

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 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 2017 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 stand-alone basis. These statements has 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 group financial statements are consistent with those used in the preparation of the audited annual group financial statements for the year ended 31 December 2016. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016, 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 2016.

4. IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE IN 2017

For the period ended 30 September 2017, the Group has adopted all 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 2017.

5. CASH AND CASH EQUIVALENTS

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

	Group		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Balances with banks and money at call	198,969	269,406	2,064	1,564
Deposits with banks (note 6)	158,722	71,492	-	-
Due to banks – current accounts (note 15)	(4,610)	(12,056)	-	-
Capital deposits (note 6)	(500)	(500)	-	-
	352,581	328,342	2,064	1,564

6. DEPOSITS WITH BANKS

	Group		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Money market placements	98,110	16,659	-	-
Current accounts	21,535	13,421	-	-
Capital deposits	500	500	-	-
Deposits	32,577	27,370	-	-
Subordinated deposits	6,000	13,542	-	-
	158,722	71,492	-	-

7. PREMIUM AND INSURANCE BALANCES RECEIVABLE

	Group (Unaudited)			Group (Audited)		
	30-Sep-17			31-Dec-2016		
	Life	General	Total	Life	General	Total
	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
Premiums receivable	31,954	2,753	34,707	27,834	2,124	29,958
Reinsurance balances receivable	3,581	307	3,888	4,827	508	5,335
	35,535	3,060	38,595	32,661	2,632	35,293
Allowance for doubtful debts	(770)	(170)	(940)	(537)	(149)	(686)
	34,765	2,890	37,655	32,124	2,483	34,607

8. INVESTMENT SECURITIES

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

	Group		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Financial assets at fair value through profit or loss (note 8a)	13,247	19,000	1,561	9,161
Financial assets at fair value through other comprehensive income (note 8b)	82,811	84,869	1,718	1,919
Investments at amortized cost (note 8c)	103,613	96,424	-	-
	199,671	200,293	3,279	11,080

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

	Group		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Financial sector	2,134	5,586	171	3,516
Industrial sector	1,260	2,459	484	717
Services sector	1,643	3,558	-	492
Local quoted investments	5,037	11,603	655	4,725
Foreign quoted investments	7,820	7,396	906	4,436
Quoted investments	12,857	18,999	1,561	9,161
Unquoted local investments	390	1	-	-
Financial assets at fair value through profit or loss	13,247	19,000	1,561	9,161

(b) Financial assets at fair value through other comprehensive income

	Group		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Local investments				
Quoted investments (cost)	73,872	77,196	-	-
Fair value reserve	(7,585)	548	-	-
Unquoted investments (cost)	1,839	1,389	861	861
Fair value reserve	225	213	435	436
Total local investments	68,351	79,346	1,296	1,297
Foreign investments				
Quoted investments (cost)	13,685	4,727	-	-
Fair value reserve	(460)	(826)	-	-
Unquoted investments (cost)	3,017	3,373	1,425	1,578
Fair value reserve	(1,782)	(1,751)	(1,003)	(956)
Total foreign investments	14,460	5,523	422	622
Total Investments at fair value through other comprehensive income	82,811	84,869	1,718	1,919

8. INVESTMENT SECURITIES (continued)

(c) Investment at amortized cost

	Group		Parent Company	
	(Unaudited) 30-Sep-17 (RO'000)	(Audited) 31-Dec-16 (RO'000)	(Unaudited) 30-Sep-17 (RO'000)	(Audited) 31-Dec-16 (RO'000)
Oman Government Development Bonds	88,594	55,633	-	-
Treasury Bills	15,000	40,290	-	-
Banks and Corporate Bonds	19	501	-	-
Total Investments at amortized cost	103,613	96,424	-	-

9. INVESTMENT IN ASSOCIATES

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

Group	30-Sep-17 (Unaudited)		31-Dec-16 (Audited)	
	Holding (%)	(RO'000)	Holding (%)	(RO'000)
Quoted				
Oman Orix Leasing Company SAOG	35.00	16,100	35.00	15,377
National Finance Company SAOG	25.56	11,753	25.56	11,748
Al Ahlia Insurance Company SAOG ##	24.30	10,425	-	-
Oman Chlorine SAOG	15.11	7,299	15.11	7,320
National Detergent Company SAOG	20.94	2,789	20.94	2,814
National Biscuit Industries Ltd. SAOG	28.92	1,481	28.92	1,426
Takaful Oman Insurance SAOG **	17.35	3,159	-	-
		53,006		38,685
Unquoted				
International General Insurance Holding Limited	20.00	29,802	20.00	30,352
Al Ahlia Insurance Company SAOC ##	-	-	20.03	9,226
Ubhar Capital SAOC	36.00	5,309	36.00	4,320
National Finance House B.S.C.	17.47	2,873	17.47	2,819
Modern Steel Mill LLC	19.49	3,683	19.49	3,653
Horizon (AD) Investment Ltd	15.00	2,729	-	-
Shamal Plastic Industries LLC	15.00	721	15.00	709
Gulf Acrylic Industries LLC	15.00	502	15.00	512
		45,619		51,591
Total		98,625		90,276

9. INVESTMENT IN ASSOCIATES (continued)

Parent Company	30-Sep-17 (Unaudited)		31-Dec-16 (Audited)	
	<i>Holding</i>		<i>Holding</i>	
	(%)	(RO'000)	(%)	(RO'000)
Quoted				
Oman Orix Leasing Company SAOG	35.00	16,100	35.00	15,377
National Finance Company SAOG	25.56	11,753	25.56	11,748
Al Ahlia Insurance Company SAOG ##	24.30	10,425	-	-
Oman Chlorine SAOG	15.11	7,299	15.11	7,320
National Detergent Company SAOG	20.94	2,789	20.94	2,814
National Biscuit Industries Ltd. SAOG	28.92	1,481	28.92	1,426
Takaful Oman Insurance SAOG **	17.35	3,159	-	-
		53,006		38,685
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Al Ahlia Insurance Company SAOC ##	-	-	20.03	9,226
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National Finance House B.S.C.	17.47	2,873	17.47	2,819
Modern Steel Mill LLC	19.49	3,683	19.49	3,653
Shamal Plastic Industries LLC	15.00	721	15.00	709
Gulf Acrylic Industries LLC	15.00	502	15.00	512
		42,890		51,591
Total		95,896		90,276

During the period, Al Ahlia Insurance Company SAOG (AAICO) listed its shares on Muscat Securities Market through an initial public offering (IPO). Parent company acquired additional 9% stake in AAICO post divestment of 5% through IPO process. Parent Company has recorded a loss of RO 1.042 million due to divestment of this 5% stake through IPO process.

** During March 2017, parent company's nominee got elected on the Board of Takaful Oman Insurance SAOG(TAOI). Consequent to gaining significant influence, TAOI is reclassified as an investment in associate during this period.

10. INVESTMENT IN SUBSIDIARIES

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

	Country of Incorporation	(Unaudited) 30-Sep-17 % (RO'000)	(Audited) 31-Dec-16 % (RO'000)
Oman Arab Bank SAOC (Principal activity: Banking)	Oman	50.99 136,884	50.99 129,056
National Life and General Insurance Co SAOC (Principal activity: Insurance)	Oman	97.93 61,312	97.93 57,436
Oman National Investment Corporation SAOC ** (Principal activity: Investments)	Oman	99.00 38,692	98.00 25,382
Oman Real Estate Investment and Services SAOC (Principal activity: Real Estate)	Oman	99.98 399	99.98 719
Salalah Resorts SAOC ## (Principal activity: Integrated Tourism Project)	Oman	99.99 227	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 1,912	100.00 1,631
Total		239,526	214,324

** During the period, Parent company recapitalized RO 20,000,000/- in Oman National Investment Corporation SAOC to strengthen the capital base of the subsidiary company.

During the period, Parent company re-capitalized RO 2,000,000/- in Salalah Resorts SAOC (SR). Provision on receivables from SR created in earlier years amounting to RO 1,725,496 has been transferred to investment in SR account due to equity method of accounting.

11. LOANS AND ADVANCES TO CUSTOMERS

At 30th September 2017, loans and advances to customers extended by the banking subsidiary were as follows:

	(Unaudited) 30-Sep-17 RO 000	(Audited) 31-Dec-16 RO 000
Commercial loans	805,457	738,198
Overdrafts	154,410	145,560
Personal loans	680,993	686,413
Credit cards	4,489	4,657
Al-Yusr Financing activities	73,435	66,034
	1,718,784	1,640,862
Less: Allowance for loan impairment and reserved interest	(52,805)	(50,063)
	1,665,979	1,590,799

11. LOANS AND ADVANCES TO CUSTOMERS (continued)

a. Allowance for loan impairment and reserved interest

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

	30-Sep-17 (Unaudited)		
	Allowance for loan impairment	Contractual interest not recognized	Total
	RO 000	RO 000	RO 000
Balance at beginning of period	43,788	6,275	50,063
Provided during the period	6,088	2,426	8,514
Amounts written off during the period	(176)	(25)	(201)
Amounts recovered during the period	(4,557)	(1,014)	(5,571)
Balance at end of period	45,143	7,662	52,805

	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	1,821	12,860
Amounts written off during the period	(16)	(18)	(34)
Amounts recovered during the period	(3,127)	(675)	(3,802)
Balance at end of period	45,328	8,509	53,837

Loans and advances on which interest has been reserved and/or has not been accrued amounted to RO 52,803,167 (30 September 2016: RO 49,603,959).

11. LOANS AND ADVANCES TO CUSTOMERS (continued)

b) 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-17 RO 000	(Audited) 31-Dec-16 RO 000
Personal loans	718,184	725,591
Construction	278,618	299,485
Manufacturing	116,395	112,047
Mining and quarrying	121,639	110,621
Services	83,822	77,860
Import trade	58,445	54,744
Transportation	74,701	52,528
Electricity, water and gas	50,723	49,112
Wholesale and retail trade	61,464	46,089
Financial institutions	57,484	31,173
Agriculture and allied activities	4,940	4,998
Export trade	758	663
Others	91,611	75,951
	1,718,784	1,640,862

12. SHARE CAPITAL

	(Unaudited) 30-Sep-17 (RO'000)	(Audited) 31-Dec-16 (RO'000)
Authorized 900,000,000 ordinary shares of RO 0.100 each (31 December 2016 - 900,000,000 ordinary shares of RO 0.100 each)	90,000	90,000
Issued and fully paid 699,369,981 ordinary shares of RO 0.100 each (31 December 2016 – 635,790,892 shares of RO 0.100 each)	69,937	63,579

At the Annual General Meeting of the shareholders of the Parent Company held on 29 March 2017 stock dividend of 63,579,089 (2016 –RO 82,929,250) shares at 100 baisa per share were approved to be issued by transferring RO 6,357,909 (2016 –RO 8,292,925) from share premium to share capital.

13. DIVIDEND PAID

Parent Company

At the Annual General Meeting held on 29 March 2017, a cash dividend of RO 0.015 per share (2016 - RO 0.010 per share) amounting to RO 9,536,863 (2016 - RO 5,528,216) and a stock dividend of RO 0.010 per share (2016 – RO 0.015) amounting to RO 6,357,909 (2016 –RO 8,292,925) in respect of year ended 31 December 2016 was approved by the shareholders.

14. OTHER NON-DISTRIBUTABLE RESERVES

Group	Capital Reserve	Contingency Reserve	Special Reserve	Sub. Debt Reserve	Foreign Currency Revaluation Reserve	Revaluation Reserve	Total
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
At 1 January 2017	17,846	1,409	1,224	27,535	(1,343)	1,748	48,419
Net changes in fair values	-	-	-	-	326	-	326
Other comprehensive income	-	-	-	-	326	-	326
Transfer to / from retained earnings	3,886	1,033	-	(25,495)	-	-	(20,576)
Movements related to subsidiaries	-	-	(172)	-	-	-	(172)
At 30 September 2017	21,732	2,442	1,052	2,040	(1,017)	1,748	27,997
Parent Company		Contingency Reserve	Special Reserve	Sub. Debt Reserve	Foreign Currency Revaluation Reserve	Revaluation Reserve	Total
At 1 January 2016		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
At 1 January 2017		1,409	1,224	27,535	(1,343)	1,748	30,573
Net changes in fair values		-	-	-	326	-	326
Other comprehensive income		-	-	-	326	-	326
Transfer to / from retained earnings		1,033	-	(25,495)	-	-	(24,462)
Movement related to subsidiaries		-	(172)	-	-	-	(172)
At 30 September 2017		2,442	1,052	2,040	(1,017)	1,748	6,265

15. DUE TO BANKS

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

	Group		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Due to banks – current accounts	4,610	12,056	-	-
Terms loans	134,700	138,800	149,700	138,900
	139,310	150,856	149,700	138,900

The maturity profile of terms loans is as follows:

	Group		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Due within one year	64,740	61,000	79,740	61,100
Due in more than one year	69,960	77,800	69,960	77,800
	134,700	138,800	149,700	138,900

16. DEPOSITS FROM CUSTOMERS

	Group		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Term deposits	726,546	758,755	-	-
Demand and call accounts	817,824	625,551	-	-
Saving accounts	250,703	241,075	-	-
	1,795,073	1,625,381	-	-

17. INSURANCE FUNDS

	Group					
	30-Sep-2017 (Unaudited)			31-Dec-16 (Audited)		
	Gross	Reinsurer	Net	Gross	Reinsurer	Net
	RO '000	s' share RO '000	RO'000	RO '000	s' share RO '000	RO'000
Actuarial / mathematical and unexpired risk reserve – life assurance	44,958	(16,657)	28,301	42,930	(17,409)	25,521
Unexpired risk reserve – general insurance	5,933	(412)	5,521	4,323	(511)	3,812
Closing claims outstanding (including IBNR)	29,370	(12,554)	16,816	20,580	(8,765)	11,815
	80,261	(29,623)	50,638	67,833	(26,685)	41,148

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

	30-Sep-2017 (Unaudited)			30-Sep-2016 (Unaudited)		
	Gross	Reinsurers'	Net	Gross	Reinsurers'	Net
	outstanding	share of	outstanding	outstanding	share of	outstanding
	claims	outstanding	claims	claims	outstanding	claims
	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
Opening claims outstanding (including IBNR)	20,580	(8,765)	11,815	17,801	(8,357)	9,444
Claims provided during the period	64,889	(26,556)	38,333	63,164	(26,896)	36,268
Claims paid during the period	(56,099)	22,768	(33,331)	(53,764)	22,964	(30,800)
Closing claims outstanding (including IBNR)	29,370	(12,553)	16,817	27,201	(12,289)	14,912

18. GROSS PREMIUMS AND PREMIUMS CEDED TO REINSURERS

Group	30-Sep-2017 (Unaudited)			30-Sep-2016 (Unaudited)		
	Life	General	Total	Life	General	Total
	RO'000	RO '000	RO '000	RO 000	RO '000	RO '000
Gross written premiums	80,099	10,382	90,482	69,871	6,273	76,144
Movement in unearned premiums	(2,029)	(1,609)	(3,639)	(3,810)	(1,018)	(4,828)
Gross premium, earned	78,070	8,773	86,843	66,061	5,255	71,316
Reinsurance premiums ceded	(33,293)	(781)	(34,074)	(30,939)	(748)	(31,687)
Movement in unearned premiums	(752)	(99)	(851)	1,864	(81)	1,783
Premium ceded to reinsurers	(34,045)	(880)	(34,925)	(29,075)	(829)	(29,904)
Net insurance premium revenue	44,025	7,893	51,918	36,986	4,426	41,412

19. INTEREST INCOME

	Group (Unaudited)			
	9 months ended 30-Sep-17 (RO'000)	9 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-17 (RO'000)	3 months ended 30-Sep-16 (RO'000)
Loans and advances to customers	62,122	54,733	21,578	19,392
Placements with banks and other money market placements	2,170	1,072	876	492
Other interest income	1,884	1,455	668	561
	66,176	57,260	23,122	20,445

	Parent company (Unaudited)			
	9 months ended 30-Sep-17 (RO'000)	9 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-17 (RO'000)	3 months ended 30-Sep-16 (RO'000)
Other interest income	1,914	-	513	-
	1,914	-	513	-

20. INTEREST EXPENSE

	Consolidated (Unaudited)			
	9 months ended 30-Sep-17 (RO'000)	9 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-17 (RO'000)	3 months ended 30-Sep-16 (RO'000)
Time deposits	17,318	12,787	6,144	5,333
Subordinated bonds	1,810	2,890	278	970
Call, savings and other accounts	3,895	3,240	1,327	1,118
Bank Borrowings	3,562	2,584	1,182	897
	26,585	21,501	8,931	8,318

	Parent Company (Unaudited)			
	9 months ended 30-Sep-17 (RO'000)	9 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-17 (RO'000)	3 months ended 30-Sep-16 (RO'000)
Bank Borrowings	4,037	2,871	1,422	1,000
	4,037	2,871	1,422	1,000

21. INVESTMENT INCOME

	Consolidated (Unaudited)			
	9 months ended 30-Sep-17 (RO'000)	9 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-17 (RO'000)	3 months ended 30-Sep-16 (RO'000)
Dividend from investments	4,749	5,466	155	254
<u>Quoted local investments</u>				
Profit / (loss) on sale	125	370	(40)	56
Change in fair value	(185)	828	76	1
<u>Quoted foreign investments</u>				
Profit on sale	42	751	183	66
Change in fair value	(566)	(1,637)	(540)	(494)
<u>Investment properties</u>				
Rental income	192	278	61	32
<u>Loss on sale of Associate investment</u>	(1,042)	-	(28)	-
	3,315	6,056	(133)	(85)

	Parent Company (Unaudited)			
	9 months ended 30-Sep-17 (RO'000)	9 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-17 (RO'000)	3 months ended 30-Sep-16 (RO'000)
Dividend from investments	82	215	17	18
<u>Quoted local investments</u>				
Profit / (loss) on sale	73	30	-	10
Change in fair value	9	498	(3)	103
<u>Quoted foreign investments</u>				
Profit on sale	(199)	33	(79)	33
Change in fair value	(269)	(215)	-	347
<u>Investment properties</u>				
Profit on sale of an investment property	1,011	-	-	-
Rental income	-	312	-	138
<u>Loss on sale of Associate investment</u>	(1,042)	-	(28)	-
	(335)	873	(93)	649

22. OPERATING EXPENSES

	Consolidated (Unaudited)			
	9 months ended 30-Sep-17 (RO'000)	9 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-17 (RO'000)	3 months ended 30-Sep-16 (RO'000)
Staff costs	26,815	24,414	9,082	9,505
Other operating expenses	15,142	11,897	5,044	2,553
Depreciation and amortization	4,071	4,057	1,379	1,338
<u>Directors' sitting fees and remuneration:</u>				
Parent Company	150	150	50	50
Subsidiaries and adjustments	259	170	85	101
	46,437	40,688	15,640	13,547

	Parent Company (Unaudited)			
	9 months ended 30-Sep-17 (RO'000)	9 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-17 (RO'000)	3 months ended 30-Sep-16 (RO'000)
Staff costs	2,539	1,611	828	14
Other operating expenses and provisions	482	610	219	252
Depreciation and amortization	96	247	31	82
<u>Directors' sitting fees and remuneration:</u>				
Parent Company	150	150	50	50
Subsidiaries and adjustments	-	-	-	-
	3,267	2,618	1,128	398

23. PROFIT FROM DISCONTINUED OPERATIONS

During 2016, the banking subsidiary sold its investment banking division (IMG). The results of IMG for the period are presented below:

	9 months ended 30-Sep-17 (RO'000)	9 months ended 30-Sep-16 (RO'000)	3 months ended 30-Sep-17 (RO'000)	3 months ended 30-Sep-16 (RO'000)
Fee and commission income	-	2,030	-	459
Salaries costs	-	(941)	-	(376)
Other operating expenses	-	(303)	-	(87)
Depreciation	-	(42)	-	(17)
Total expenses	-	(1286)	-	(480)
Profit before tax for the period from discontinued operations	-	744	-	(21)
Income tax expense	-	(89)	-	3
Profit after tax for the period from discontinued operations	-	655	-	(18)

24. 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 between the subsidiaries and the rest of the Group. Such transactions are eliminated on consolidation.

	Investments RO '000	Banking RO '000	Insurance RO '000	Real Estate RO '000	Adjustments RO '000	Total RO '000
30-Sep-17						
Segment revenues	27,170	81,054	88,894	1,407	(22,122)	176,403
Segment results	18,087	19,245	7,199	678	(19,966)	25,243
Segment assets	410,086	2,186,057	142,135	20,636	(249,851)	2,509,062
30-Sep-16						
Segment revenues	25,103	73,265	74,171	377	(15,009)	157,907
Segment results	19,506	13,522	2,395	127	(15,035)	20,515
31-Dec-16						
Segment assets	394,007	2,065,972	135,251	14,372	(213,058)	2,396,544

25. RELATED PARTY TRANSACTIONS

Related party transactions are as follows:

Group	Directors	Associates	Other Related Parties	Non- controlling interests
	RO'000	RO'000	RO'000	RO'000
<u>Statement of comprehensive income</u>				
30-Sep-17				
Interest and commission income	195	891	568	192
Interest expense	-	151	16	522
Directors' sitting fees and Remuneration	409	-	-	-
Premiums received	2	201	553	-
Claims paid	-	128	322	-
Commission and other exp.	-	119	371	-
30-Sep-16				
Interest and commission income	165	740	285	218
Interest expense	-	69	10	434
Directors' sitting fees and Remuneration	320	-	-	-
Premiums received	3	174	75	-
Claims paid	-	124	26	-
Re-insurance claims received	-	49	-	-
<u>Statement of financial positions</u>				
30-Sep-17				
Loans and advances	6,295	31,812	38,325	35,077
Current and Deposits from customers	879	19,146	6,517	2,801
Insurance balance receivables	2	73	222	-
Payables	-	37	403	-
Off balance sheet				
Letters of credit and guarantees	-	-	4,068	165,745
31-Dec-16				
Loans and advances	5,905	26,631	27,969	14,739
Current and Deposits from customers	738	6,682	6,532	3,615
Insurance balance receivables	2	160	78	-
Payables	142	40	294	-
Off balance sheet				
Letters of credit and guarantees	-	-	6,759	209,719

25. RELATED PARTY TRANSACTIONS (continued)

Parent Company	30-Sep-17 (Unaudited)			30-Sep-16 (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	2,992	-	-	8,477	-	-
Dividend from Associates	-	3,180	-	-	3,221	-
Sale of Investment Property	11,146	-	-	-	-	-
Brokerage	-	4	-	2	-	-
Operating expenses	-	-	12	-	-	2
Interest and other income	2,263	-	-	107	-	-
Interest expenses	458	-	-	369	-	-
Premiums	108	-	-	100	-	-
Claims	39	-	-	42	-	-
30-Sep-17 (Unaudited)						
<u>Statement of financial positions</u>						
Bank borrowings	16,000	-	-	4,000	-	-
Bank balances	1,645	-	-	1,189	-	-
Due from subsidiaries (Net)	45,989	-	-	51,383	-	-
Payables	-	-	1	-	-	-
31-Dec-16 (Audited)						

26. CONTINGENT LIABILITIES

The Contingent liabilities for the Group were as follows:

	(Unaudited) 30-Sep-17 (RO'000)	(Audited) 31-Dec-16 (RO'000)
Letters of credit	172,576	197,931
Guarantees & other contingent liabilities	634,811	623,708
	807,387	821,639

Letters of credit and Guarantees amounting to RO 489,352 thousand (2016 - RO 510,560 thousand) relating to banking subsidiary are counter guaranteed by other banks.

27. 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 2016. There have been no changes in the risk management policies since year end.

28. 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.

	Group		Parent Company	
	(Unaudited) 30-Sep-17	(Unaudited) 30-Sep-16	(Unaudited) 30-Sep-17	(Unaudited) 30-Sep-16
Profit for the period attributable to shareholders of the parent (RO'000)	15,679	13,729	17,384	14,473
Weighted average number of shares outstanding during the period	699,369,981	699,369,981	699,369,981	699,369,981
Basic earnings per share (RO)	0.022	0.020	0.025	0.021

During the period, the Parent Company issued stock dividend of 63,579,089 (2016 – 82,929,250) shares 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 2016 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.

29. NET ASSETS PER SHARE

The calculation of net assets per share is as follows:

	Group		Parent Company	
	(Unaudited) 30-Sep-17	(Audited) 31-Dec-16	(Unaudited) 30-Sep-17	(Audited) 31-Dec-16
Equity attributable to shareholders of the parent (RO'000)	237,117	241,135	235,290	237,603
Number of shares outstanding at the end of the period	699,369,981	635,790,892	699,369,981	635,790,892
Net assets per share (RO)	0.339	0.379	0.336	0.374

30. COMPARATIVE FIGURES

The corresponding figures of 2016, included for comparative purposes, have been reclassified to conform to the presentation in the current period as follows:

1. Group early adopted IFRS 9 with effect from 1 January 2016, previous period numbers are adjusted accordingly;
2. Results of discontinued operations of the banking subsidiary are reclassified (refer note 23);
3. Insurance subsidiary's reclassification of previous year's number is given effect to.

	Previously reported for period ended 30-Sep-16 (RO '000)	Adjustment (RO '000)	Restated for period ended 30-Sep-16 (RO '000)
<i>Parent Company</i>			
Investment income	854	19	873
Share of results of subsidiaries	14,379	(1,363)	13,016
Other comprehensive expenses	(5,180)	1,344	(3,836)
<i>Group</i>			
Investment income	7,276	(1,220)	6,056
Other comprehensive expenses	(5,532)	1,220	(4,312)
Operating expenses	(41,974)	1,286	(40,688)
Income tax expenses	(2,538)	89	(2,449)
Income from discontinued operations	-	655	655
Gross premiums earned	71,190	126	71,316
Premium ceded to re-insurers	(30,739)	835	(29,904)
Net Claims	(35,449)	(819)	(36,268)
Fees and commission income	13,889	(2,172)	11,717

31. APPROVAL OF FINANCIAL STATEMENTS

These unaudited condensed interim financial statements were approved and authorized for release by the Board of Directors on 13 November 2017.