SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Group 2016 RO	**Parent Company 2016 RO**	Group 2015 RO	Parent company 2015 RO
Profit /(loss) before taxation (refer note 34)	**1,509,046**	**1,127,797**	247,840	(183,705)
Adjustments for:				
Depreciation	**160,919**	**14,092**	82,834	16,937
Amortisation of premium on Bank Muscat SAOG subordinated bonds and government development bonds	**43,668**	-	29,784	-
Net unrealised (profit)/loss on investment securities	**(384,361)**	**(400,011)**	893,773	765,804
Realised (gain)/loss on disposal of investment securities	**(7,667)**	**(7,667)**	87,232	-
Accrual for employees' end of service benefits	**50,876**	**17,295**	63,227	42,682
Sitting fees	**(10,000)**	-	(9,000)	-
Investment transaction cost	**744**	**661**	1,617	-
Interest income	**(602,607)**	**(14,592)**	(595,060)	-
Dividend income	**(183,712)**	**(98,134)**	(208,521)	(120,242)
Interest expense	**33,603**	-	28,515	2,301
Rental income	**(120,248)**	-	(113,959)	-
Share of profits of subsidiaries	-	**(1,091,823)**	-	(896,376)
Profit on disposal of property, plant and equipment	**(13,765)**	**(850)**	(8,588)	(2,355)
Operating profit/(loss)	**476,496**	**(453,232)**	499,694	(374,954)
Employees' end of service benefits paid	**(11,506)**	**(4,331)**	(21,994)	(5,246)
Premium and insurance receivable	**(348,771)**	-	(237,972)	-
Movement in unearned premium reserve	**245,475**	-	492,338	-
Reinsurers' share of outstanding claims	**406,207**	-	(1,214,261)	-
Gross outstanding claims	**241,819**	-	1,577,555	-
Other receivables and prepayments	**(105,959)**	**(118,659)**	(89,378)	(4,208)
Due to reinsurers	**673,498**	-	137,684	-
Other liabilities and accruals	**1,325,182**	**4,384,158**	644,336	(32,105)
Cash generated from / (used in) operations	**2,902,441**	**3,807,936**	1,788,002	(416,513)
Income tax paid	**(157,574)**	-	(150,921)	-
Interest paid	**(33,603)**	-	(30,939)	(2,301)
Net cash generated from / (used in) operating activities	**2,711,264**	**3,807,936**	1,606,142	(418,814)
Investing activities				
Purchase of property, equipment and investment property	**(195,082)**	**(3,690,675)**	(2,393,130)	(1,039)
Decrease / (increase) in fixed deposits	**(8,000,000)**	**(600,000)**	3,596,103	-
Purchase of investments	**(219,569)**	**(186,964)**	(600,311)	(50,488)
Proceeds from maturity of investment held to maturity	**3,933,610**	-	-	-
Investment transaction cost	**(744)**	**(661)**	(1,617)	-
Proceeds from disposal of investments	**26,165**	**26,165**	15,714	-
Foreign exchange gain	**(2,906)**	**(1,920)**	(3,140)	(1,210)
Proceeds from disposal of property and equipment	**10,990**	**4,822**	9,454	3,202
Sitting fees	**10,000**	-	9,000	-
Interest income received	**527,020**	-	564,169	-
Dividends received	**183,711**	**98,134**	208,521	120,242
Dividend received from subsidiaries	-	**954,000**	-	500,000
Rental income	**120,248**	-	113,959	-
Net cash generated from investing activities	**(3,606,557)**	**(3,397,099)**	1,518,722	570,707
Financing activities				
Cash dividend paid	**(250,000)**	**(250,000)**	(250,000)	(250,000)
Net cash used in financing activities	**(250,000)**	**(250,000)**	(250,000)	(250,000)
Net change in cash and cash equivalents	**(1,145,293)**	**160,837**	2,874,864	(98,107)
Cash and cash equivalents at the beginning of the year	**4,698,150**	**36,702**	1,823,286	134,809
Cash and cash equivalents at the end of the year	**3,552,857**	**197,539**	4,698,150	36,702

The attached notes 1 to 34 form an integral part of these Parent company and consolidated financial statements.
The report of the Auditors is set forth on page 2- 2(a).