



OMINVEST



ANNUAL
FINANCIAL
REPORT 2015

INVESTING
IN A SHARED FUTURE



OMINVEST

شركة العمانية للتنمية والاستثمار
Oman International Development and Investment Company SAOG

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BOARD OF DIRECTORS



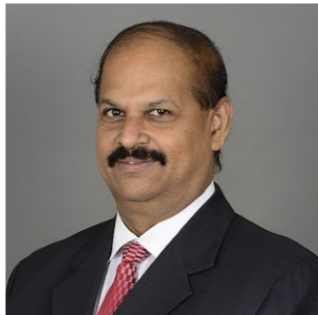
Mr. Khalid bin Muhammad Al Zubair
Chairman



Mr. Taya bin Jandal bin Ali
Director



Mr. Qais Mohammed Moosa Al Yousef
Director



Mr. C S Badrinath
Director



Mr. Jamal bin Shamis Al Hooti
Director



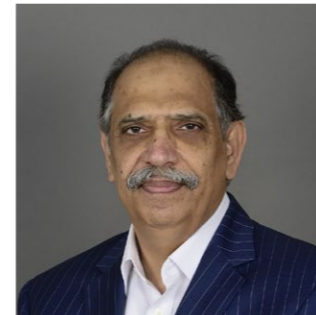
Sheikh Hassan Ahmed Mohamed Al Nabhani
Deputy Chairman



Mr. Saif Said Al Yazidi
Director



Sheikh Khalid bin Abdullah Al-Khalili
Director



Mr. Shaheen Mohammed Amin
Director




Mr. Anwar Hilal Hamdoon Al Jabri
Director



DIRECTORS' REPORT

“The Group’s consolidated profits rose by 7% to RO 28.42m from RO 26.44m.”


Khalid Muhammad Al Zubair
Chairman
February 22, 2015

Dear Shareholders,

On behalf of the Board of Directors, it is my great honour to welcome you to the 30th Annual General Meeting of Ominvest. I am pleased to present to you the Annual Report together with the audited financial statements for the Group and the Parent Company for the year ended 31 December 2014.

OMINVEST - 30 YEARS OF EXCELLENCE

Ominvest continues to uphold its long standing track record of consistent profitability and healthy dividend payments to its esteemed shareholders. Established in 1983 with a paidup capital of RO 8m, Ominvest’s paid-up capital now stands at RO 33.67m. Over the preceding 30 years, the company has distributed a total of RO 68.4m in cash dividends to the shareholders. At the end of 2014, Ominvest’s total Book Value of Group Equity attributable to Parent Company equity holders (including retained profits) rose to RO 136m, while the Market Value of Equity climbed to RO 140m. As a result, the shareholders have earned an IRR of 16%, since inception of the Company. We are pleased to see such decent investment returns over the long period and expect even better performance in years to follow.

FINANCIAL PERFORMANCE FOR THE YEAR 2014

The Group’s consolidated profits rose by 7% to RO 28.42m from RO 26.44m in 2013. Profit attributable to the equity holders of the Parent Company increased to RO 14.51m from RO 14.18m, resulting in Earnings per Share of RO 0.043 in 2014.

In accordance with the directives of the Capital Market Authority (CMA), we are pleased to present Parent Company financial statements along with Group financial statements. The Parent Company’s balance sheet grew to RO 106.4m from RO 81.4m – an increase of 31%. Total liabilities rose to RO 46.53m from RO 22.86 in 2013. The total Shareholders’ Equity as at December 31, 2014 stood at RO 59.9m compared to RO 58.53m. The Net Asset Value per Share rose to RO 0.178 from RO 0.174 – an increase of 2.3%. The Parent Company recorded a profit of RO 5m in 2014 compared to RO 8m in 2013. The decrease in the Parent Company’s net profit was due to lacklustre performance of Muscat Securities Market in 2014 and downturn in regional equity markets in the second half of 2014 due to dramatic decline in oil prices.

Our banking subsidiary, Oman Arab Bank SAOC “OAB”, reported a profit of RO 28.4m for 2014 compared with RO 25.02m for 2013 – an increase of 13.5%. OAB’s gross loans and advances climbed by 17% to RO 1.26b and customer deposits witnessed an increase of 28% to RO 1.47b. OAB’s balance sheet remains robust, which will continue to produce healthy profits over time.

The share of profit attributable to the equity holders of the Parent Company for the year was RO 14.48m. Cash dividend from OAB’s 2013 profits received during 2014 by the Parent Company amounted to RO 5.91m. We are pleased to see our largest investment in the banking sector continue to perform well. With modern banking initiatives underway and new leadership at OAB, we are confident of delivering better results over the next few years.

STRATEGIC INITIATIVES AND OPERATIONAL PROGRESS

During 2014, Ominvest went through significant transformation. We took a number of major operational, investment and strategic initiatives to further strengthen the company’s position as one of the premier investment companies in Oman: Strategic Initiatives – We have signed an MOU with ONIC Holding to explore the viability of a merger between the two companies. The due diligence process is progressing well. Once the proposed transaction is finalized, we will be able to create larger opportunities for its stakeholders and add value to the society at large.

Operational Initiatives – In order to implement new strategy, necessary changes were effected to the organisation structure with clear direction. Further, organisation was strengthened with appointment of senior management in key thrust areas identified for implementation of new strategy. Also, new policies and manuals are now put in place to ensure that within the new structure, the management team operates more effectively.

Investment Initiatives – The Investment Philosophy, Policy & Strategy framework was reviewed and revised. As a result, we are now well positioned to generate healthy investment returns over the medium to long term. The focus remains on earning attractive dividends from our investment portfolio and realizing significant capital appreciation, over time.

DIVIDENDS FOR THE YEAR 2014

In line with its long established track record, Ominvest endeavours to provide steady dividends to its shareholders. With 2014 being another good year for Ominvest, the Board is pleased to recommend a dividend of 30% comprising of cash dividend of 20% of the total paid-up share capital (the cash dividend in 2013 was 15% of the paid-up share capital) and a stock dividend of 10% of the paid-up share capital (the stock dividend in 2013 was 10% of paid-up share capital).

ECONOMIC ENVIRONMENT & OUTLOOK

The Sultanate of Oman’s economy forecast for 2015 remains stable as the Government opts to continue to have a prudent expansionary fiscal approach. Despite the challenges in 2015 due to the drop in oil price, the Government is targeting a GDP growth of 5% against an estimated 4.4% growth in 2014. Other key drivers to achieve and sustain such a GDP growth include strong domestic demand, growth of non-oil economy and increase in oil production.

Ominvest Board of Directors and Management remains optimistic on the future prospects of your Company. We are committed to nurturing our existing assets, identifying new opportunities, and dedicated to the tradition of enhancing shareholder value.

The Sultanate under the wise leadership of His Majesty Sultan Qaboos Bin Said stands today as an enviable model for sound economic policies aimed at spurring growth while ensuring stability. The standards of corporate governance prevalent among commercial enterprises operating in the country are comparable to the best in the world. The sound legal and regulatory framework governing commercial activity in the country ensures due process and an environment conducive for business to be conducted in conditions of security and fairness.

Finally, I would like to thank the Directors, management, staff, and shareholders for their support in 2014 and look forward to the Company’s continued progress in 2015 and beyond.

**TO THE SHAREHOLDERS OF
OMAN INTERNATIONAL DEVELOPMENT AND INVESTMENT COMPANY SAOG**

We have performed the procedures prescribed in Capital Market Authority (CMA) Circular No. 16/2003 dated 29 December 2003 with respect to the accompanying corporate governance report of **Oman International Development and Investment Company SAOG** and its application of corporate governance practices in accordance with CMA Code of Corporate Governance issued under circular No. 11/2002 dated 3 June 2002 as supplemented by the Rules and Guidelines on Disclosure by Issuers of Securities and Insider Trading approved by Administrative Decisions no. 5/2007 dated 27 June 2007 and the Executive Regulation of the Capital Market Law issued under the Decision No. 1/2009 dated 18 March 2009 (collectively the Code and additional regulations and disclosures). Our engagement was undertaken in accordance with the International Standards on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the Company's compliance with the code as issued by the CMA.

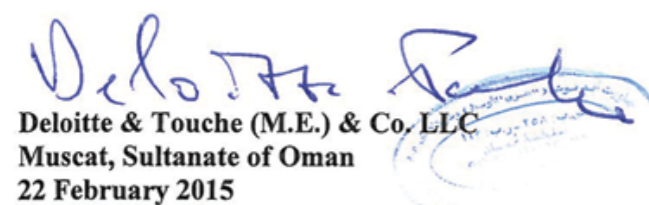
We report our findings as below:

We found that the Company's corporate governance report fairly reflects the Company's application of the provisions of the Code and is free from any material misrepresentation.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the corporate governance report.

Had we performed additional procedures or had we performed an audit or review of the corporate governance report in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the accompanying corporate governance report of **Oman International Development and Investment Company SAOG** to be included in its annual report for the year ended 31 December 2014 and does not extend to any financial statements of **Oman International Development and Investment Company SAOG**, taken as a whole.



Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman
22 February 2015



CORPORATE GOVERNANCE REPORT

The principles of Corporate Governance mainly deals with the way companies are led and managed, the role of the Board of Directors and a framework of internal controls. At Ominvest, the Board supports the highest standards in Corporate Governance. The Board of Directors is responsible for approving and monitoring the Company's overall strategy and policies, including risk management policies, control systems, business plan and annual budget. The Management is responsible to provide the Board with appropriate and timely information to

monitor and maintain effective control over strategic, financial, operational and compliance issues. The Board confirms that Ominvest (the Company) applies the principles set out in the Capital Market Authority's (CMA) Code of Corporate Governance for public listed companies published on 3 June 2002 (Circular no. 11/2002) as amended on 11 January 2003 (Circular no. 1/2003), and other relevant amendments to the Code, rules and guidelines issued by the CMA from time to time.

BOARD OF DIRECTORS

APPOINTMENT OF DIRECTORS

The Articles of Association of the Company provide for ten (10) directors. Each director on the Board is required to own/represent at least two hundred thousand (200,000) shares in the Company as qualification shares. Election to the Board is subject to approval by the regulatory authorities based on nomination form filed by the candidate who meets the

minimum qualification requirements as per CMA guidelines. The election for the Board of Directors was held at the Annual General Meeting (AGM) held on 31 March 2014 for a term of three years and the next election to the Board is due to be held at the AGM scheduled for 31 March 2017.

COMPOSITION OF THE BOARD

During the year 2014, the Board consisted of ten directors who have varied backgrounds and experience and who individually and collectively exercise independent and objective judgement. The composition of the board of directors is in accordance with the Article 3 of the Code.

All Directors with the exception of one nominee director representing an institutional shareholder, were elected by the shareholders in their individual capacities.

All Directors, including the Chairman, are non-executive. With the exception of one Director, all other Directors are independent.

Directors meet the criteria of 'independent director' as defined by Article 1 of the CMA Code of Corporate Governance issued under Circular no. 11/2002 dated 3 June 2002 and subsequent amendments.

NUMBER OF BOARD MEETINGS

Ominvest held seven Board meetings during the year ended 31 December 2014. These were held on 24 February, 31 March, 06 May, 01 September, 30 September, 10 November and 17 December. The Board meeting held on 31 March 2014 immediately following the AGM was held only to appoint the Chairman and the Deputy Chairman. Therefore, no sitting fee was paid to the directors for attending the meeting. The maximum interval between any two meetings was 118 days. This is in compliance with Article 4 of the Code which requires meetings to be held within a maximum time gap of four months.

DIRECTORS' ATTENDANCE RECORD		
Director	No. of Board meetings attended	Whether attended at AGM
Khalid Muhammad Al Zubair	5	Yes
Taya Jandal Ali	6	Yes
Abdullah Said Al Balushi	6	Yes
Jamal Shamis Al Hooti	4	Yes
Majid Salim Al Aرامي	5	Yes
Khalil Abdulla Al Khonji	4	Yes
Saif Said Al Yazidi	6	Yes
Khalid Abdullah Al Khalili (1)	5	Yes
Majid Al-Toky (1)	5	Yes
Ceruseri Sreenivas Badrinath	6	Yes
Abdul Kader Askalan (2)	1	Yes
Imad Kamal Sultan (2)	1	No

(1) Elected as new members on 31 March 2014 (2) Directors until 31 March 2014

None of the Directors is a member of the board of more than four public joint stock companies whose principal place of business is in the Sultanate of Oman, or is a chairman of more than two such companies. Particulars of directorships of other joint stock companies and memberships of other Board Committees is set

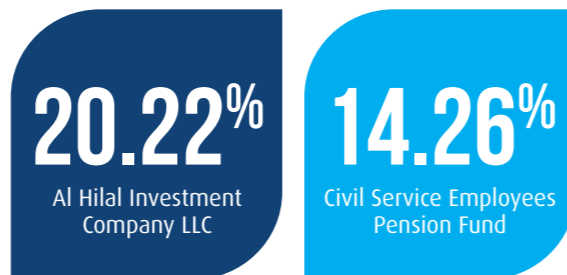
out in Appendix I of this Report. Furthermore, no director is a member of the board of directors of a joint stock company which practices similar activities to the Company and whose principal place of business is in the Sultanate of Oman.

DIRECTORS WITH MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS, PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

All details relating to financial and commercial transactions where directors may have a potential interest are provided to the Board, and the interested directors neither participate in the discussion, nor do they vote on such matters. All such matters are also discussed in detail by the Audit Committee.

The Company has its related party policy and all related party transaction were reviewed by the Audit Committee and approved by the Board collectively. During the year, there were no material related party transactions or pecuniary transactions between the Company and its directors that may have potential conflict with the interests of the Company at large.

At 31 Dec 2014
(% Holding)



The following shareholders are deemed to be related parties by virtue of their shareholding during the year (10% or more of the voting power) in the Company:

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Committee consists of four non-executive and independent directors. All members of the Committee are familiar with finance, industry, Omani laws and regulations governing SAOG companies.

The Audit Committee met five times during the year on 19 February, 4 May, 10 July, 4 November and 16 December and the attendance record is tabled below.

ATTENDANCE RECORD OF AUDIT COMMITTEE MEMBERS			
Name of Committee Member	Position	Meetings attended during the year	
Majid Salim Al Aرامي	Chairman	5	
Jamal Shamis Al Hooti	Member	5	
Khalil Abdulla Al Khonji	Member	4	
Khalid Abdullah Al Khalili	Member	4	

The Committee receives reports on the findings of internal and external audits and on actions taken by the Management in response to these. It meets with the external auditors at least once every year and reviews the scope, findings and cost effectiveness of the Company's statutory audit and the independence and objectivity of the external auditors. It also

reviews changes to the accounting policies and reviews the audited annual and unaudited quarterly financial statements and recommends for Board approval. In addition, the Committee periodically reviews and reports to the Board on the effectiveness of the Company's system of internal control and risk management process.

EXECUTIVE COMMITTEE

The Executive Committee is delegated powers and authority to facilitate the smooth running of the operations of the Company and exercise all of the responsibilities of the Board between its meetings within the limits set out in the Delegation of Authority Manual approved by the Board. The exceptions to the delegated powers are:

Approval of the Company's annual budget and business plan;	Approval of the Group's and Company's quarterly unaudited financial statements and the annual audited financial statements; and	Acquisition and disposal of strategic investments.
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The Executive Committee (EC) consists of four independent and one non independent Directors. All EC members are non-executive Directors.

The Committee met five times during the year on 17 February, 5 May, 17 July, 4 November and 15 December and the attendance record of the members is tabled below:

Name of Committee Member	Position	Meetings attended during the year
Khalid Muhammad Al Zubair	Chairman	5
Taya Jandal Ali	Member	5
Saif Said Al Yazidi	Member	4
Ceruseri Sreenivas Badrinath	Member	5
Majid Sultan Al Toky	Member	4
Imad Kamal Sultan*	Member	1

*Member until 31 March 2014.

In addition, certain Committee members, together with the management of the Company, attended various meetings with Government authorities and consultants in Muscat and Salalah. There was no specific compensation to members made by the Company for the time spent on Company business.



REMUNERATION OF DIRECTORS

During the year, following the approval by the shareholders at the AGM held on 31 March 2014, the Directors were paid a remuneration of RO 157,000 for 2013.

Directorship sitting fees of RO 500 was paid to the Directors for each Board/Board Committee meeting attended during the year. Total sitting fees for Board and Board Committee meetings held during 2014 were as follows:

Board	27,000 OMR
Executive Committee	12,000 OMR
Audit Committee	9,000 OMR
Total	48,000 OMR

There was no other remuneration paid by the Company to any of the Directors.

There were no travel and incidental expenses relating to Group's business paid by the Parent Company to any Board members during the year. Remuneration for 2013 paid in 2014 and sitting fees paid for 2014 relating to individual Directors was (in RO):

Director	Sitting Fees				Remuneration for 2013	Total
	Board	Executive Committee	Audit Committee	Total		
Khalid Muhammad Al Zubair	2,500	2,500		5,000	22,000	27,000
Taya Jandal Ali	3,000	2,500		5,500	19,000	24,500
Abdullah Said Al Balushi	3,000			3,000	14,500	17,500
Jamal Shamis Al Hooti	2,000		2,500	4,500	14,500	19,000
Majid Salim Al Araimi	2,500		2,500	5,000	14,500	19,500
Khalil Abdulla Al Khonji	2,000		2,000	4,000	14,500	18,500
Saif Said Al Yazidi	3,000	2,000		5,000	14,500	19,500
Ceruseri Sreenivas Badrinath	3,000	2,500		5,500	14,500	20,000
Majid Al-Toky (1)	2,500	2,000		4,500		4,500
Khalid Abdullah Al Khalili (1)	2,500		2,000	4,500		4,500
Abdul Kader Askalan (2)	500			500	14,500	15,000
Imad Kamal Sultan (2)	500	500		1,000	14,500	15,500
Total	27,000	12,000	9,000	48,000	157,000	205,000

(1) Directors from 31 March 2014 (2) Directors until 31 March 2014

Directors' Remuneration proposed for 2014 is RO 152,000 and this is subject to shareholders' approval at the AGM scheduled to be held on Monday, 30 March 2015. As per Royal Decree 99/2005 of 5 December 2005, the maximum permissible limit on Board remuneration, including sitting fees is 5% of annual net profit, subject to an overall limit of RO 200,000. Each Director's sitting fees per annum is limited to RO 10,000 after deduction at a rate not less than 5% of the capital.

INTERNAL CONTROL REVIEW

The Code introduced a requirement that the directors should, at least annually, review the effectiveness of the Company's system of internal controls and report to the shareholders that they have done so. The Board attach great importance to maintaining a strong control environment and confirm that its review has

covered the financial statements, all controls, including financial, operational, compliance and risk management. The Board has reviewed the Parent Company's internal control policies and procedures and is satisfied that appropriate procedures are in place to implement the Code's requirement.

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

A copy of the Management Discussion and Analysis is included in the annual report.

MANAGEMENT REMUNERATION

At 31 December 2014, the Company had twenty nine (29) full-time employees. The expense (salaries and allowances and other statutory payments) incurred for 2014 relating to the (6) full-time executive management team of the Company was RO 878,233.

In addition, Sitting fees and funds received by the Company from the investee companies was RO 76,958. No Travel and incidental expenses for Group's business incurred by any of the above executives for the year 2014.

All employees are employed on two year renewable employment contracts. Notice period is 3 months for all positions or salary in lieu thereof.



ABDULAZIZ AL BALUSHI
Chief Executive Officer

AbdulAziz is an experienced and professional banker with more than 28 years of experience in the banking industry and capital markets. He was the CEO of Ahli Bank SAOG from 2007 to 2013 and was primarily responsible in converting a single product mortgage bank into a full-fledged commercial bank. During his tenure, Ahli Bank won many prestigious awards including the best bank of Oman for three consecutive years by OER, the best bank in Oman 2012 by World Finance and the Bankers award 2013.

In a career which has spanned over two decades, Mr. Al Balushi has held positions of increasing responsibility in all major areas of banking. AbdulAziz started his career with Oman International Bank and prior to joining Ahli Bank, he was Deputy CEO of National Bank of Oman. AbdulAziz holds Master of Science Degree in Finance from the University of Strathclyde (UK) and a Fellow Chartered Institute of Bankers (UK). He has attended a host of Specialized Executive Management Development Programmes at International Institutes of worldwide repute such as Strathclyde; London and INSEAD Business Schools. In November 2012, he was ranked as the "Second Best CEO in the Arab Banking World" by Forbes Magazine. AbdulAziz served in various Boards of companies across the Sultanate including ONIC Holding, Al Ahlia Insurance Company, National Life Insurance, Oman Investment & Finance Company, Gulf Hotels Co. and as Advisory Board Member in the College of Agricultural and Marine Services at Sultan Qaboos University. He is currently the Chairman of Oman Electricity Transmission Company, a wholly government-owned entity. He is also a member "The British Scholarships of Oman", a local organisation that sponsors outstanding Omanis for post graduate studies in the U.K.



SHAHID RASOOL
Chief Investment Officer

Shahid joined the company in 2014 and brings on board significant experience in the areas of public and private equity investments and equity research. Before joining Ominvest, he was Head of Public Securities at QInvest (Qatar's largest investment bank) and managed the Bank's proprietary capital and client portfolios focusing on MENA and Global Equities. Previously, he was Head of Investments at First Gulf Bank (FGB) in Abu Dhabi, where he managed a large team and multi-asset global portfolios comprising private equity, public equities and hedge funds. He also managed private equity investments at ADIC – an Abu Dhabi based SWF. Shahid is a CFA Charter holder and received his MBA from The University of Chicago, Booth School of Business, Illinois, USA.



BIKRAM MONGA
Chief Risk Officer

Bikram is a senior risk management professional with 19 years of international experience in financial services / banking across Commercial & Investment Banking, Brokerage, Advisory and Islamic Banking. His experience includes working with leading institutions across GCC, Western & Eastern Europe and Central Asia, where he has accumulated an extensive understanding of various markets and advised businesses in multicultural environments. Bikram holds a BSc (with honours) in Mechanical Engineering from Moscow and an MBA from University of Alberta, Canada. At Ominvest, Bikram is responsible for the Risk Management, Compliance and Legal functions.



NASHAT HELAL
Financial Controller

Nashat is a CPA & CMA by profession and he is a member of the Institute of Management Accountants and CFA Institute with over than 12 years of professional experience in managing the finance functions, formulating strategic business plans, budgeting and financial planning. Previously he was with Ernst & Young in Jordan and Oman where he was the Executive Manager leading the risk management team and led projects across various industries covering government, utilities, insurance, energy, banking and financial services. He joined the Company in July 2013 and is responsible of the finance department after he worked as a Chief Financial Officer of Oman Sail. He holds Bachelor degree in Marketing from Yarmouk University in Jordan.



HAMID AL HARTHI
Head of Support Services

Hamid joined OMINVEST in 2009 as a Vice President Internal Audit, reporting to Audit Committee. Currently, he changed his career to Head of Support Services at OMINVEST. Hamid is a Certified Internal Auditor (CIA) – from the Institution of Internal Auditors (IIA), United State of America (USA) and Certified Internal Quality Auditor (CIQA). He is a Member of Institution of Internal Auditors (IIA), USA. He is also a member of Information Systems Audit and Control Association (ISACA), USA. He has over 12 years of professional experience in internal audit in various institutions in Oman including Oman Development Bank, Gulf Investment Services (GIS) as a Head of Internal Audit & Group Compliance Officer, at Gulf Baadar Capital Markets as Management representative of GIS. Hamid graduated from Sultan Qaboos University with a bachelor degree of Science in Accounting from College of Commerce and Economics.



MUNEER AL MUGHAIRI
Chief Internal Auditor

Muneer has over 12 years of experience in Internal Audit. He worked for various reputable companies such as Oman LNG, Takamul Investment Company, Al Maha Petroleum Marketing Company. In his capacity as Internal Audit Manager at Takamul Investment Company, Muneer was responsible to oversee the Internal Audit Department over the parent company and to evaluate the requirement of conducting shareholders audit over around 8 subsidiaries. Muneer is a Certified Internal Auditor, a Certified Fraud Examiner and a Certified Information System Auditor.



SHAREHOLDERS

COMMUNICATION TO SHAREHOLDERS AND INVESTORS

Information relating to the Company and its quarterly and annual financial statements are posted on the Company's website - www.ominvest.net. Financial statements, in Arabic and English, are also available at the Company's offices during the Company's business hours. The quarterly unaudited and annual audited sections of the financial statements of the Group and Parent Company are published in leading Arabic and English newspapers in the Sultanate of Oman.

Audited financial statements (abridged), in Arabic, together with the Notice and Agenda for the AGM are sent by post to all shareholders to their registered addresses provided by the Muscat Clearing and Depository Company SAOC. Extracts from the financial statements are published in an Arabic and an English newspaper within five days of filing it through electronic transmission system of MSM.

DISTRIBUTION OF SHAREHOLDING

The shareholding pattern as on 31 December 2014 was:

Number of Shares	% Held	Number of shareholders	Total Shares	% of Share Capital
33,674,301 and above	Above 10%	2	116,123,992	34.48%
16,837,151 to 33,674,300	5% - 10%	-	-	-
3,367,431 to 16,837,150	1% - 5%	14	114,712,361	34.07%
Below 3,367,430	Below 1%	1,098	105,906,647	31.45%
		1,114	336,743,000	100.00%

PROFESSIONAL PROFILE OF THE STATUTORY AUDITOR

The shareholders of the Company have appointed M/s Deloitte & Touche as the auditors for the year ended 31 December 2014.

DELOITTE & TOUCHE (M.E.) & CO. LLC - STATUTORY AUDITORS

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 200,000 professionals are committed to becoming the standard of excellence.

Deloitte & Touche (M.E.) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL) and is the first Arab professional services firm established in the Middle East region with uninterrupted presence for over 85 years. Deloitte is among the region's leading professional services firms, providing audit, tax, consulting, and financial advisory services through 26 offices in 15 countries with over 2,500 partners, directors and staff.

LEGAL ADVISOR

M/s Al Busaidy, Mansoor Jamal & Co. continued to serve the Company as the Legal Advisor during the year.

Remuneration to statutory auditors: (RO)

Audit fees for 2014:

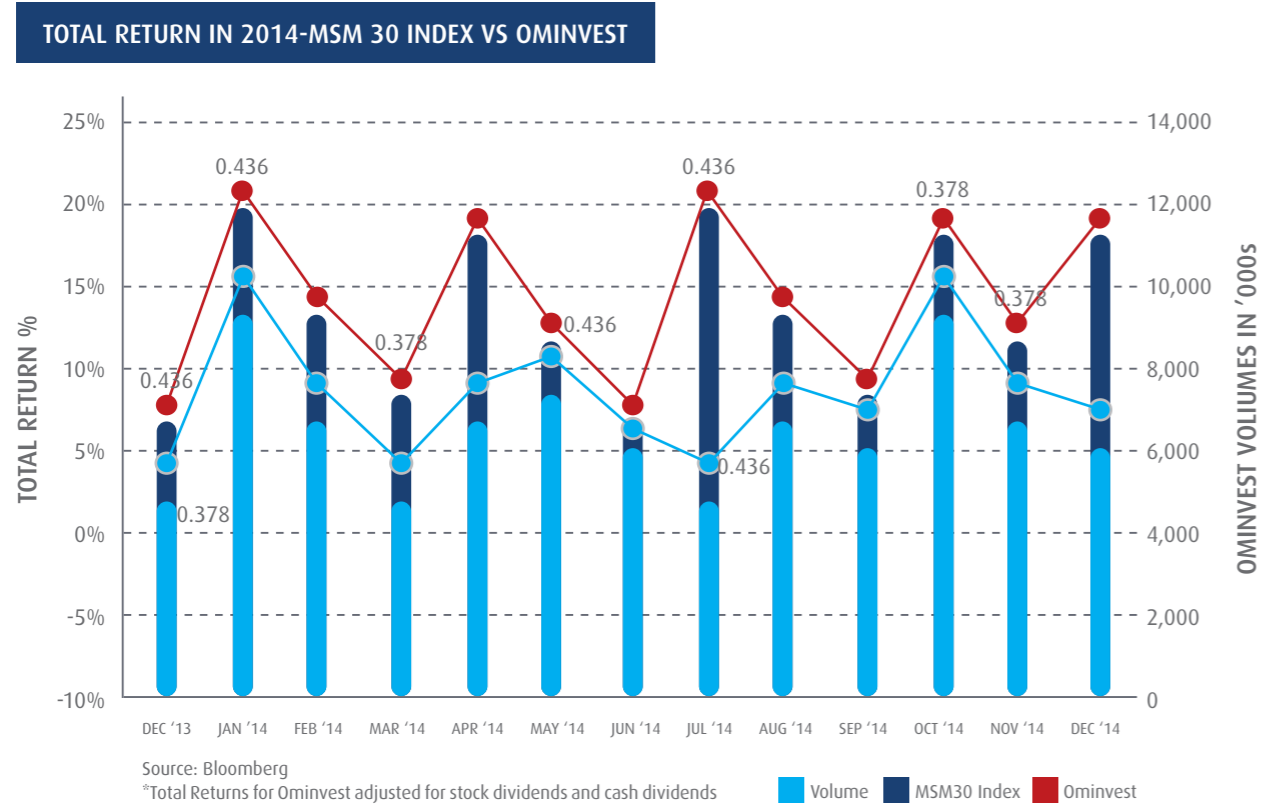
Parent Company
9,950 RO

Subsidiaries
39,700 RO

49,650 RO

MARKET PRICE DATA

The performance of the Company's share price (total returns) in 2014 versus MSM-30 Index is shown below:



Details of Ominvest's high, low and closing share prices during each month are as follows:

	Dec'13	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	Jul'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14
High	0.456	0.466	0.448	0.424	0.384	0.378	0.398	0.434	0.440	0.490	0.464	0.440	0.440
Low	0.424	0.436	0.412	0.404	0.360	0.358	0.372	0.392	0.420	0.428	0.398	0.404	0.374
Close	0.434	0.442	0.412	0.418	0.366	0.376	0.392	0.430	0.428	0.456	0.434	0.406	0.416

Source : MSM Monthly Investors' Guide

DETAILS OF NON-COMPLIANCE

There have been no instances of non-compliance on any matter relating to the Commercial Companies Law No. 4/1974, CMA's code of corporate governance for public listed companies, CMA regulations or the MSM listing agreements.

ACKNOWLEDGEMENT BY THE BOARD

The Board acknowledges its responsibilities and confirm that:

- A** the audited Group and Parent Company financial statements have been prepared in accordance with the IFRS, the minimum requirements of the Commercial Companies Laws, No. 4/1974 and the disclosure requirements of the Capital Market Authority;
- B** the internal controls and procedures have been reviewed through an established process of regular internal audit, review by the Audit Committee and the final clearance by the Board;
- C** the Parent Company and the Group have a strong financial standing to carry on their successful operations in the foreseeable future.

APPENDIX 1 PARTICULARS OF DIRECTORSHIPS OF OTHER PUBLIC JOINT STOCK COMPANIES AND MEMBERSHIPS OF THEIR COMMITTEES

Director	Other Directorships			
	Company	Position	Committee	Position
Taya Jandal Ali	National Finance Co. SAOG	Chairman	EC	Chairman
Majid Salim Saeed Al Araimi	Oman Packaging Co. SAOG	Dy. Chairman	-	-
Saif Said Al Yazidi	National Bank of Oman SAOG	Director	CC	Member
	OOREDOO SAOG	Director	AC	Member
Majid Sultan Al Toky	Oman Investment and Finance SAOG	Director	EC	Member

EC = Executive Committee

CC = Credit Committee

AC = Audit Committee

SUBSIDIARIES

- Oman Arab Bank SAOC, Oman
- National Life and General Insurance Company SAOC, Oman
- Oman National Investment Corporation SAOC, Oman
- Oman Real Estate Investment and Services SAOC, Oman
- Salalah Resorts SAOC, Oman
- Al Jabal Al Aswad Investment LLC, Oman
- Budva Beach Properties doo, Montenegro

ASSOCIATES

- National Finance Company SAOG, Oman
- Oman Orix Leasing Company SAOG, Oman
- Al Ahlia Insurance SAOC, Oman
- International General Insurance Holdings Ltd, DIFC, UAE
- National Detergent Company SAOG, Oman
- National Biscuits Industries Ltd SAOG, Oman
- Oman Chlorine SAOG, Oman
- National Finance House, Bahrain
- Al Shamal Plastics LLC, Oman
- Modern Steel Mills LLC, Oman
- Gulf Acrylic Industries LLC, Oman



Modern Steel Mills LLC.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

Oman International Development and Investment Company SAOG (Ominvest or the Company), an Omani General Joint Stock Company, was established by a Ministerial Decree in 1983. The Company's shares are listed on the Muscat Securities Market (MSM) and it is a constituent of the MSM Index which comprises a basket of 30 listed companies.

The Company's stated objectives are to provide its shareholders a consistent annual return on their capital, together with an opportunity to participate in the long-term gains from its sound investments.

To achieve these objectives, the Company's current investment strategy focuses on the following major areas:

- Strategic investments
- Public and Private Equity investments
- Real Estate investments

Within the above strategy, Ominvest is exploring opportunities to increase and diversify its portfolio of investments within and outside the Sultanate with an objective of growth in sustainable earnings and to mitigate volatility in its portfolio of investments.

GROUP AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The Group audited consolidated financial statements include the audited financial statements of the following companies for the financial year ended 31 December 2014:

Company	Activity	Country	Staff *	Status
Oman International Development & Investment Company SAOG	Investment	Oman	29	Parent Company
Oman Arab Bank SAOC	Banking	Oman	1,187	Subsidiary (51%)
Oman Investment Services SAOC	Investment	Oman	3	Subsidiary (99.98%)
Salalah Resorts SAOC	Integrated Tourism	Oman	-	Subsidiary (100%)
Al Jabal Al Aswad Investment LLC	Tourism	Oman	-	Subsidiary (100%)
Budva Beach Properties d.o.o.	Tourism	Montenegro	2	Subsidiary (100%)

[Subsidiary of Al Jabal Al Aswad Inv. LLC]
* at 31 December 2014

The financial highlights based on the audited financial statements for the financial year ended 31 December 2014 are:	GROUP		PARENT COMPANY	
	2014 (RO '000)	2013 (RO '000)	2014 (RO '000)	2013 (RO '000)
Profit for the year attributable to the shareholders of the Parent Company	14,505	14,177	14,505	14,177
Share capital	33,674	30,613	33,674	30,613
Shareholders' funds	132,669	123,176	132,669	123,176
Proposed cash dividend	6,735	4,592	6,735	4,592
Proposed stock dividend	3,367	3,061	3,367	3,061
Basic earnings per share (RO)	0.043	0.042	0.043	0.042
Net assets per share (RO)	0.394	0.366	0.394	0.366
Cash dividend per share (RO)	0.020	0.015	0.020	0.015
Stock dividend per share (RO)	0.010	0.010	0.010	0.010

PERFORMANCE FOR THE YEAR

The Group consolidated profit for the year was RO 28.42m (2013: RO 26.44m) and is attributable to:

	2014 (RO '000)	2013 (RO '000)
Shareholders of the Parent Company	14,505	14,177
Non-Controlling interests	13,919	12,264
	28,424	26,441

Non-controlling interests represents 49% of the banking subsidiary's equity owned by the minority shareholder, Arab Bank, Jordan. Accordingly, 49% of Oman Arab Bank's profit for the year is attributable to non-controlling interests.

Earnings per share increased to RO 0.043 (2013: RO 0.042) for the Group and decreased to RO 0.015 (2013: RO 0.024) for the Parent Company. NAV per share increased to RO 0.394 (2013: RO 0.366) for the Group and RO 0.178 (2013: RO 0.174) for the Parent Company.

PARENT COMPANY

RO 8.47M
Investment Income
(2013: RO 11.18m)

INCOME

Investment income comprise dividend income, profit from capital market investments and from available for sale investments. Investment income details are presented in Note 19 of the financial statements.

I. Dividend income – RO 7.31m (2013: RO 7.60)

Ominvest's main income was from its single largest investment (at cost) of RO 41.30m (39% of total assets) in its banking subsidiary, Oman Arab Bank SAOC (OAB). During 2014, cash dividend of RO 5.91m (2013: RO 5.91m) was received from OAB.

Cash dividend and directors' sitting fees received from associate investments in National Finance Company, National Detergent Company and National Biscuits Industries Limited was RO 0.77m (2013: RO 0.75m).

Cash dividend received from capital market investments in Oman and other GCC markets amounted to RO 0.25m (2013: RO 0.26m) and cash dividend received from other investments in Oman was RO 0.42m (2013: RO 0.68m).

RO -703.7M
Profit from capital markets investments

II. Profit from capital markets investments

Profit from capital markets investments amounted to RO -703.7m (2013: RO 3.36m) representing net realized and unrealized gains. Capital market investments incurred a loss of -0.97% (2013: +37.5% gains) for the year.

Oman International Development
and Investment Company SAOG

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