



شركة مسقط الوطنية القابضة س.أ.و.ج.
MUSCAT NATIONAL HOLDING COMPANY S.A.O.G.

**BOARD OF DIRECTORS' REPORT
(UNAUDITED) CONSOLIDATED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

I am pleased to present, on behalf of the Board of Muscat National Holding Company SAOG the consolidated unaudited interim results for the six months ended 30th June 2017.

The consolidated Gross Premiums were higher at OMR 11.193 Million compared with OMR 8.827 Million in the first half of 2016, an increase of 27%. There was 17% growth in profitable segment of motor premiums of OMR 5.448 Million compared with OMR 4.653 Million in 2016. The Life subsidiary also remains stable for the period.

As a result, the consolidated underwriting results for the six months were OMR 1.800 Million an increase of 23%, compared to OMR 1.468 Million 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 for the profitable growth. Accordingly, General and Administrative Expenses are at OMR 1.265 Million, an increase of 12% compared to OMR 1.129 Million for the same period in 2016.

The Investment income was OMR 424K compared with OMR 453K for the corresponding period of 2016. It may be noted that the realized investment income in terms of realized gain, interest income, dividend income and rental income was OMR 705K compared to OMR 480K last year. The unrealized losses on equity portfolio were OMR 281K for the current period compared to OMR 27K for corresponding period in 2016.

We are pleased to report that the net profit after tax for the current period was OMR 769K compared to OMR 658K 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 has commenced, and we are currently in the first stage of the building project. We are pleased to report that the Company has decided to finance the real estate investment project of its own capability and not to utilize the credit facility.

On the merger plan the Extra Ordinary General Meeting of the Company approved the merger of the two wholly-owned subsidiaries in order to comply with the provisions of amendments to the Insurance Companies Law. Accordingly, the shareholders agreed to change the name of the company to become Muscat Insurance Company SAOG and agreed to change the company's activity to include Life Insurance and General Insurance. We also are pleased to inform you that the initial approval of CMA has been obtained.

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.

Aimen Ahmed Al Hosni
Chairman