



**BOARD OF DIRECTORS' REPORT ON THE SIX MONTHS  
(UNAUDITED) CONSOLIDATED RESULTS FOR THE  
PERIOD ENDED 30 JUNE 2014**

I am pleased to present, on behalf of the Board of Muscat National Holding Company SAOG the consolidated unaudited results for the six months ended 30<sup>th</sup> June 2014.

The consolidated Gross Premiums decreased to OMR 6.553 Million for the six months of 2014 compared with OMR 8.849 Million in 2013 on account of the non-renewal of a large oil sector general insurance policy carrying low margin. However, there has been an impressive 82% growth in motor premiums from OMR 1.247 Million last year to OMR 2.276 Million this period of 2014. The life insurance operations have shown signs of moderate growth.

The underlying business of both general insurance and life insurance shows increased profitability. As a result, our consolidated underwriting results for the six months were OMR 1.143 Million compared to OMR 886K in 2013 for the corresponding period.

The Group has put in place comprehensive pricing mechanism and facilities in terms of branch expansion for the objective profitable growth. Accordingly, General and Administrative Expenses are at OMR 872K compared to OMR 639K for the same period in 2013. The increase was towards staff costs and 3 new branches at Barka, Ibra and Ibri in addition to the branches at Nizwa, Buraimi opened last year.

The Investment profit was OMR 291K compared with OMR 192K for the corresponding period of 2013. It may be noted that the realized investment income in terms of interest income, dividend income and rental income was OMR 459K compared to OMR 388K last year. The unrealized losses on equity portfolio were OMR 168K for the current period compared to OMR 196K for corresponding period last year.

The net profit after tax for the current quarter was OMR 474K compared to the profit of OMR 373K for the same period last year.

The Board of Directors appreciates the ongoing support of our Customers, Reinsurers, Regulatory Authorities and Shareholders. The Board of Directors appreciates the efforts being made by the Management and staff of the company for the development of the business.

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,

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Gamal Mohamed Mohamed  
Chairman