

**REPORT ON THE PERFORMANCE OF THE GROUP
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013**

We are pleased to report on the performance of the Group for the three month period ended 31 March 2013.

Group

The Group recorded a profit of RO 7.81m vs. RO 7.41m in the corresponding period in 2012. The profit attributable to the Parent Company shareholders from the Group profit is RO 4.62m compared to RO 4m in the three month period ended 31 March 2012. The 15.5% increase in profit attributable to the shareholders of the Parent Company is mainly due to increased contribution to Group's investment income from capital market activities during the period.

Total Shareholders' Funds attributable to the shareholders of the Parent Company stood at RO 112.08m compared to RO 110.76m at 31 December 2012.

Parent Company

Parent Company profit for the period is RO 7.61m compared to RO 6.85m in 2012. This increase in profit is mainly attributable to better performance from capital market activities during the period. Cash dividend received from Oman Arab Bank was RO 5.91m compared to RO 6.85m in 2012.

Total assets stood at RO 85.99m, an increase of 10% compared to RO 78.16m at 31 December 2012. Shareholders' funds of the Parent Company increased to RO 57.14m (+8%) from RO 52.90m at 31 December 2012.

Oman Arab Bank

Oman Arab Bank, our banking subsidiary, reported a profit of RO 6.52m compared to RO 6.96m for the three month period ended 31 March 2012. Gross loans and advances at RO 1 bn increased by 10% and customers' deposits at RO 1.01 bn were up by 10% compared with 31 March 2012. The Bank's share capital and shareholders' funds stood at RO 116m and RO 179.33m respectively compared with RO 106m and RO 167.64m at 31 March 2012.

Associates performed well during the period. Share of profits from associates was RO 381k compared to RO 305k in 2012.

Conclusion

The Company is progressing in line with the strategy to enable sustainable earnings over the medium and long term.

KHALID MUHAMMAD AL ZUBAIR
CHAIRMAN

May 13, 2013