

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 Ominvest Building, Central Business District, Greater Muttrah, P O Box 3886, Ruwi, Postal Code 112, Sultanate of Oman.

These consolidated interim financial statements for the nine month period ended 30 September 2014 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 2013.

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 September 2013 – 0.125% per annum).

4. DEPOSITS WITH BANKS

Deposits with banks include RO 500,000 (30 September 2013 - 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 This deposit cannot be withdrawn without prior written approval of the Central Bank of Oman.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 september, investment securities comprised the following:

	Group		Parent Company	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Financial assets at fair value through				
profit or loss	11,651	10,495	10,109	7,697
Available for sale investments	28,334	24,573	7,781	7,307
Held-to-maturity investments	32,543	27,949	-	-
	<u>72,528</u>	<u>63,017</u>	<u>17,890</u>	<u>15,004</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 September, financial assets designated at fair value through profit or loss comprised the following:

	Group		Parent Company	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Quoted investments				
Local investments				
Equity investments:				
Banking sector	1,461	2,072	1,278	1,595
Investment sector	1,792	194	1,792	194
Services sector	363	979	313	928
Industrial sector	1,057	881	1,052	833
	<u>4,673</u>	<u>4,126</u>	<u>4,435</u>	<u>3,550</u>
Mutual Funds	662	514	-	-
	<u>5,335</u>	<u>4,640</u>	<u>4,435</u>	<u>3,550</u>
Foreign investments				
Equity investments	<u>5,674</u>	<u>4,147</u>	<u>5,674</u>	<u>4,147</u>
Total quoted investments	<u>11,009</u>	<u>8,787</u>	<u>10,109</u>	<u>7,697</u>
Unquoted investments				
Local investments	293	291	-	-
Total financial assets designated at fair value through profit or loss	<u>11,302</u>	<u>9,078</u>	<u>10,109</u>	<u>7,697</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	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Quoted	349	1,417	-	-
Total financial assets at fair value through profit or loss	<u>11,651</u>	<u>10,495</u>	<u>10,109</u>	<u>7,697</u>

(b) Available for sale investments

	Group		Parent Company	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Local investments				
Quoted investments	16,196	15,127	-	-
Fair value reserve	812	582	-	-
Unquoted investments	889	850	700	700
Fair value reserve	6,583	5,601	6,598	5,601
Deferred tax liability on fair value reserve	<u>(659)</u>	<u>(659)</u>	<u>(659)</u>	<u>(659)</u>
	<u>23,821</u>	<u>21,501</u>	<u>6,639</u>	<u>5,642</u>
Foreign investments				
Quoted investments	3,221	1,230	-	-
Fair value reserve	<u>(53)</u>	<u>12</u>	<u>-</u>	<u>-</u>
	<u>3,168</u>	<u>1,242</u>	<u>-</u>	<u>-</u>
Unquoted investments	4,256	4,749	4,058	4,569
Less: Provision for impairment [note 5(d)]	<u>(2,994)</u>	<u>(2,941)</u>	<u>(2,994)</u>	<u>(2,941)</u>
	<u>1,262</u>	<u>1,808</u>	<u>1,064</u>	<u>1,628</u>
Fair value reserve	<u>83</u>	<u>22</u>	<u>78</u>	<u>37</u>
	<u>1,345</u>	<u>1,830</u>	<u>1,142</u>	<u>1,665</u>
Total available for sale investments	<u>28,334</u>	<u>24,573</u>	<u>7,781</u>	<u>7,307</u>

5. INVESTMENT SECURITIES (continued)

(c) Held-to-maturity investments

	Group		Parent Company	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Held by the banking subsidiary				
- Oman Government Development Bonds	31,869	27,949	-	-
- Corporate Securities	168	-	-	-
- Corporate Securities – Islamic banking	506	-	-	-
	<u>32,543</u>	<u>27,949</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% (2013 – 3.25% 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:

	2014	2013
	(RO'000)	(RO'000)
Within one year	2,400	-
Between one and five years	29,469	27,949
	<u>31,869</u>	<u>27,949</u>

(d) Movement in provision for impairment of investments

	Group and Parent Company	
	Unquoted foreign investments	
	2014	2013
	(RO'000)	(RO'000)
Balance at 1 January	2,906	2,957
Provided during the period	350	534
Written off during the period	(262)	(550)
Balance at 30 September	<u>2,994</u>	<u>2,941</u>

5. INVESTMENT SECURITIES (continued)

(e) *Investments in associates*

Group

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

	2014		2013	
	Holding	Carrying	Holding	Carrying
	(%)	value	(%)	value
		(RO'000)		(RO'000)
National Finance Company SAOG	25.87	9,588	24.22	8,349
National Biscuit Industries Ltd. SAOG	29.32	1,077	21.30	631
National Detergent Company SAOG	20.94	2,694	20.94	2,578
		<u>13,359</u>		<u>11,558</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 13,820,830 (2013 - RO 13,589,058).

Parent Company

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

	2014		2013	
	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	21.00	435
National Detergent Company SAOG	20.94	713	20.94	713
		<u>6,249</u>		<u>5,330</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 13,687,800 (2013 - RO 13,492,401).

5. INVESTMENT SECURITIES (continued)

(f) Investments in subsidiaries

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

	<u>Incorporated in</u>	<u>2014</u>		<u>2013</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	500	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>47,936</u>	

5. INVESTMENT SECURITIES (continued)

(g) Details of significant investments

At 30 September, 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	1,077
National Finance Co. SAOG	25.87	66,440,917	10,232	9,588
National Detergent Co. SAOG	20.94	3,561,700	2,493	2,694
Oman National Dairy Products Co. Ltd SAOC	19.65	482,726	-	-
			<u>13,821</u>	<u>13,359</u>

At 30 September, 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	10,110	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>13,688</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	106,326
Oman Investment Services SAOC	99.98	999,800	906
Salalah Resorts SAOC	99.98	999,800	1,362
Budva Beach Properties d.o.o	100.00	-	4,944
<u>Others</u>			
Al Shamal Plastics LLC	20.00	200,000	913
Modern Steel Mills LLC	19.48	1,363,950	4,828
Gulf Acrylic Industries LLC	20.00	100,000	621
			<u>119,900</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	499,800	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 September, Loans and advances to customers extended by the banking subsidiary were as follows:

	<u>2014</u> (RO'000)	<u>2013</u> (RO'000)
Commercial loans	613,295	560,306
Overdrafts	130,850	161,818
Personal loans	492,993	442,115
Credit cards	5,200	5,872
Al-Yusr financing activities	<u>16,918</u>	<u>227</u>
Gross loans and advances	1,259,256	1,170,338
Less: Allowance for loan impairment and reserved interest	<u>(35,710)</u>	<u>(34,167)</u>
Net loans and advances	<u>1,223,546</u>	<u>1,136,171</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)
2014			
Balance at 1 January	27,272	6,997	34,269
Provided during the period	7,720	1,752	9,472
General Provision – Al-Yusr	232	-	232
Amounts written off during the period	(680)	(938)	(1,618)
Amounts released/recovered	<u>(4,802)</u>	<u>(1,843)</u>	<u>(6,645)</u>
Balance at 30 September	<u>29,742</u>	<u>5,968</u>	<u>35,710</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)
2013			
Balance at 1 January	24,777	6,744	31,521
Provided during the period	5,326	1,507	6,833
General Provision – Al-Yusr	5	-	5
Amounts written off during the period	(276)	(378)	(654)
Amounts released/recovered	(2,686)	(852)	(3,538)
Balance at 30 September	<u>27,146</u>	<u>7,021</u>	<u>34,167</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 34,978,509 (2013 - RO 28,168,417).

At 30 September 2014, out of the total loan impairment provision, RO 16,943,718 (2013 - RO 14,901,706) 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:

	<u>2014</u>	<u>2013</u>
	(RO'000)	(RO'000)
Personal loans including credit cards	509,399	448,214
Transportation	145,892	147,351
Construction	125,413	103,230
Manufacturing	109,496	112,869
Services	62,376	67,259
Utilities	61,158	62,397
Wholesale and retail trade	50,455	37,872
Import trade	42,612	42,392
Financial institutions	20,283	19,408
Mining and quarrying	16,537	15,845
Agriculture and allied activities	5,260	6,724
Export trade	753	550
Others	109,622	106,227
	<u>1,259,256</u>	<u>1,170,338</u>

7. PROJECTS WORK IN PROGRESS

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

	<u>2014</u> (RO'000)	<u>2013</u> (RO'000)
Salalah Resorts SAOC:		
Initial stage	1,067	1,067
Consultancy charges	<u>2,830</u>	<u>2,718</u>
	3,897	3,785
Less: Provision for impairment	<u>(1,329)</u>	<u>-</u>
	<u>2,568</u>	<u>3,785</u>
Budva Beach Properties d.o.o :		
Cost of land	5,231	5,231
Consultancy and other costs	<u>947</u>	<u>933</u>
	<u>6,178</u>	<u>6,164</u>
	<u>8,746</u>	<u>9,949</u>

8. DUE TO BANKS

At 30 September, due to banks are as follows:

	<u>Group</u>	<u>Parent Company</u>	<u>2014</u>	<u>2013</u>
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Due to banks	14,000	24,481	-	-
Loans and overdrafts	<u>12,112</u>	<u>18,200</u>	<u>18,500</u>	<u>24,700</u>
	<u>26,112</u>	<u>42,681</u>	<u>18,500</u>	<u>24,700</u>

All the above borrowings are due within one year.

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 (2013 – 500,000,000) shares of 100 baisa each. 336,743,000 (2013 – 306,130,000) 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 31 March 2014 bonus shares of 30,613,000 (2013 – 27,830,000) shares at 100 baisa per share were approved to be issued by transferring RO 3,061,300 (2013 – RO 2,783,000) from retained earnings to share capital.

10. SHARE CAPITAL (continued)

- (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:

	<u>2014</u>		<u>2013</u>	
	<u>Holding %</u>	<u>Shares</u>	<u>Holding %</u>	<u>Shares</u>
Al Hilal Investment Co. LLC	20.22	68,092,793	20.22	61,902,542
Civil Service Employees Pension Fund	14.74	49,649,468	14.76	45,187,101
	<u>34.96</u>	<u>117,742,261</u>	<u>34.98</u>	<u>107,089,643</u>

11. INTEREST INCOME

	<u>Group</u>		<u>Parent Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>(RO'000)</u>	<u>(RO'000)</u>	<u>(RO'000)</u>	<u>(RO'000)</u>
Loans and advances to customers	41,927	38,836	-	-
Placements with banks	108	49	-	-
Certificates of deposit	155	83	-	-
Oman Government Development Bonds	<u>591</u>	<u>536</u>	<u>-</u>	<u>-</u>
	<u>42,781</u>	<u>39,504</u>	<u>-</u>	<u>-</u>

12. INTEREST EXPENSE

	<u>Group</u>		<u>Parent Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>(RO'000)</u>	<u>(RO'000)</u>	<u>(RO'000)</u>	<u>(RO'000)</u>
Parent Company:				
Bank borrowings	229	278	311	354
Banking subsidiary:				
Time deposits	7,339	5,282	-	-
Subordinated bonds	2,064	2,064	-	-
Call accounts	556	542	-	-
Saving accounts	<u>323</u>	<u>286</u>	<u>-</u>	<u>-</u>
	<u>10,511</u>	<u>8,452</u>	<u>311</u>	<u>354</u>

13. INVESTMENT INCOME

	Group		Parent Company	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Dividend from investments	1,616	1,517	7,304	7,567
Quoted local investments:				
Profit on sale	1,990	1,424	486	678
Changes in fair value	117	696	(103)	175
Quoted foreign investments:				
Profit on sale	721	1,230	721	1,230
Changes in fair value	(64)	508	(64)	508
Profit on sale of investment property	1,869	-	1,869	-
Unquoted foreign investments:				
Profit on sale	(11)	231	(11)	231
	<u>6,238</u>	<u>5,606</u>	<u>10,202</u>	<u>10,389</u>

14. COMMISSION AND OTHER INCOME

	Group		Parent Company	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Fees and commission	14,858	9,856	74	-
Foreign exchange	3,456	3,364	-	-
Other income	109	500	18	31
	<u>18,423</u>	<u>13,720</u>	<u>92</u>	<u>31</u>

15. OPERATING EXPENSES

	Group		Parent Company	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Staff costs	18,628	15,878	1,059	871
Other operating expenses	8,786	7,905	390	209
Depreciation	1,979	1,275	62	69
Directors' sitting fees and remuneration:				
Parent company	150	150	150	150
Banking subsidiary	72	78	-	-
	<u>29,615</u>	<u>25,286</u>	<u>1,661</u>	<u>1,299</u>

16. CASH AND CASH EQUIVALENTS

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

	Group		Parent Company	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Balances with banks and money at call	88,012	261,444	3,101	1,679
Deposits with banks (note 4)	32,416	5,780	-	-
Certificates of deposit	225,000	91,000	-	-
Due to banks	(12,112)	(24,481)	-	-
	<u>333,316</u>	<u>333,743</u>	<u>3,101</u>	<u>1,679</u>

17. DIVIDENDS PER SHARE

At the Annual General Meeting, held on, Monday 31 March 2014 (2013 – Sunday, 31 March 2013), a cash dividend of RO 0.015 per share (2013 – RO 0.012 per share) amounting to a total of RO 4,591,950 (2013 – RO 3,339,600) and a stock dividend of 10 shares for every 100 shares held (2013 – 10 shares for every 100 shares held) amounting RO 3,061,300 (2013 – RO 2,783,000) in respect of year ended 31 December 2013 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 September 2014, the Group had contingent liabilities as follows:

	2014	2013
	(RO'000)	(RO'000)
Banking subsidiary:		
Letters of credit	417,494	399,564
Guarantees	<u>527,595</u>	<u>496,374</u>
	<u>945,089</u>	<u>895,938</u>

Letters of credit and guarantees amounting to RO 667,408,975 (2013 – RO 676,464,412) 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.

		Banking Sector						
	Investments	Retail	Corporate	Treasury/ Investment	Al - Yusr	Unallocated	Adjustments	Total
	RO'000	Banking	Banking	Banking	RO'000	RO'000	RO'000	RO'000
2014								
Net operating income	<u>10,223</u>	<u>29,249</u>	<u>17,352</u>	<u>4,364</u>	<u>659</u>	<u>1,773</u>	<u>(5,551)</u>	<u>58,069</u>
Segmental assets	<u>91,275</u>	<u>483,578</u>	<u>727,830</u>	<u>22,674</u>	<u>19,598</u>	<u>440,975</u>	<u>(54,033)</u>	<u>1,731,897</u>
2013								
Net operating income	<u>10,137</u>	<u>25,371</u>	<u>16,760</u>	<u>3,257</u>	<u>(477)</u>	<u>1,514</u>	<u>(5,101)</u>	<u>51,461</u>
Segmental assets	<u>94,521</u>	<u>435,501</u>	<u>706,948</u>	<u>19,514</u>	<u>9,675</u>	<u>440,274</u>	<u>(54,443)</u>	<u>1,651,990</u>

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 RO’000	Major shareholders RO’000	Directors RO’000	Associates/ Subsidiary RO’000	Key Management RO’000	Non- controlling interests RO’000
2014						
Group						
Statement of income						
Interest and commission income	258	-	3	160	-	95
Interest expense	309	-	-	-	-	309
Directors’ sitting fees	222	-	150	-	-	72
Statement of financial position						
Loans and advances	25,768	1,500	374	14,137	-	9,757
Deposit from customers	1,989	9	128	150	-	1,702
Off Statement of financial position						
Letters of credit, guarantees and Acceptances	212,600	-	-	-	-	212,600
Parent Company						
Statement of income						
Directors’ sitting fees	150	-	150	-	-	-
Operating expenses	40	-	40	-	-	-
Statement of financial position						
Bank borrowings	4,500	-	-	4,500	-	-
Bank balances	3,480	-	-	3,480	-	-

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
2013						
Group						
Statement of income						
Interest and commission income	309	-	7	115	-	187
Interest expense	265	-	-	-	-	265
Directors' sitting fees and remuneration	228	-	150	-	-	78
Statement of financial position						
Loans and advances	12,992	750	130	5,465	-	6,647
Deposit from customers	22,866	30	2,124	151	-	20,561
Off statement of financial position						
Letters of credit, guarantees and Acceptances	169,819	-	-	-	-	169,819
Parent Company						
Statement of income						
Directors' sitting fees	150	-	150	-	-	-
Operating expenses	46	-	46	-	-	-
Statement of financial position						
Bank borrowings	6,500	-	-	6,500	-	-
Bank balances	357	-	-	357	-	-

- (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	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Profit for the period (RO '000)	<u>13,388</u>	<u>12,037</u>	<u>7,972</u>	<u>8,233</u>
Weighted average number of shares outstanding during the period	<u>336,743,000</u>	<u>336,743,000</u>	<u>336,743,000</u>	<u>336,743,000</u>
Basic earnings per share (RO)	<u>0.040</u>	<u>0.036</u>	<u>0.024</u>	<u>0.024</u>

During the period the Parent Company issued stock dividend of 30,613,000 shares (2013 – 27,830,000) without consideration related to the year 2012. 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 2014 and the 2013 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	
	2014	2013	2014	2013
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Net assets value attributable to shareholders profit (RO'000)	<u>132,026</u>	<u>119,801</u>	<u>61,913</u>	<u>57,712</u>
Weighted average number of shares outstanding during the year	<u>336,743,000</u>	<u>336,743,000</u>	<u>336,743,000</u>	<u>336,743,000</u>
Net assets per share (RO)	<u>0.392</u>	<u>0.356</u>	<u>0.184</u>	<u>0.171</u>

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