37,745**	36,346
Net cash from investing activities	**888,800**	179,394
Financing activities		
Cash dividend paid	**(495,635)**	-
Movement in bank borrowings	**(443,290)**	(274,682)
Net cash (used in) financing activities	**(938,925)**	(274,682)
Increase in cash and cash equivalents	**287,231**	480,119
Cash and cash equivalents at the beginning of the period	**852,835**	653,463
Cash and cash equivalents at the end of the period	**1,140,066**	1,133,582