

## **1. GENERAL INFORMATION**

Oman International Development and Investment Company SAOG (the Parent Company) is incorporated in the Sultanate of Oman as a public joint stock company and is principally engaged in investment related activities. The Parent Company has its listing on the Muscat Securities Market.

The Parent Company's principal place of business and registered address is is Al Shatti Al Qurum, Way No. 3036 Building No. 2832 Fourth Floor, P O Box 3886, Ruwi, Postal Code 112, Sultanate of Oman.

These consolidated interim financial statements for the six month period ended 30 June 2015 comprise the Parent Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates. The separate financial statements represent the financial statements of the Parent Company on a stand-alone basis. The consolidated and separate financial statements are collectively referred to as "the financial statements".

## **2. ACCOUNTING POLICIES**

The interim condensed consolidated financial information of the Group has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the audited annual consolidated financial statements for the year ended 31 December 2014.

## **3. CERTIFICATES OF DEPOSIT**

Certificates of deposit held are issued by the Central Bank of Oman for a tenor of 28 days and carry interest at the average rate of 0.125% per annum (30 June 2014 – 0.125% per annum).

## **4. DEPOSITS WITH BANKS**

Deposits with banks include RO 500,000 (30 June 2014 - RO 500,000) being statutory capital deposit with the Central Bank of Oman in terms of regulations applicable to the banking subsidiary. This deposit cannot be withdrawn without prior written approval of the Central Bank of Oman.

## **5. INVESTMENT SECURITIES**

At 30 June, investment securities comprised the following:

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Financial assets at fair value through				
profit or loss	5,323	11,082	4,179	9,281
Available for sale investments	61,138	29,097	39,672	7,781
Held-to-maturity investments	123,016	31,938	-	-
	<u>189,477</u>	<u>72,117</u>	<u>43,851</u>	<u>17,062</u>

**5. INVESTMENT SECURITIES (continued)**

**(a) Financial assets at fair value through profit or loss**

**(i) Financial assets designated at fair value through profit or loss**

At 30 June, financial assets designated at fair value through profit or loss comprised the following:

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
<b>Quoted investments</b>				
Local investments				
Equity investments:				
Banking sector	2,789	2,248	2,789	1,725
Investment sector	1,227	1,746	1,227	1,746
Services sector	75	622	26	571
Industrial sector	137	887	132	851
	<u>4,228</u>	<u>5,503</u>	<u>4,174</u>	<u>4,893</u>
Mutual Funds	470	597	-	-
	<u>4,698</u>	<u>6,100</u>	<u>4,174</u>	<u>4,893</u>
Foreign investments				
Equity investments	<u>5</u>	<u>4,388</u>	<u>5</u>	<u>4,388</u>
Total quoted investments	<u>4,703</u>	<u>10,488</u>	<u>4,179</u>	<u>9,281</u>
<b>Unquoted investments</b>				
Local investments	314	286	-	-
Total financial assets designated at fair value through profit or loss	<u>5,017</u>	<u>10,774</u>	<u>4,179</u>	<u>9,281</u>

5. INVESTMENT SECURITIES (continued)

(a) *Financial assets at fair value through profit or loss (continued)*

(ii) *Financial assets held for trading*

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Quoted	306	308	-	-
Total financial assets at fair value through profit or loss	<u>5,323</u>	<u>11,082</u>	<u>4,179</u>	<u>9,281</u>

(b) *Available for sale investments*

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
<b>Local investments</b>				
Quoted investments	45,960	16,509	30,354	-
Fair value reserve	(1,585)	545	(1,556)	-
Unquoted investments	1,081	889	700	700
Fair value reserve	6,583	6,583	6,598	6,598
Deferred tax liability on fair value reserve	<u>(659)</u>	<u>(659)</u>	<u>(659)</u>	<u>(659)</u>
	<u>51,380</u>	<u>23,867</u>	<u>35,437</u>	<u>6,639</u>
<b>Foreign investments</b>				
Quoted investments	10,021	4,039	4,262	-
Fair value reserve	<u>(860)</u>	<u>(145)</u>	<u>(439)</u>	<u>-</u>
	<u>9,161</u>	<u>3,894</u>	<u>3,823</u>	<u>-</u>
Unquoted investments	2,012	4,252	1,823	4,058
Less: Provision for impairment [note 5(d)]	<u>(1,475)</u>	<u>(2,994)</u>	<u>(1,475)</u>	<u>(2,994)</u>
	537	1,258	348	1,064
Fair value reserve	<u>60</u>	<u>78</u>	<u>64</u>	<u>78</u>
	<u>597</u>	<u>1,336</u>	<u>412</u>	<u>1,142</u>
Total available for sale investments	<u>61,138</u>	<u>29,097</u>	<u>39,672</u>	<u>7,781</u>

5. INVESTMENT SECURITIES (continued)

(c) *Held-to-maturity investments*

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Oman Government Development Bonds				
- held by the banking subsidiary	51,016	31,938	-	-
Treasury bills				
- held by the banking subsidiary	72,000	-	-	-
	<u>123,016</u>	<u>31,938</u>	<u>-</u>	<u>-</u>

Bonds are denominated in Rial Omani and are issued by the Government of Oman. They carry interest rates varying between 2.75% and 5.50% (2014 – 2.75% and 5.50%) per annum. The maturity profile of these bonds, based on the remaining period to maturity from the balance sheet date, is as follows:

	2015	2014
	(RO'000)	(RO'000)
Within one year	-	2,400
Between one and five years	51,016	29,538
	<u>51,016</u>	<u>31,938</u>

(d) *Movement in provision for impairment of investments*

	Group and Parent Company	
	Unquoted foreign investments	
	2015	2014
	(RO'000)	(RO'000)
Balance at 1 January	1,475	2,906
Provided during the period	-	350
Written off during the period	-	(262)
Balance at 30 June	<u>1,475</u>	<u>2,994</u>

## 5. INVESTMENT SECURITIES (continued)

### (e) *Investments in associates*

#### Group

At 30 June, investments in associates represented holdings in the following companies registered in the Sultanate of Oman:

	2015		2014	
	Holding	Carrying	Holding	Carrying
	(%)	value	(%)	value
		(RO'000)		(RO'000)
National Finance Company SAOG	25.87	10,103	24.22	8,683
National Biscuit Industries Ltd. SAOG	29.32	1,197	29.32	1,008
National Detergent Company SAOG	20.94	2,635	20.94	2,648
		<u>13,935</u>		<u>12,339</u>

All the Group's associated companies' shares are listed on the Muscat Securities Market (MSM). The market value of investments in associated companies as of the balance sheet date amounted to RO 13,736,118 (2014 - RO 13,261,817).

#### Parent Company

At 30 June, investments in associates represented holdings by the Parent Company in the following companies registered in the Sultanate of Oman:

	2015		2014	
	Holding	Cost	Holding	Cost
	(%)	(RO'000)	(%)	(RO'000)
National Finance Company SAOG	25.56	4,804	24.01	4,182
National Biscuit Industries SAOG	28.92	732	28.92	732
National Detergent Company SAOG	20.94	713	20.94	713
		<u>6,249</u>		<u>5,627</u>

All the Parent Company's associated companies' shares are listed on the Muscat Securities Market (MSM). The market value of investments in associated companies as of the balance sheet date amounted to RO 13,604,096 (2014 - RO 13,128,787).

5. INVESTMENT SECURITIES (continued)

(f) *Investments in subsidiaries*

At 30 June, investments held by the Parent Company in subsidiaries are:

	<u>Incorporated in</u>	<u>2015</u>		<u>2014</u>	
		<u>Cost</u> (RO'000)	<u>Holding</u> %	<u>Cost</u> (RO'000)	<u>Holding</u> %
Oman Arab Bank SAOC (Principal activity: Banking)	Oman	41,302	50.99	41,302	50.99
Oman Investment Services SAOC (Principal activity: Investments)	Oman	903	99.98	903	99.98
Salalah Resorts SAOC (Principal activity: Integrated Tourism Project)	Oman	3,000	100.00	3,000	100.00
Al Jabal Al Aswad Investment LLC (Principal activity: Real Estate)	Oman	-	100.00	-	100.00
Budva Beach Properties d.o.o (Principal activity: Tourism Project) (Held through SPV Al Jabal Al Aswad Investment LLC)	Montenegro	5,231	100.00	5,231	100.00
		<u>50,436</u>		<u>50,436</u>	

## 5. INVESTMENT SECURITIES (continued)

### (g) Details of significant investments

At 30 June, the Group's investments for which either, the Group's holding represents 10% or more of the issuer's share capital, or, the Group's holding exceeds 10% of the market value of the Group's investment portfolio, are detailed as follows:

#### Quoted securities

	<u>Holding</u> %	<u>Number of</u> <u>shares held</u>	<u>Fair</u> <u>value</u> (RO'000)	<u>Carrying</u> <u>value</u> (RO'000)
<u>Group</u>				
National Biscuit Industries Ltd SAOG	29.22	292,197	1,096	1,197
National Finance Co. SAOG	25.87	68,101,939	10,147	10,103
National Detergent Co. SAOG	20.94	3,561,700	2,493	2,635
Oman National Dairy Products Co. Ltd SAOC	19.65	482,726	-	-
			<u>13,736</u>	<u>13,935</u>

At 30 June, the Parent Company's investments for which either, the Parent Company's holding represents 10% or more of the issuer's share capital, or, the Parent Company's holding exceeds 10% of the market value of the Parent Company's investment portfolio, are detailed as follows:

	<u>Holding</u> %	<u>Number of</u> <u>shares held</u>	<u>Fair</u> <u>value</u> (RO'000)	<u>Carrying</u> <u>value</u> (RO'000)
<u>Parent Company</u>				
National Biscuit Industries Ltd SAOG	28.92	289,197	1,085	732
National Finance Co. SAOG	25.56	61,650,136	10,026	4,804
National Detergent Co. SAOG	20.94	3,561,700	2,493	713
Oman National Dairy Products Co. Ltd SAOC	19.65	482,726	-	-
			<u>13,604</u>	<u>6,249</u>

#### Unquoted securities

	<u>Holding</u> %	<u>Number of</u> <u>shares held</u>	<u>Carrying</u> <u>value</u> (RO'000)
<u>Group</u>			
<u>Subsidiaries</u>			
Oman Arab Bank SAOC	51.00	591,600,000	109,733
Oman Investment Services SAOC	99.98	999,800	855
Salalah Resorts SAOC	99.98	999,800	1,254
Budva Beach Properties d.o.o	100.00	-	4,901
<u>Others</u>			
Al Shamal Plastics LLC	20.00	200,000	941
Modern Steel Mills LLC	19.48	1,363,950	4,828
Gulf Acrylic Industries LLC	20.00	100,000	606
			<u>123,118</u>

**5. INVESTMENT SECURITIES (continued)**

**(g) Details of significant investments (continued)**

	<u>Holding</u> %	<u>Number of</u> <u>shares held</u>	<u>Carrying</u> <u>value</u> (RO'000)
<u>Parent Company</u>			
<i>Subsidiaries</i>			
Oman Arab Bank SAOC	50.99	591,484,000	41,302
Oman Investment Services SAOC	99.98	999,800	903
Salalah Resorts SAOC	99.98	2,999,800	3,000
Budva Beach Properties d.o.o	100.00	-	5,231
<i>Others</i>			
Al Shamal Plastics LLC	15.00	150,000	876
Modern Steel Mills LLC	19.48	1,363,950	4,828
Gulf Acrylic Industries LLC	15.00	75,000	561
			<u>56,701</u>

**6. LOANS AND ADVANCES TO CUSTOMERS**

- (a) At 30 June, Loans and advances to customers extended by the banking subsidiary were as follows:

	<u>2015</u> (RO'000)	<u>2014</u> (RO'000)
Commercial loans	690,102	635,521
Overdrafts	170,854	147,791
Personal loans	547,570	465,716
Credit cards	4,874	5,402
Al-Yusr financing activities	<u>32,284</u>	<u>12,154</u>
Gross loans and advances	1,445,684	1,266,584
Less: Allowance for loan impairment and reserved interest	<u>(39,947)</u>	<u>(35,113)</u>
Net loans and advances	<u>1,405,737</u>	<u>1,231,471</u>

**(b) Allowance for loan impairment and reserved interest**

The movement in the allowance for loan impairment and reserved interest was as follows:

	<u>Allowance for</u> <u>loan impairment</u> (RO 000)	<u>Reserved</u> <u>interest</u> (RO 000)	<u>Total</u> (RO 000)
<b>2015</b>			
Balance at 1 January	30,651	6,339	36,990
Provided during the period	4,913	1,188	6,101
General Provision – Al-Yusr	178	-	178
Amounts written off during the period	208	(286)	(78)
Amounts released/recovered	<u>(2,573)</u>	<u>(671)</u>	<u>(3,244)</u>
Balance at 30 June	<u>33,377</u>	<u>6,570</u>	<u>39,947</u>



**6. LOANS AND ADVANCES TO CUSTOMERS (continued)**

**(b) Allowance for loan impairment and reserved interest (continued)**

	Allowance for loan impairment	Reserved interest	Total
	(RO 000)	(RO 000)	(RO 000)
<b>2014</b>			
Balance at 1 January	27,318	6,997	34,315
Provided during the period	5,353	1,175	6,528
General Provision – Al-Yusr	146	-	146
Amounts written off during the period	(401)	(962)	(1,363)
Amounts released/recovered	(3,093)	(1,420)	(4,513)
Balance at 30 June	<u>29,323</u>	<u>5,790</u>	<u>35,113</u>

- (c) The Central Bank of Oman regulations require that the allowance for impaired loan account should be the higher of the provision determined in accordance with IAS 39 and Central Bank of Oman guidelines. Loans and advances on which interest has been reserved and/or has not been accrued amounted to RO 40,290,091 (2014 - RO 35,124,585).

At 30 June 2015, out of the total loan impairment provision, RO 19,821,138 (2014 - RO 16,683,506) has been made for the potential loss against risk inherent on performing portion of the loans and advances on a collective portfolio basis.

- (d) All loans and advances were made to customers within the Sultanate of Oman. The concentration of loans and advances by sector is as follows:

	2015 (RO'000)	2014 (RO'000)
Personal loans including credit cards	574,040	478,451
Transportation	112,613	144,908
Construction	151,696	123,694
Manufacturing	110,521	109,146
Utilities	45,155	63,303
Wholesale and retail trade	71,772	67,138
Services	54,695	43,791
Import trade	56,601	41,245
Mining and quarrying	9,452	31,922
Financial institutions	48,603	27,147
Government	8,760	-
Agriculture and allied activities	6,112	6,596
Export trade	1,022	835
Others	194,642	128,408
	<u>1,445,684</u>	<u>1,266,584</u>

## 7. PROJECTS WORK IN PROGRESS

At 30 June, projects work in progress are as follows:

	<u>2015</u> (RO'000)	<u>2014</u> (RO'000)
<b>Salalah Resorts SAOC:</b>		
Initial stage	168	1,067
Consultancy charges	<u>2,575</u>	<u>2,830</u>
	2,743	3,897
Less: Provision for impairment	<u>-</u>	<u>(1,329)</u>
	2,743	2,568
<b>Budva Beach Properties d.o.o :</b>		
Cost of land	5,231	5,231
Consultancy and other costs	<u>948</u>	<u>951</u>
	6,179	6,182
	<u>8,922</u>	<u>8,750</u>

## 8. DUE TO BANKS

At 30 June, due to banks are as follows:

	<u>Group</u> <u>2015</u> (RO'000)	<u>2014</u> (RO'000)	<u>Parent Company</u> <u>2015</u> (RO'000)	<u>2014</u> (RO'000)
Due to banks	8,890	8,467	-	-
Loans and overdrafts	<u>38,000</u>	<u>16,000</u>	<u>57,500</u>	<u>20,500</u>
	<u>46,890</u>	<u>24,467</u>	<u>57,500</u>	<u>20,500</u>

The maturity profile of terms loans is as follow:

	<u>Group</u> <u>2015</u> (RO'000)	<u>2014</u> (RO'000)	<u>Parent Company</u> <u>2015</u> (RO'000)	<u>2014</u> (RO'000)
Due within one year	24,000	16,000	28,500	20,500
Due in more than one year	<u>14,000</u>	<u>-</u>	<u>29,000</u>	<u>-</u>
	<u>38,000</u>	<u>16,000</u>	<u>57,500</u>	<u>20,500</u>

## 9. SUBORDINATED BONDS

In order to enhance the capital adequacy and to meet the funding requirements our banking subsidiary Oman Arab Bank issued non-convertible unsecured Subordinated Bonds of RO 50 million (50,000,000 units of RO 1 each) for a tenor of five years and one month in April 2012 through private placement. The Bonds are listed in the Muscat Securities Market and are transferable through trading. The Bonds carry a fixed coupon rate payable semi-annually with the principal payable on maturity.

## 10. SHARE CAPITAL

- (a) The authorised share capital of the Parent Company is 500,000,000 (2014 – 500,000,000) shares of 100 baisa each. 370,417,300 (2014 – 336,743,000) shares of 100 baisa each have been issued and fully paid.
- (b) At the Annual General Meeting of the shareholders of the Parent Company held on 30 March 2015 bonus shares of 33,674,300 (2014 – 30,613,000) shares at 100 baisa per share were approved to be issued by transferring RO 3,367,430 (2014 – RO 3,061,300) from retained earnings to share capital.
- (c) Shareholders of the Parent Company who own 10% or more of the Company's shares, whether in their name or through a nominee, and the number of shares they hold are as follows:

	2015		2014	
	Holding %	Shares	Holding %	Shares
Al Hilal Investment Co. LLC	24.47	74,902,070	20.22	68,092,793
Civil Service Employees Pension Fund	17.15	52,500,926	14.43	48,605,433
	<u>41.62</u>	<u>127,402,996</u>	<u>34.65</u>	<u>116,698,226</u>

## 11. INTEREST INCOME

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Loans and advances to customers	29,754	27,645	-	-
Placements with banks	132	51	-	-
Certificates of deposit	144	95	-	-
Oman GDB and treasury bills	576	391	-	-
	<u>30,606</u>	<u>28,182</u>	<u>-</u>	<u>-</u>

## 12. INTEREST EXPENSE

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Parent Company:				
Bank borrowings	404	163	647	220
Banking subsidiary:				
Time deposits	5,357	4,631	-	-
Subordinated bonds	1,364	1,372	-	-
Call accounts	465	370	-	-
Saving accounts	145	207	-	-
	<u>7,735</u>	<u>6,743</u>	<u>647</u>	<u>220</u>

**13. INVESTMENT INCOME**

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Dividend from investments	1,674	1,426	8,850	7,224
Quoted local investments:				
Profit on sale	1,820	1,222	102	278
Changes in fair value	2,267	255	2,379	110
Quoted foreign investments:				
Profit on sale	154	562	154	562
Changes in fair value	-	(527)	-	(527)
Investment property:				
Gain on sale of an investment property	651	1,833	651	1,833
	<u>6,566</u>	<u>4,771</u>	<u>12,136</u>	<u>9,480</u>

**14. COMMISSION AND OTHER INCOME**

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Fees and commission	11,434	10,070	86	72
Foreign exchange	2,547	2,340	-	-
Other income	170	68	1	13
	<u>14,151</u>	<u>12,478</u>	<u>87</u>	<u>85</u>

**15. OPERATING EXPENSES**

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Staff costs	13,125	12,132	854	661
Other operating expenses	6,796	5,948	926	291
Depreciation	1,725	1,307	73	40
Directors' sitting fees and remuneration:				
Parent company	100	100	100	100
Banking subsidiary	56	48	-	-
	<u>21,802</u>	<u>19,535</u>	<u>1,953</u>	<u>1,092</u>

## **16. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statements of cash flows comprise the following:

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Balances with banks and money at call	115,050	78,473	11,188	4,888
Deposits with banks (note 4)	69,597	21,807	-	-
Certificates of deposit	76,400	220,000	-	-
Due to banks	(8,890)	(8,467)	-	-
	<u>252,157</u>	<u>311,813</u>	<u>11,188</u>	<u>4,888</u>

## **17. DIVIDENDS PER SHARE**

At the Annual General Meeting, held on, Monday 30 March 2015 (2014 – Monday, 31 March 2014), a cash dividend of RO 0.020 per share (2014 – RO 0.015 per share) amounting to a total of RO 6,734,800 (2014 – RO 4,591,950) and a stock dividend of 10 shares for every 100 shares held (2014 – 10 shares for every 100 shares held) amounting RO 3,367,400 (2014 – RO 3,061,300) in respect of year ended 31 December 2014 was approved. Following this, the dividend is accounted for in shareholders' changes in equity as an appropriation of retained profits in the period.

## **18. CONTINGENT LIABILITIES**

At 30 June 2015, the Group had contingent liabilities as follows:

	2015	2014
	(RO'000)	(RO'000)
Banking subsidiary:		
Letters of credit	309,501	420,838
Guarantees	592,790	479,598
	<u>902,291</u>	<u>900,436</u>

Letters of credit and guarantees amounting to RO 896,375,682 (2014 – RO 667,620,776) and relating to banking subsidiary were counter guaranteed by other banks.

## 19. SEGMENTAL INFORMATION

The Group is organised into two main business segments:

- 1) Banking Segment – incorporating corporate, retail and treasury and investment banking activities carried out by the Group’s banking subsidiary; and
- 2) Investment Segment – incorporating investment activities for both short-term and long-term purposes.

Transactions between the business segments are on normal commercial terms and conditions and are entered into between the banking subsidiary and the rest of the Group. Such transactions are eliminated on consolidation.

	Investments RO'000	Banking Sector					Adjustments RO'000	Total RO'000
		Retail Banking RO'000	Corporate Banking RO'000	Treasury/ Investment Banking RO'000	Unallocated RO'000	Al Yusr RO'000		
<b>2015</b>								
Net operating income	11,588	21,017	14,736	3,235	369	582	(7,070)	44,457
Segmental assets	128,862	535,578	857,909	32,250	431,443	42,155	(75,242)	1,952,955
<b>2014</b>								
Net operating income	9,539	19,285	11,813	3,140	1,196	403	(5,948)	39,428
Segmental assets	96,132	457,021	766,989	34,536	402,065	15,069	(59,779)	1,712,033

## **20. RELATED PARTY TRANSACTIONS**

- (a) These represent transactions with related parties defined in International Accounting Standard 24 – Related Party Disclosures. Pricing policies and the terms of the transactions are approved by the Parent Company's and subsidiaries' respective Boards of Directors.
- (b) Transactions and balances with related parties of the Parent Company or holders of 10% or more of the Parent Company's shares or their family members, included in the income statement, balance sheet and off-balance sheet are as follows:

	Total	Major	Directors	Associates/ Subsidiary	Key Management	Non- controlling interests
	RO'000	shareholders RO'000	RO'000	RO'000	RO'000	RO'000
<b>2015</b>						
<b>Group</b>						
<b>Statement of income</b>						
Interest and commission income	264	5	3	91	-	165
Interest expense	212	-	-	-	-	212
Directors' sitting fees	156	-	100	-	-	56
<b>Statement of financial position</b>						
Loans and advances	47,777	4,000	317	30,667	-	12,793
Deposit from customers	6,936	1,778	185	15	-	4,958
<b>Off Statement of financial position</b>						
Letters of credit, guarantees and Acceptances	193,630	-	-	-	-	193,630
<b>Parent Company</b>						
<b>Statement of income</b>						
Directors' sitting fees	100	-	100	-	-	-
Operating expenses	2	-	2	-	-	-
<b>Statement of financial position</b>						
Property and equipment	34	-	34	-	-	-
Bank borrowings	19,500	-	-	19,500	-	-
Bank balances	9,291	-	-	9,291	-	-
Due from subsidiaries	3,365	-	-	3,365	-	-

**20. RELATED PARTY TRANSACTIONS (continued)**

	Total	Major	Directors	Associates/ Subsidiary	Key Management	Non- controlling interests
	RO'000	shareholders RO'000	RO'000	RO'000	RO'000	RO'000
<b>2014</b>						
<b>Group</b>						
<b>Statement of income</b>						
Interest and commission income	170	-	2	75	-	93
Interest expense	206	-	-	-	-	206
Directors' sitting fees	148	-	100	-	-	48
<b>Statement of financial position</b>						
Loans and advances	22,955	1,500	83	13,166	-	8,206
Deposit from customers	2,709	9	130	141	-	2,429
<b>Off Statement of financial position</b>						
Letters of credit, guarantees and Acceptances	182,032	-	-	-	-	182,032
<b>Parent Company</b>						
<b>Statement of income</b>						
Directors' sitting fees	100	-	100	-	-	-
Operating expenses	40	-	40	-	-	-
<b>Statement of financial position</b>						
Bank borrowings	4,500	-	-	4,500	-	-
Bank balances	4,081	-	-	4,081	-	-
Due from subsidiaries	4,928	-	-	4,928	-	-

- (c) The banking subsidiary has a management agreement with Arab Bank plc, Jordan, which owns 49% of the banking subsidiary's share capital. In accordance with the terms of the management agreement, Arab Bank plc provides banking related technical assistance and other management services, including secondment of managerial staff. The annual management fee is 0.3% of profit after tax.



## **21. BASIC EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit for the period by the number of shares outstanding during the period.

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Profit for the period (RO '000)	<u>10,544</u>	<u>9,440</u>	<u>9,623</u>	<u>7,903</u>
Weighted average number of shares outstanding during the period	<u>370,417,300</u>	<u>370,417,300</u>	<u>370,417,300</u>	<u>370,417,300</u>
Basic earnings per share (RO)	<u>0.028</u>	<u>0.025</u>	<u>0.026</u>	<u>0.021</u>

During the period the Parent Company issued stock dividend of 33,674,000 shares (2014 – 30,613,000). According to IAS 33 - Earnings per share, paragraph 26, the weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted. In the present financial statement, the issue has been treated as if it had occurred at the beginning of 2015 and the 2014 basic earnings per share was recalculated accordingly. As there was no dilutive potential shares, the diluted earnings per share is identical to the basic earnings per share.

## **22. NET ASSETS PER SHARE**

The calculation of net assets per share is as follows:

	Group		Parent Company	
	2015	2014	2015	2014
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Net assets value attributable to shareholders profit (RO'000)	<u>133,726</u>	<u>127,714</u>	<u>59,834</u>	<u>61,844</u>
Weighted average number of shares outstanding during the year	<u>370,417,300</u>	<u>370,417,300</u>	<u>370,417,300</u>	<u>370,417,300</u>
Net assets per share (RO)	<u>0.361</u>	<u>0.345</u>	<u>0.162</u>	<u>0.167</u>

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