BOARD OF DIRECTORS' REPORT
THREE MONTHS (UNAUDITED) CONSOLIDATED INTERIM RESULTS
FOR THE THREE MONTHS ENDED 31 MARCH 2015

I am pleased to present, on behalf of the Board of Muscat National Holding Company SAOG the consolidated unaudited interim results for the three months ended 31st March 2015.

The consolidated Gross Premiums were marginally lower at OMR4.106 Million in the first three months of 2015 compared with OMR 4.207 Million in 2014, on account of issuing a property Insurance policy on the pro-rata basis at the request of the insured instead of annual renewal. The shortfall will be recouped by the year end. There was a 56 % growth in motor premiums from OMR 998 K last year to OMR 1.558 this quarter 2015. The life insurance operation has also shown significant growth during the same period in 2015.

The underlying business of both general insurance and life insurance shows increased profitability. As a result, our consolidated underwriting results for the three months were OMR 669K compared to OMR 626 K in 2014 for the corresponding period.

The Group has put in place the infrastructure in terms of the qualitative manpower and facilities in terms of branch expansion for the profitable growth. Accordingly, General and Administrative Expenses are at OMR 466 K compared to OMR 409 K for the same period in 2014.

The Investment income was OMR 172 K compared with loss of OMR 280 K for the corresponding period of 2014. It may be noted that the realized investment income in terms of interest income, dividend income and rental income was OMR 345 K compared to OMR 291 K last year. The unrealized losses on equity portfolio were OMR 138 K for the current quarter compared to OMR 571 K for corresponding period last year.

The net profit after tax for the current quarter was OMR 330 K compared to the loss of OMR 113 K 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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Aimen bin Ahmed Al Hosni
Chairman