

1. GENERAL INFORMATION

Oman International Development and Investment Company SAOG ('the Company' or 'the Parent company' or "OMINVEST") is incorporated in the Sultanate of Oman as a public joint stock company and is listed on the Muscat Securities Market. The parent company is principally engaged in investment related activities and is in the business of banking, insurance, real estate and financing through its subsidiaries and associates.

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES.

The unaudited condensed interim financial statements for the nine months' period ended 30 September 2016 comprise the Parent company and its subsidiaries (together referred to as the Group) and the Group's interest in associates. These statements have been prepared in accordance with IAS 34, 'Interim financial reporting' and in compliance with the applicable provisions of the Rules and Guidelines on Disclosure by Issuers of Securities and Insider Trading ('R&G') issued by the Capital Market Authority ('CMA') of the Sultanate of Oman and with the Commercial Companies Law of 1974, as amended.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the audited annual consolidated financial statements for the year ended 31 December 2015. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards.

Exceptional items are disclosed and described separately in the interim financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that were applied to the financial statements for the year ended 31 December 2015.

4. IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE IN 2016

For the period ended 30 September 2016, the Group has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant and mandatory to its operations and effective for periods beginning on 1 January 2016.

Consequent to the amendments in IAS 27 effective from 1 January 2016, company has adopted equity method to account for investments in associates and subsidiaries in separate financial statements. These amendments have been applied retrospectively. The following is the summary of changes in parent company financial statements due to change in accounting policy:

4. IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE IN 2016 (continued)

4.1 Effect on Parent company statement of financial position as on 31.12.2014

	Previously reported as on 31.12.2014	Adjustment	Restated 31.12.2014
Investment in Associate	6,249	7,583	13,832
Investment in Subsidiaries	50,536	65,183	115,719
Retained earnings	10,191	28,676	38,867
Legal reserve	9,072	15,730	24,802
General reserve	-	12,064	12,064
Subordinate debt reserve	-	15,297	15,297
Cumulative changes in Fair Value reserve	6,970	(678)	6,292
Revaluation reserve	-	1,677	1,677

4.2 Effect on Parent company statement of financial position as on 31.12.2015

	Previously reported as on 31.12.2015	Adjustment	Restated 31.12.2015
Investment in Associate	71,035	10,164	81,199
Investment in Subsidiaries	107,176	70,283	177,459
Due from Subsidiaries	39,596	(18)	39,578
Retained earnings	2,696	30,924	33,620
Legal reserve	9,362	17,320	26,682
General reserve	-	13,543	13,543
Subordinate debt reserve	-	20,396	20,396
Cumulative changes in Fair Value reserve	(1,619)	(2,557)	(4,176)
Foreign exchange revaluation reserve	-	(1,239)	(1,239)
Contingency reserve	-	293	293
Revaluation reserve	-	1,748	1,748

4.3 Effect on Parent company statement of comprehensive income for the period ended 30 September 2015

	Previously reported for 9 months ended 30.09.2015	Adjustment	Restated for 9 months ended 30.09.2015
Share of results of Subsidiaries	-	10,885	10,885
Dividend from Subsidiaries	7,099	(7,099)	-
Other comprehensive income	-	(601)	(601)
Share of results of Associates	-	1,934	1,934
Dividend from Associates	842	(842)	-

5. CASH AND CASH EQUIVALENTS

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

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
				(Restated)
Balances with banks and money at call	158,450	193,267	1,347	1,112
Deposits with banks (note 6)	123,364	116,484	-	-
Due to banks – current accounts (note 15)	(10,710)	(9,404)	-	-
Capital deposits (note 6)	(500)	(500)	-	-
	270,604	299,847	1,347	1,112

6. DEPOSITS WITH BANKS

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
				(Restated)
Money market placements	60,504	24,400	-	-
Current accounts	22,637	58,826	-	-
Capital deposits with CBO	500	500	-	-
Deposits with Banks and leasing companies	26,181	24,216	-	-
Subordinated deposits	13,542	8,542	-	-
	123,364	116,484	-	-

7. PREMIUM AND INSURANCE BALANCES RECEIVABLE

	Consolidated (Unaudited)			Consolidated (Audited)		
	30-Sep-16			31-Dec-2015		
	Life	General	Total	Life	General	Total
	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
Premiums receivable	27,308	1,660	28,968	24,017	1,047	25,064
Reinsurance balances receivable	2,456	470	2,926	3,454	506	3,960
	29,764	2,130	31,894	27,471	1,553	29,024
Allowance for doubtful debts	(509)	(210)	(719)	(441)	(197)	(638)
	29,255	1,920	31,175	27,030	1,356	28,386

8. INVESTMENT SECURITIES

As at the reporting date, investment securities comprised the following:

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
				(Restated)
Financial assets at fair value through profit or loss (Note 8a)	8,795	8,936	1,528	1,264
Available-for-sale investments (Note 8b)	101,056	86,483	8,403	9,827
Held-to-maturity investments (Note 8c)	98,902	97,501	-	-
	208,753	192,920	9,931	11,091

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

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
				(Restated)
Financial sector	3,250	3,268	1,439	1,179
Industrial sector	3,018	1,683	62	65
Services sector	1,717	3,145	22	15
	7,985	8,096	1,523	1,259
Oman Al Arabi Fund	418	438	-	-
Local quoted investments	8,403	8,534	1,523	1,259
Foreign quoted investments	5	5	5	5
Quoted investments	8,408	8,539	1,528	1,264
Unquoted local investments	330	323	-	-
Financial assets designated at fair value through profit or loss	8,738	8,862	1,528	1,264
Held for trading	57	74	-	-
Financial assets at fair value through profit or loss	8,795	8,936	1,528	1,264

8. INVESTMENT SECURITIES (continued)

(b) Available-for-sale investments

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
				(Restated)
Local investments				
Quoted investments (cost)	78,209	77,505	2,334	2,512
Fair value reserve	(5,420)	(6,295)	84	(150)
Unquoted investments (cost)	1,132	1,050	861	861
Fair value reserve	(29)	(15)	-	-
Total local investments	73,892	72,245	3,279	3,223
Foreign investments				
Quoted investments (impaired cost)	30,864	14,469	6,090	7,355
Fair value reserve	(5,512)	(1,876)	(1,625)	(1,410)
Unquoted investments (impaired cost)	2,704	2,519	718	718
Fair value reserve	(892)	(776)	(59)	(59)
Deferred tax liability on fair value reserve	-	(98)	-	-
Total foreign investments	27,164	14,238	5,124	6,604
Total available-for-sale investments	101,056	86,483	8,403	9,827

(c) Held-to-maturity investments

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
				(Restated)
Oman Government Development Bonds	58,401	53,855	-	-
Treasury Bills	40,000	43,000	-	-
Banks and other Bonds	501	646	-	-
	98,902	97,501	-	-

9. INVESTMENT IN ASSOCIATES

As at the reporting date, investments in associates represented holdings in the following companies:

30-Sep-2016 (Unaudited)

	Consolidated		Parent company	
	Holding (%)	RO'000	Holding (%)	RO'000
Quoted				
Oman Orix Leasing Company SAOG	35.00%	14,799	35.00%	14,799
National Finance Company SAOG	25.87%	11,281	25.56%	11,211
Oman Chlorine SAOG	15.11%	7,218	15.11%	7,218
National Detergent Company SAOG	20.94%	2,785	20.94%	2,785
National Biscuit Industries Ltd. SAOG	29.22%	1,377	28.92%	1,371
		37,460		37,384

9. INVESTMENT IN ASSOCIATES (continued)

Unquoted

International General Insurance Holding Limited (DIFC UAE)	20.00%	29,503	20.00%	29,503
Al Ahlia Insurance Company SAOC	20.03%	9,132	20.03%	9,132
National Finance House B.S.C.(Bahrain)	17.47%	2,766	17.47%	2,766
Modern Steel Mill LLC	19.49%	3,627	19.49%	3,627
Shamal Plastic Industries LLC	15.00%	706	15.00%	706
Gulf Acrylic Industries LLC	15.00%	499	15.00%	499
Oman Aluminum Cast LLC	20.00%	268	-	-
		<u>46,501</u>		<u>46,233</u>
Total		<u><u>83,961</u></u>		<u><u>83,617</u></u>

	31-Dec-2015 (Audited) (Restated)			
	Holding (%)	Consolidated RO'000	Holding (%)	Parent Company RO'000
Quoted				
Oman Orix Leasing Company SAOG	35.00%	14,202	35.00%	14,202
National Finance Company SAOG	25.87%	11,003	25.56%	10,932
Oman Chlorine SAOG	15.11%	7,121	15.11%	7,121
National Detergent Company SAOG	20.94%	2,707	20.94%	2,707
National Biscuit Industries Ltd. SAOG	29.22%	1,288	28.92%	1,283
		<u>36,321</u>		<u>36,245</u>
Unquoted				
International General Insurance Holding Limited (DIFC UAE)	20.00%	28,326	20.00%	28,326
Al Ahlia Insurance Company SAOC	20.03%	8,973	20.03%	8,973
National Finance House B.S.C.(Bahrain)	17.47%	2,685	17.47%	2,685
Modern Steel Mill LLC	19.49%	3,787	19.49%	3,787
Shamal Plastic Industries LLC	15.00%	690	15.00%	690
Gulf Acrylic Industries LLC	15.00%	493	15.00%	493
		<u>44,954</u>		<u>44,954</u>
Total		<u><u>81,275</u></u>		<u><u>81,199</u></u>

10. INVESTMENT IN SUBSIDIARIES

As at the reporting date, investments held by the Parent Company in subsidiaries are:

	Country of Incorporation	(Unaudited) 30-Sep-2016 % (RO'000)	(Audited) 31-Dec-2015 % (RO'000) (Restated)
Oman Arab Bank SAOC (Principal activity: Banking)	Oman	50.99 121,472	50.99 115,248
National Life and General Insurance Co SAOC (Principal activity: Insurance)	Oman	97.93 44,217	97.93 39,569
Oman National Investment Corporation SAOC (Principal activity: Investments)	Oman	98.00 19,329	98.00 19,174
Oman Real Estate Investment and Services SAOC (Principal activity: Real Estate)*	Oman	99.98 730	99.98 730
Salalah Resorts SAOC (Principal activity: Integrated Tourism Project)	Oman	99.98 -	99.98 -
Al Jabal Al Aswad Investment LLC (Principal activity: Real Estate)	Oman	99.98 100	99.98 100
Budva Beach Properties doo (Principal activity: Tourism project)	Montenegro	100.00 2,820	100.00 2,638
Total		188,668	177,459

* During this period, Oman Investment Services SAOC HAS been renamed as Oman Real Estate Investment and Services SAOC.

11. LOANS AND ADVANCES TO CUSTOMERS

a. At 30th September 2016, loans and advances to customers extended by the banking subsidiary were as follows:

	(Unaudited) 30-Sep-16 RO 000	(Audited) 31-Dec-15 RO 000
Commercial loans	776,432	756,135
Overdrafts	147,246	162,092
Personal loans	685,344	575,726
Credit cards	4,681	4,716
Al-Yusr Financing activities	63,023	50,715
	1,676,726	1,549,384
Less: Allowance for loan impairment and reserved interest	(53,837)	(44,813)
	1,622,889	1,504,571

b. Allowance for loan impairment and reserved interest

The movements in the provision for loan impairment and reserved interest were as follows:

	30-Sep-16 (Unaudited)		
	Allowance for loan impairment	Contractual interest not recognized	Total
	RO 000	RO 000	RO 000
Balance at beginning of period	37,432	7,381	44,813
Provided during the period	11,039	1,820	12,859
Amounts written off during the period	(16)	(18)	(34)
Amounts recovered during the period	(3,127)	(675)	(3,802)
Balance at end of period	<u>45,328</u>	<u>8,508</u>	<u>53,836</u>

	30-Sep-15 (Unaudited) (Restated)		
	Allowance for loan impairment	Contractual interest not recognized	Total
	RO 000	RO 000	RO 000
Balance at beginning of period	30,651	6,339	36,990
Provided during the period	9,129	1,852	10,981
Amounts written off during the period	(51)	(28)	(79)
Amounts recovered during the period	(3,672)	(1,135)	(4,807)
Balance at end of period	<u>36,057</u>	<u>7,028</u>	<u>43,085</u>

11. LOANS AND ADVANCES TO CUSTOMERS (continued)

Total allowance for the potential loss on the performing loans as at 30 September 2016 is RO 23,119,046 (30 September 2015: 19,749,625). 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 49,603,959 (30 September 2015: RO 43,649,964).

c) Concentration of loans and advances

Loans and advances were granted to customers within the Sultanate of Oman. The concentration of gross loans and advances by industry sector is as follows:

	(Unaudited) 30-Sep-16 RO 000	(Audited) 31-Dec-15 RO 000
Personal loans including credit cards	722,426	635,289
Transportation	97,325	128,063
Manufacturing	114,085	111,138
Construction	283,836	244,915
Wholesale and retail trade	49,609	59,196
Services	73,365	67,928
Utilities	45,445	47,434
Import trade	61,599	58,462
Financial Institutions	34,926	48,326
Mining and quarrying	107,915	70,700
Agriculture and allied activities	6,197	7,067
Government	547	1,958
Others	79,451	68,908
	1,676,726	1,549,384

12. SHARE CAPITAL

	(Unaudited) 30-Sep-16 (RO'000)	(Audited) 31-Dec-15 (RO'000) (Restated)
Authorized 900,000,000 ordinary shares of RO 0.100 each (31 December 2015 - 900,000,000 ordinary shares of RO 0.100 each)	90,000	90,000
Issued and fully paid 635,790,892 ordinary shares of RO 0.100 each (31 December 2015 – 552,861,642 shares of RO 0.100 each)	63,579	55,286

During the period, 82,929,250 bonus shares at 100 baisa per share were issued by transferring RO 8,292,925 from share premium to share capital.

13. DIVIDEND PAID

Parent Company

At the Annual General Meeting held on 30 March 2016, a cash dividend of RO 0.010 per share (2015 - RO 0.020 per share) amounting to RO 5,528,616 (2015 - RO 6,734,860) and a stock dividend of RO 0.015 per share (2015 - RO 0.010) amounting to RO 8,292,925 (2014 - RO 3,367,430) in respect of year ended 31 December 2015 was approved by the shareholders.

14. OTHER NON-DISTRIBUTABLE RESERVES

CONSOLIDATED	Capital Reserve	Contingency Reserve	Special Reserve	Sub. Debt Reserve	Foreign Currency Revaluation Reserve	Revaluation Reserve	Total
At 1 January 2015	17,846	-	-	15,297	-	1,677	34,820
Net changes in fair values	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Transfer to / from retained earnings	-	83	-	-	-	-	83
At 30 September 2015	17,846	83	-	15,297	-	1,677	34,903
At 1 January 2016	17,846	293	-	20,396	(1,239)	1,748	39,044
Net changes in fair values	-	-	-	-	196	-	196
Other comprehensive income	-	-	-	-	196	-	196
Transfer to / from retained earnings	-	829	1,224	5,099	-	-	7,152
At 30 September 2016	17,846	1,122	1,224	25,495	(1,043)	1,748	46,392

PARENT COMPANY	Contingency Reserve	Special Reserve	Sub. Debt Reserve	Foreign Currency Revaluation Reserve	Revaluation Reserve	Total
At 1 January 2015 (restated)	-	-	15,297	-	1,677	16,974
Net changes in fair values	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Transfer to / from retained earnings	83	-	-	-	-	83
At 30 September 2015 (Restated)	83	-	15,297	-	1,677	17,057
At 1 January 2016 (restated)	293	-	20,396	(1,239)	1,748	21,198
Net changes in fair values	-	-	-	196	-	196
Other comprehensive income	-	-	-	196	-	196
Transfer to / from retained earnings	829	1,224	5,099	-	-	7,152
At 30 September 2016	1,122	1,224	25,495	(1,043)	1,748	28,546

15. DUE TO BANKS

As at the reporting date, due to banks are as follows:

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
				(Restated)
Due to banks – current accounts	10,710	9,404	-	-
Terms loans	113,867	88,000	131,900	102,500
	124,577	97,404	131,900	102,500

The maturity profile of terms loans is as follows:

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
				(Restated)
Due within one year	46,367	38,000	64,400	52,500
Due in more than one year	67,500	50,000	67,500	50,000
	113,867	88,000	131,900	102,500

16. DEPOSITS FROM CUSTOMERS

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
				(Restated)
Demand and call accounts	667,131	664,986	-	-
Term deposits	769,126	689,265	-	-
Saving accounts	240,682	238,974	-	-
	1,676,939	1,593,225	-	-

17. INSURANCE FUNDS

	Consolidated					
	30-Sep-2016 (Unaudited)			31-Dec-15 (Audited)		
	Gross RO '000	Reinsurers' share RO '000	Net RO'000	Gross RO '000	Reinsurers' share RO '000	Net RO'000
Actuarial / mathematical and unexpired risk reserve – life assurance	42,815	(15,231)	27,584	39,005	(14,187)	24,818
Unexpired risk reserve – general insurance	4,380	(505)	3,875	3,237	(602)	2,635
Closing claims outstanding (including IBNR)	26,539	(11,385)	15,154	17,372	(7,899)	9,473
	73,734	(27,121)	46,613	59,614	(22,688)	36,926

The amounts of claims provided during the period are as follows:

	30-Sep-2016 (Unaudited)			30-Sep-2015 (Unaudited)		
	Gross outstanding claims	Reinsurers' share of outstanding claims	Net outstanding claims	Gross outstanding claims	Reinsurers' share of outstanding claims	Net outstanding claims
	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
Acquired / Opening claims outstanding (including IBNR)	17,372	(7,899)	9,473	22,714	(10,878)	11,836
Claims provided during the period	62,345	(26,896)	35,449	5,536	(2,465)	3,071
Claims paid during the period	(53,178)	23,410	(29,768)	(4,573)	1,992	(2,581)
Closing claims outstanding (including IBNR)	26,539	(11,385)	15,154	23,677	(11,351)	12,326

18. GROSS PREMIUMS AND PREMIUMS CEDED TO REINSURERS

	30-Sep-2016 (Unaudited)			30-Sep-2015 (Unaudited)		
	Life	General	Total	Life	General	Total
	RO'000	RO '000	RO '000	RO 000	RO '000	RO '000
Consolidated						
Gross written premiums	69,870	6,273	76,143	6,404	555	6,959
Movement in unearned premiums	(3,810)	(1,143)	(4,953)	93	(75)	18
Gross premium, earned	66,060	5,130	71,190	6,497	480	6,977
Reinsurance premiums ceded	(30,939)	(748)	(31,687)	(3,398)	(71)	(3,469)
Movement in unearned premiums	1,045	(97)	948	334	(60)	274
Premium ceded to reinsurers	(29,894)	(845)	(30,739)	(3,064)	(131)	(3,195)
Net insurance premium revenue	36,166	4,285	40,451	3,433	349	3,782

19. INTEREST INCOME

	Consolidated (Unaudited)			
	9 months ended 30-Sep-16 (RO'000)	9 months ended 30-Sep-15 (RO'000) (Restated)	3 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-15 (RO'000) (Restated)
Loans and advances to customers	54,733	45,433	19,392	15,679
Oman Government Development Bonds	1,047	884	374	308
Placements with banks and other money market placements	1,072	195	492	63
Certificates of deposit	54	101	23	7
Other interest income	354	90	164	40
	57,260	46,703	20,445	16,097

20. INTEREST EXPENSE

	Consolidated (Unaudited)			
	9 months ended 30-Sep-16 (RO'000)	9 months ended 30-Sep-15 (RO'000) (Restated)	3 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-15 (RO'000) (Restated)
Time deposits	12,787	8,039	5,333	2,682
Subordinated bonds	2,890	2,057	970	693
Call accounts	3,240	935	1,118	325
Bank Borrowings	2,584	824	897	420
	21,501	11,855	8,318	4,120

	Parent Company (Unaudited)			
	9 months ended 30-Sep-16 (RO'000)	9 months ended 30-Sep-15 (RO'000) (Restated)	3 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-15 (RO'000) (Restated)
Time deposits	-	-	-	-
Subordinated bonds	-	-	-	-
Call accounts	-	-	-	-
Bank Borrowings	2,871	1,196	1,000	549
	2,871	1,196	1,000	549

21. INVESTMENT INCOME

	Consolidated (Unaudited)			
	9 months ended 30-Sep-16 (RO'000)	9 months ended 30-Sep-15 (RO'000) (Restated)	3 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-15 (RO'000) (Restated)
Dividend from investments	5,466	1,758	254	84
<u>Quoted local investments</u>				
Profit / (loss) on sale	120	1,876	56	56
Change in fair value	662	2,017	30	(250)
<u>Quoted foreign investments</u>				
Profit on sale	750	156	77	2
Change in fair value	-	-	-	-
<u>Investment properties</u>				
Profit on sale of an investment property	-	651	-	-
Rental income	278	-	32	-
<u>Unquoted foreign investments</u>				
Loss on sale	-	-	-	-
Provision on investments	-	(398)	-	(89)
	7,276	6,060	449	(197)

	Parent Company (Unaudited)			
	9 months ended 30-Sep-16 (RO'000)	9 months ended 30-Sep-15 (RO'000) (Restated)	3 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-15 (RO'000) (Restated)
Dividend from investments	215	928	18	18
<u>Quoted local investments</u>				
Profit / (loss) on sale	30	104	10	2
Change in fair value	264	2,120	78	(259)
<u>Quoted foreign investments</u>				
Profit on sale	33	156	33	2
Change in fair value	-	-	-	-
<u>Investment properties</u>				
Profit on sale of an investment property	-	651	-	-
Rental income	312	-	138	-
<u>Unquoted foreign investments</u>				
Loss on sale	-	-	-	-
Provision on investments	-	-	-	-
	854	3,959	277	(237)

22. OPERATING EXPENSES

	Consolidated (Unaudited)			
	9 months ended 30-Sep-16 (RO'000)	9 months ended 30-Sep-15 (RO'000) (Restated)	3 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-15 (RO'000) (Restated)
Staff costs	25,355	22,159	9,881	9,034
Other operating expenses	12,200	10,450	2,640	3,654
Depreciation and amortization	4,099	2,646	1,355	921
<u>Directors' sitting fees and remuneration:</u>				
Parent Company	150	150	50	50
Subsidiaries and adjustments	170	83	101	27
	41,974	35,488	14,027	13,686

	Parent Company (Unaudited)			
	9 months ended 30-Sep-16 (RO'000)	9 months ended 30-Sep-15 (RO'000) (Restated)	3 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-15 (RO'000) (Restated)
Staff costs	1,611	1,328	14	474
Other operating expenses	507	1,031	149	105
Provision for receivable from subs	103	-	30	-
Depreciation and amortization	247	110	82	37
<u>Directors' sitting fees and remuneration:</u>				
Parent Company	150	150	50	50
Subsidiaries and adjustments	-	-	-	-
	2,618	2,619	325	666

23. SEGMENTAL INFORMATION

The Group is organized into four main business segments:

- 1) Investment Segment – incorporating investment activities for both short-term and long-term purposes;
- 2) Banking Segment – incorporating corporate, retail and treasury and investment banking activities carried out by the Group's banking subsidiary;
- 3) Insurance Segment – incorporating insurance related activities for Life and General Insurance;
- 4) Real Estate Segment – incorporating activities in real estate sector.

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

	Investments	Banking	Insurance	Real Estate	Adjustments	Total
	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
30 September 2016						
(Unaudited)						
Segment revenues	26,323	75,295	74,187	377	(15,009)	161,173
Segment results	20,726	13,522	2,395	127	(21,698)	15,072
Segment assets	358,140	2,076,160	120,472	16,615	(199,145)	2,372,242

30 September 2015						
(Unaudited)						
Segment revenues	15,688	71,948	7,150	652	(6,379)	89,059
Segment results	12,323	21,090	303	400	(16,350)	17,766
31 December 2015						
(Audited)						
Segment assets	259,564	1,982,699	103,361	5,911	(102,687)	2,248,848

24. 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 statements of comprehensive income, statement of financial position and off-balance sheet are as follows:

Consolidated	Directors	Associates	Other Related Parties	Non- controlling interests
	RO'000	RO'000	RO'000	RO'000
<u>Statement of comprehensive income</u>				
30-Sep-2016 (Unaudited)				
Interest and commission income	165	740	285	218
Interest expense	-	69	10	434
Directors' sitting fees and Remuneration	320	-	-	-
Premium received	3	174	75	-
Claims paid	-	124	26	-
Re-insurance claims (net of premiums)	-	49	-	-
30-Sep-2015 (Unaudited)				
Interest and commission income	6	292	8	209
Interest expense	-	-	-	324
Directors' sitting fees and Remuneration	233	-	-	-
<u>Statement of financial positions</u>				
30-September-2016 (Unaudited)				
Loans and advances	5,097	28,644	15,942	11,877
Current and Deposit accounts	1,200	5,452	3,870	2,686
Premiums and Insurance balances receivables	2	136	66	-
Payables	-	57	-	-
Held to Maturity Investments	-	252	-	-
Off balance sheet				
Letters of credit and guarantees	-	-	6,759	209,719
31-December-2015 (Audited)				
Loans and advances	290	29,333	2,000	21,764
Current and Deposit accounts	193	116	32	5,865
Property and equipment	68	-	-	-
Other assets	12	665	6	-
Off balance sheet				
Letters of credit and guarantees	-	-	-	205,675

24. RELATED PARTY TRANSACTIONS (continued)

Parent Company	30-Sep-2016 (Unaudited)			30-Sep-15 (Unaudited)		
	Subsidiaries	Associates	Directors/ Others	Subsidiaries	Associates	Directors/ Others
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<u>Statement of comprehensive income</u>						
Directors' sitting fees and remuneration	-	-	150	-	-	150
Dividend from Subsidiaries	8,477	-	-	7,099	-	-
Dividend from Associates	-	3,221	-	-	842	-
Brokerage	2	-	-	63	-	-
Operating expenses	-	-	2	-	-	36
Other income	107	-	-	-	-	-
Interest expenses	369	-	-	372	-	-
Premiums	100	-	-	-	-	-
Claims	42	-	-	-	-	-
<u>Statement of financial positions</u>						
Bank borrowings	21,000	-	-	15,000	-	-
Bank balances	1,131	-	-	715	-	-
Due from subsidiaries (Net)	58,981	-	-	39,578	-	-
Property & Equipment & others	-	-	-	-	-	95

25. CONTINGENT LIABILITIES

The Contingent liabilities for the Group were as follows:

	(Unaudited) 30-Sep-16 (RO'000)	(Audited) 31-Dec-15 (RO'000)
Letters of credit	171,298	233,862
Guarantees	677,426	626,000
	848,724	859,862

Letters of credit and Guarantees amounting to RO 523 million (2015 530 million) and relating to banking subsidiary are counter guaranteed by other banks.

26. RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, liquidity risk and insurance risks. The interim financial statements do not include all financial and insurance risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 31 December 2015. There have been no changes in the risk management policies since year end.

27. BASIC EARNINGS PER SHARE

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

	Consolidated		Parent Company	
	(Unaudited) 30-Sep-16 (RO'000)	(Unaudited) 30-Sep-15 (RO'000)	(Unaudited) 30-Sep-16 (RO'000)	(Unaudited) 30-Sep-15 (RO'000) (Restated)
Profit for the year attributable to shareholders of the parent (RO'000)	15,072	17,766	15,817	17,766
Weighted average number of shares outstanding during the period	635,790,892	458,258,509	635,790,892	458,258,509
Basic earnings per share (RO)	0.024	0.039	0.025	0.039

During the period, the Parent Company issued stock dividend of shares 82,929,250 (2015 – 33,674,300) without consideration. According to IAS 33 - Earnings per share, the weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for stock dividend. In the present financial statement, the issue of stock dividend has been treated as if it had occurred at the beginning of 2015 and the basic earnings per share was recalculated accordingly. As there were no dilutive potential shares, the diluted earnings per share is identical to the basic earnings per share.

28. NET ASSETS PER SHARE

The calculation of net assets per share is as follows:

	Consolidated		Parent Company	
	(Unaudited) 30-Sep-16 (RO'000)	(Audited) 31-Dec-15 (RO'000)	(Unaudited) 30-Sep-16 (RO'000)	(Audited) 31-Dec-15 (RO'000) (Restated)
Equity attributable to shareholders of the parent (RO'000)	224,301	219,937	220,591	215,482
Number of shares outstanding at the end of the period	635,790,892	552,861,642	635,790,892	552,861,642
Net assets per share (RO)	0.353	0.398	0.347	0.390

29. COMPARATIVE FIGURES

The corresponding figures of 2015 included for comparative purposes have been reclassified to conform to the presentation in the current period.

30. APPROVAL OF FINANCIAL STATEMENTS

These unaudited condensed interim financial statements were approved and authorized for release by the Board of Directors on 6 November 2016.