شركة مسقط الوطنية القابضة ش.م.ع.ع
MUSCAT NATIONAL HOLDING COMPANY S.A.O.G.

BOARD OF DIRECTORS' REPORT
(UNAUDITED) CONSOLIDATED INTERIM RESULTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017

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 2017.

The consolidated Gross Premiums were higher at OMR 7.335 Million compared with OMR 5.684 Million in 2016, by 29%. There was 16% growth in motor premiums of OMR 2.489Million compared with OMR 2.152 Million in 2016. The Life subsidiary also remains profitable for the period.

As a result, the consolidated underwriting results for the three months were OMR 874K an increase of 21%, compared to OMR 723K for the corresponding period in 2016.

The Group continues with its growth plan in terms of the qualitative manpower and facilities by expanding its branch network with two additional branches. Accordingly, General and Administrative Expenses are at OMR 531K, an increase of 11% compared to OMR 476K for the same period in 2016.

The Investment income was higher at OMR 450K compared with OMR 188K for the corresponding period of 2016. It may be noted that the realized investment income in terms of interest income, dividend income and rental income was OMR 333K compared to OMR 320K last year. The unrealized gains on equity portfolio were OMR 117K for the current period compared to unrealized losses of OMR 132K for corresponding period in 2016.

The net profit after tax for the current period was OMR 640K compared to OMR 320K for the same period last year.

We are pleased to inform and as previously reported, the Investment in the Real Estate Project for Muscat National Holding Company and Its Subsidiaries was approved by Muscat Municipality, and we are currently at the stage of finalizing the appointment of the selected contractor, the project is expected to commence in mid-May 2017.

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 ongoing 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 Majesty's 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.

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Aimen Ahmed Al Hosni
Chairman