

REPORT ON THE PERFORMANCE OF THE GROUP

FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

We are pleased to report on the performance of the Group for the nine month period ended 30 September 2014.

Group

The Group recorded a profit of RO 23.8m vs. RO 21.2m in the corresponding period in 2013. The profit attributable to the Parent Company shareholders from the Group profit is RO 13.4m compared to RO 12m in the nine month period ended 30 September 2013. The increase in profit by 12.3% attributable to the positive earnings from investments in banking subsidiary and associates as their performance was well compared as in 2013.

Total Shareholders' Funds attributable to the shareholders of the Parent Company stood at RO 132m compared to RO 120m at 30 September 2013 and RO 123.18m at 31 December 2013.

Parent Company

Parent Company profit for the period is RO 8m compared to RO 8.2m in 2013. This marginal decrease of 2.4% is mainly attributable to the underperformance of capital market activities during the period, offset by the sale of the investment property.

Income from capital market activities amounted to RO 1.27m compared to RO 2.84m in 2013 representing cash dividends and market gains.

Cash dividend and fees received from Oman Arab Bank was marginally higher at RO 5.93m compared to RO 5.91m in 2013. Cash dividends received from investment in associates and other investments in Oman is RO 1.44m compared to RO 1.65m in 2013.

Total assets stood at RO 81.35m, a marginal decrease of 2.3% compared to RO 83.30m at 30 September 2013, mainly due to the sale of investment property in the year 2014. Shareholders' funds of the Parent Company increased to RO 61.91m (+7.3%) from RO 57.71m at 30 September 2013.



Oman Arab Bank

Oman Arab Bank, our banking subsidiary, reported a profit of RO 21.2 m compared to RO 19.1 m for the nine month period ended 30 September 2013. Gross loans and advances at RO 1.26 bn increased by 7% and customers' deposits at RO 1.35 bn were up by 25% compared with 30 September 2013. The Bank's shareholders' funds increased to RO 208.48 m compared with RO 198.75 m at 30 September 2013.

Associate companies

Associates performed well during the period. Share of profits from associates was RO 1.14m compared to RO 1.1m in 2013.

Conclusion

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

TAYA JANDAL ALI

DEPUTY CHAIRMAN

November 10, 2014