

## **DIRECTORS' REPORT**

**Dear Shareholders,**

On behalf of the Board of Directors of Muscat Finance (SAOG), I am pleased to present the report for the period ended September 30, 2017.

### **Business Results**

The Company recorded net profit of RO 3.08 million for the period ended September 30, 2017 as against RO 3.45 million for the corresponding period in previous year. The net loans and advances stand at RO 143 million due to prudent approach and current economic condition.

The financial results are summarized below:

<b>Amount in RO '000</b>			
<b>PARTICULARS</b>	<b>YTD 30<sup>th</sup> Sept 2017</b>	<b>YTD 30<sup>th</sup> Sept 2016</b>	<b>% change</b>
Net Investment in Finance Debtors	143,092	151,487	(6%)
Net Operating Income	7,033	7,801	(10%)
Operating Expenses	2,563	2,493	3%
Operating Profit	3,653	4,245	(14%)
Net Profit after tax	3,078	3,449	(11%)

### **Human Resources and Omanisation**

The Omanisation ratio at 82.44% for the period ended September 30, 2017, continues to be above the 80% requirement of the Central Bank of Oman.

### **Business outlook for 2017**

The cost of funds continues to rise and put pressure on margins. The arrears in loan receivables are increasing due to the challenging market conditions. We continue to monitor both these critical issues carefully.

### **Acknowledgement**

On behalf of the Board, I would like to express our most sincere thanks and gratitude to the builder of Modern Oman, His Majesty Sultan Qaboos Bin Said, whose Leadership and Vision provide the foundation for the economic, political and social progress of the Sultanate of Oman. I would also like to thank His

Majesty's Government, the Central Bank of Oman, the Capital Market Authority, Ministry of Commerce and Industry and other Regulatory Authorities for their continued support and guidance.

The Board would like to thank all our customers for their continued patronage and support, to our local and overseas bankers for their active co-operation, and to all the shareholders for the confidence reposed in its Board.

Finally, the Board would like to appreciate and thank the management and the staff for all their good work and efforts.

On Behalf of the Board of Directors

**Faisal Mohamed Al Yousef**  
**Chairman**

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