



OMINVEST

**OMAN INTERNATIONAL DEVELOPMENT
AND INVESTMENT COMPANY SAOG
AND ITS SUBSIDIARIES (OMINVEST)**

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED AND PARENT COMPANY
FINANCIAL STATEMENTS**

30 SEPTEMBER 2020



OMINVEST

الشركة العمانية العالمية للتنمية والاستثمار
Oman International Development and Investment Company SAOG

DIRECTORS' REPORT

For the nine-month period ended 30 September 2020

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present the Unaudited Financial Results of Oman International Investment and Development Company SAOG (OMINVEST) Group for the nine-month period ended 30 September 2020. Despite a protracted economic weakness and a broad slowdown witnessed by the local and regional businesses, OMINVEST achieved healthy performance both at the Group and the Parent level. Below, I would like to apprise you of the important transactions completed during the period and major areas of focus within our future Strategic Direction.

Macroeconomic Outlook

The decline in oil prices, now hovering around \$38 per barrel, and the resurgent second wave of Novel Corona Virus (COVID-19) globally have further clouded the near-term economic outlook of GCC economies. Consequently, budget deficits and government debt levels continue to rise while liquidity conditions remain tight. Omani and regional businesses across all key sectors continue to operate under extremely challenging circumstances. We do not foresee any meaningful reprieve in the near term and expect that the adverse impact of low oil prices and rise in COVID-19 cases will linger well into 2021. Therefore, OMINVEST and our Group Companies are taking pro-active measures to minimize the negative impact of such difficult operating conditions on our future performance.

Current Focus and Future Direction

After the successful completion of the merger between Oman Arab Bank (OAB) and Alizz Islamic Bank (AIB), we are now focusing on enhancing operational efficiencies and realizing synergies between the platforms. In addition, OMINVEST Group and our subsidiaries and associate companies are working tirelessly and utilizing technologies to serve the needs of their customers with greater efficiencies, while ensuring safety of their staff. OMINVEST's liquidity position remains very strong. We are pursuing investment



opportunities to further enhance our growth prospects and diversification profile. We are also placing great importance on becoming an impactful player on the ESG level and contributing more to our communities and the society.

Below, I would like to present the financial performance of OMINVEST Group and our major portfolio companies for nine months ending 30 September 2020:

Group Consolidated Performance

During the period ended 30 September 2020, total Group revenues reduced by 9% to RO 205.7m and the net profit attributable to OMINVEST's shareholders increased by 30% to RO 28.7m from RO 22.1m, over the same period in 2019. The Group revenues declined during the period as Oman Arab Bank (OAB) was converted to an associate and the Group discontinued the consolidation of OAB's financials and commenced equity accounting for OAB's results in accordance with the requirements of International Financial Reporting Standards from 1st July 2020. The increase in profits is due to profit on partial disposal of Oman Arab Bank and strong performance of our key subsidiaries: National Life & General Insurance Company (NLGIC), Jabreen International Development Company SAOC (Jabreen Capital), and National Finance Company (NFC).

Parent Company Performance

During the period ended 30 September 2020, total revenues rose by 23% to RO 48.9m and net profit increased by 25% to RO 32.5m, over the same period in 2019. The increase in profits is due to profit on partial disposal of Oman Arab Bank and increase in our share of P&L of the subsidiary's income. As at 30 September 2020, total assets of the Parent Company stood at RO 631m compared to RO 601m as at 31 December 2019. Increase in total assets was due to growth in the portfolios and business activities of our key subsidiaries.

Performance of Key Subsidiaries & Associates:

National Life & General Insurance Company (NLGIC), our subsidiary in the insurance sector, reported exceptional profit of RO 14.0m for the period ended 30 September 2020 compared to RO 7.4m for the same period in 2019, a growth of 91%. The growth is due to optimized re-insurance strategy, higher investment income and lower claims reported during COVID-19 related lockdown. NLGIC reported Gross Written Premium (GWP) of RO 113m, of which Oman contributed 48%, UAE 50%, and, Kuwait 2%. NLGIC achieved a net insurance premium of RO 86.8m compared to RO 78.1m for the same period in 2019;



an impressive growth of 11%. NLGIC continues to maintain a leadership position in Oman in terms of assets, gross written premiums, investment income, and net profits. We believe that NLGIC's growth prospects continues to remain strong and its recurring revenues from insurance business are stable.

Jabreen International Development Company SAOC (Jabreen Capital), our subsidiary, is focused on making private equity investments in diverse sectors and expanding into new growth markets in Asia. Jabreen Capital reported a net profit of RO 17.9m for the period ended 30 September 2020 compared to RO 17.8m for the same period in 2019, a growth of 1%. The profit growth was mainly attributable to the gain on disposal of partial stake in International General Insurance and dividend income received from Jabreen Capital's public and private equity portfolios. During this period, Jabreen Capital sold 6.74% of treasury shares at a premium of 11% to market price and made new investments in its school platform. At 30 September 2020, Jabreen Capital's total assets stood at RO 333m compared to RO 331m at 31 December 2019. We expect Jabreen Capital to further enhance and diversify its investment income in the years ahead. International General Insurance (IGI), an associate of Jabreen Capital in the insurance sector, got listed on Nasdaq in March 2020.

Oman Arab Bank (OAB), our associate in the banking sector, reported a profit of RO 13.7m for the period ended 30 September 2020 compared to RO 20.2m for the same period in 2019, a decline of 32%. The decline is due to higher ECL provisions being created as a precautionary measure, given the stress in the economic and business conditions on account of COVID-19 and lower oil prices. Post-acquisition of AIB, Loans & Customers' deposits rose by 29.4% to RO 2.60bn compared to RO 2.00bn, as at 31 December 2019. The Shareholders' funds were RO 361m compared to RO 296m, as at 31 December 2019.

Oman Real Estate Investment and Services Corporation (ORIS), our subsidiary in the real estate sector, invests in iconic real estate projects and acts as lead Developer and Promoter of such projects. ORIS also provides real estate management services to our affiliates within OMINVEST Group and to large institutional clients outside the Group to generate fee income. ORIS is now in advance stages of initiating new large-scale commercial & residential projects at attractive locations in Muscat.

National Finance Company (NFC), our associate in the leasing sector, reported net profit of RO 5.6m for the period ended 30 September 2020 compared to a net profit of RO 5.0m



for the same period in 2019 – an increase of 11.4%. NFC's revenues grew by 1.5% to RO 33.2m in this period compared with RO 32.7m in corresponding period in 2019. NFC continues to adopt a conservative approach to credit approvals keeping in view the overall macroeconomic scenario and perceived increase in credit risk. The projected lower levels of credit offtake combined with increased interest costs will make it challenging to sustain current profitability levels. NFC will continue to focus on strengthening its efficiencies, customer experience, product offerings and quality of service delivery. We expect NFC to further consolidate its position as the leading finance company in Oman.

Company Contributions for Addressing COVID-19 Related Health Challenges

I am pleased to update you that in the first half of the year, OMINVEST contributed RO 500,000 to "The Endowment Fund to Support Health Services" to address the challenges caused by the Novel Corona Virus (COVID-19) pandemic outbreak. In addition, our Subsidiaries and Associate companies combinedly contributed another RO 1.85 million towards this national noble cause. Accordingly, OMINVEST's share of contribution at the Group Level amounted to RO 1.1 million.

Acknowledgements

We are grateful to His Majesty Sultan Haitham bin Tarik Al Said for his great leadership, wisdom, and guidance as he leads our country towards continued growth, stability, and prosperity. We also extend our sincere congratulations to His Majesty and the people of Oman on the occasion of the 50th National Day of the Renaissance.

On behalf of the Board, I would like to thank the Capital Market Authority, Muscat Securities Market, Central Bank of Oman and Ministry of Commerce, Industry and Investment Promotion for their continued support and guidance. I also take this opportunity to thank the management teams and employees at OMINVEST and across our Group companies for their dedication and hard work.

Khalid Muhammad AlZubair
Chairman

**UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY
STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2020**

| | Notes | Consolidated | | Parent Company | |
|--|-------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| | | (Unaudited) 30-Sep-20 (RO'000) | (Audited) 31-Dec-19 (RO'000) | (Unaudited) 30-Sep-20 (RO'000) | (Audited) 31-Dec-19 (RO'000) |
| Assets | | | | | |
| Balances with banks and money at call | 5 | 53,314 | 191,505 | 40,329 | 4,549 |
| Deposits with banks | 6 | 71,658 | 80,916 | 30,032 | - |
| Premium and insurance balance receivable | 7 | 57,289 | 62,642 | - | - |
| Re-insurance share in insurance funds | 17 | 19,834 | 19,565 | - | - |
| Investment securities | 8 | 119,488 | 242,197 | 5,483 | 3,215 |
| Investment in associates | 9 | 337,901 | 239,635 | 147,456 | 38,937 |
| Investment in subsidiaries | 10 | - | - | 285,422 | 432,664 |
| Loans and advances to customers | 11 | - | 2,006,330 | - | - |
| Due from subsidiaries | | - | - | 116,503 | 115,876 |
| Other assets | | 25,437 | 69,296 | 3,016 | 2,322 |
| Investment properties | | 10,812 | 10,776 | 2,100 | 2,100 |
| Property and equipment | | 11,532 | 50,904 | 995 | 1,102 |
| Intangible assets | | 25,008 | 18,377 | - | - |
| Total assets | | 732,273 | 2,992,143 | 631,336 | 600,765 |
| Equity and liabilities | | | | | |
| Equity | | | | | |
| Share capital | 12 | 80,777 | 80,777 | 80,777 | 80,777 |
| Share premium | | 43,838 | 43,838 | 43,838 | 43,838 |
| Treasury shares | | (58,580) | (81,464) | - | - |
| Legal reserve | | 16,054 | 38,871 | 16,054 | 38,871 |
| General reserve | | - | 13,033 | - | 13,033 |
| Other non-distributable reserves | 14 | 5,328 | 41,350 | 5,328 | 19,618 |
| Cumulative changes in fair value reserve | | (15,412) | (8,384) | (25,685) | (21,891) |
| Retained earnings | | 140,445 | 64,268 | 138,725 | 84,461 |
| Equity attributable to equity holders of the Parent Company | | 212,450 | 192,289 | 259,037 | 258,707 |
| Perpetual Tier I capital bonds | | 46,510 | 116,762 | 60,638 | 60,638 |
| | | 258,960 | 309,051 | 319,675 | 319,345 |
| Non-controlling interests | | 22,523 | 162,522 | - | - |
| Total equity | | 281,483 | 471,573 | 319,675 | 319,345 |
| Liabilities | | | | | |
| Due to banks | 15 | 306,169 | 310,016 | 305,608 | 276,551 |
| Deposits from customers | 16 | - | 1,978,832 | - | - |
| Insurance funds | 17 | 92,342 | 80,108 | - | - |
| Subordinated debt | | - | 20,000 | - | - |
| Other liabilities | | 48,605 | 122,467 | 5,414 | 4,730 |
| Taxation | | 3,674 | 9,147 | 639 | 139 |
| Total liabilities | | 450,790 | 2,520,570 | 311,661 | 281,420 |
| Total equity and liabilities | | 732,273 | 2,992,143 | 631,336 | 600,765 |
| Net assets per share (Rial Omani) | 28 | 0.318 | 0.313 | 0.321 | 0.320 |


KHALID MUHAMMAD ALZUBAIR
CHAIRMAN


ABDULAZIZ AL BALUSHI
GROUP CEO

The accompanying notes form an integral part of these unaudited interim condensed consolidated and parent company financial statements.

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**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020**

| | Notes | Consolidated (Unaudited) | | | |
|--|-------|--|--|--|--|
| | | 9 months ended 30-Sep-20 (RO'000) | 9 months ended 30-Sep-19 (RO'000) | 3 months ended 30-Sep-20 (RO'000) | 3 months ended 30-Sep-19 (RO'000) |
| Gross premium earned | 18 | 107,537 | 106,253 | 35,003 | 34,899 |
| Interest income | 19 | 62,612 | 86,479 | 1,400 | 29,971 |
| Investment income | 21 | 13,379 | 2,738 | 359 | 347 |
| Fee and commission income - net | | 3,002 | 4,498 | (1,419) | 422 |
| Other operating income | | 2,894 | 7,225 | 782 | 2,444 |
| Share of results from associates | 9(a) | 16,345 | 18,500 | 6,521 | 5,567 |
| Total revenue | | 205,769 | 225,693 | 42,646 | 73,650 |
| Premium ceded to re-insurers | 18 | (20,755) | (28,133) | (6,425) | (8,214) |
| Net claims | 17 | (57,717) | (58,005) | (20,770) | (20,289) |
| Interest expense | 20 | (32,753) | (39,338) | (3,815) | (13,687) |
| Operating expenses | 22 | (41,943) | (53,137) | (5,644) | (17,319) |
| COVID-19 contribution | | (1,175) | - | - | - |
| Allowance for loan impairment, net of recoveries | | (9,237) | (8,139) | - | (3,460) |
| Total expenses | | (163,580) | (186,752) | (36,654) | (62,969) |
| Profit before tax | | 42,189 | 38,941 | 5,992 | 10,681 |
| Income tax expense | | (5,201) | (5,444) | (630) | (1,502) |
| Profit for the period | | 36,988 | 33,497 | 5,362 | 9,179 |
| Profit for the period attributable to: | | | | | |
| Equity holders of the Parent Company | | 28,654 | 22,108 | 4,536 | 6,032 |
| Non-controlling interests | | 8,334 | 11,389 | 826 | 3,147 |
| | | 36,988 | 33,497 | 5,362 | 9,179 |
| Basic earnings per share attributable to the equity holders of the Parent Company (RO) | 27 | 0.039 | 0.030 | 0.007 | 0.010 |
| Other comprehensive (expense) / income : | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | | |
| Movement in cash flow hedge | | (524) | - | 37 | - |
| Foreign currency translation reserve | | (2) | (14) | 9 | (13) |
| <i>Items not to be reclassified subsequently to profit or loss:</i> | | | | | |
| Fair value changes of financial assets fair value through other comprehensive income, net of tax | | (8,888) | (1,664) | 2,596 | 1,987 |
| Other comprehensive expense for the period | | (9,414) | (1,678) | 2,642 | 1,974 |
| Total comprehensive income for the period | | 27,574 | 31,819 | 8,004 | 11,153 |
| Total comprehensive income for the period attributable to: | | | | | |
| Equity holders of the Parent Company | | 19,702 | 20,300 | 7,160 | 7,931 |
| Non-controlling interests | | 7,872 | 11,519 | 844 | 3,222 |
| | | 27,574 | 31,819 | 8,004 | 11,153 |

The accompanying notes form an integral part of these unaudited interim condensed consolidated and parent company financial statements.



**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020**

| | Notes | Parent Company (Unaudited) | | | |
|---|-------|--|--|--|--|
| | | 9 months ended 30-Sep-20 (RO'000) | 9 months ended 30-Sep-19 (RO'000) | 3 months ended 30-Sep-20 (RO'000) | 3 months ended 30-Sep-19 (RO'000) |
| Interest income | 19 | 5,047 | 8,048 | 1,941 | 2,771 |
| Investment income | 21 | 6,521 | 10 | 107 | (24) |
| Other income | | 438 | 165 | 63 | (10) |
| Share of results from subsidiaries | | 33,989 | 29,803 | 5,771 | 7,024 |
| Share of results from associates | 9(a) | 2,975 | 1,695 | 1,600 | 316 |
| Total revenue | | 48,970 | 39,721 | 9,482 | 10,077 |
| Interest expense | 20 | (11,001) | (8,973) | (3,800) | (3,189) |
| Operating expenses | 22 | (4,510) | (4,626) | (1,278) | (951) |
| COVID-19 contribution | | (500) | - | - | - |
| Total expenses | | (16,011) | (13,599) | (5,078) | (4,140) |
| Profit before tax | | 32,959 | 26,122 | 4,404 | 5,937 |
| Income tax expense | | (500) | (250) | - | - |
| Profit for the period | | 32,459 | 25,872 | 4,404 | 5,937 |
| Basic earnings per share attributable to the equity holders of the Parent Company (RO) | 27 | 0.036 | 0.027 | 0.006 | 0.007 |
| Other comprehensive (expense) / income | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | | |
| Movement in cashflow hedge | | (524) | - | 37 | - |
| Foreign currency translation reserve | | (2) | (14) | 9 | (13) |
| <i>Items not to be reclassified subsequently to profit or loss:</i> | | | | | |
| Fair value changes of financial assets fair value | | (9,503) | (2,311) | 1,307 | 2,916 |
| Through other comprehensive income, net of tax | | (10,029) | (2,325) | 1,353 | 2,903 |
| Other comprehensive (expense) / income for the pe | | (10,029) | (2,325) | 1,353 | 2,903 |
| Total comprehensive income for the period | | 22,430 | 23,547 | 5,757 | 8,840 |

The accompanying notes form an integral part of these unaudited interim condensed consolidated and parent company financial statements.

**UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY
STATEMENTS OF CASH FLOWS FOR THE
NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020**

| | Note | Consolidated | | Parent Company | |
|---|------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | | (Unaudited) 30-Sep-20 (RO'000) | (Unaudited) 30-Sep-19 (RO'000) | (Unaudited) 30-Sep-20 (RO'000) | (Unaudited) 30-Sep-19 (RO'000) |
| Operating activities | | | | | |
| Profit before tax | | 42,189 | 38,941 | 32,959 | 26,122 |
| <u>Adjustments for:</u> | | | | | |
| Depreciation on property and equipment | 22 | 4,214 | 5,162 | 110 | 109 |
| Amortization of intangible assets | 22 | 769 | 727 | 521 | 521 |
| Share of results from associates | 9(a) | (16,345) | (18,500) | (2,975) | (1,695) |
| Share of results from subsidiaries | | - | - | (33,989) | (29,803) |
| Allowance for loan impairment net of recoveries | | 9,237 | 8,139 | - | - |
| (Gains) / loss on sale of property and equipment | | (4) | 58 | - | (10) |
| Gains from investment property | 21 | - | (789) | - | - |
| Net gains from associates | 21 | (3,728) | - | - | - |
| Gains from partial disposal of a subsidiary | 21 | (11,968) | - | (11,968) | - |
| Unallocated provision for investment | 21 | 5,610 | - | 5,610 | - |
| Change in the fair value of financial assets at fair value through profit or loss | 21 | 560 | 519 | 2 | 24 |
| Profit on sale of investments | 21 | (58) | (70) | - | - |
| Income from amortized cost investments | | (4,533) | (4,945) | - | - |
| Operating results before working capital changes | | 25,943 | 29,242 | (9,730) | (4,732) |
| Changes in operating assets and liabilities | | | | | |
| Investment securities | | (29,531) | (50,853) | (2,306) | (969) |
| Loans and advances to customers | | (26,799) | (146,496) | - | - |
| Due from subsidiaries | | - | - | 1,458 | (18,145) |
| Other assets | | (26,886) | (3,816) | (694) | 632 |
| Deposits from customers | | 29,472 | 53,682 | - | - |
| Premiums and insurance balances receivables | | 5,353 | (24,474) | - | - |
| Re-insurance share in insurance funds | | (269) | 3,326 | - | - |
| Insurance funds | | 12,234 | 18,883 | - | - |
| Other liabilities | | (245) | 3,933 | 162 | 488 |
| Cash used in operations | | (10,728) | (116,573) | (11,110) | (22,726) |
| Tax paid | | (7,215) | (7,409) | - | (279) |
| Net cash used in operating activities | | (17,943) | (123,982) | (11,110) | (23,005) |
| Investing activities | | | | | |
| Purchase of associates shares | 9(a) | (20,959) | (9,953) | - | - |
| Net cashflow on disposal of subsidiary | 4A | (109,184) | - | 45,928 | - |
| Proceeds from partial disposal of associate | | 2,408 | - | - | - |
| Proceeds from disposal of treasury shares | | 20,326 | - | - | - |
| Dividend received from associates | 9(a) | 13,774 | 13,995 | 2,074 | 1,434 |
| Dividend received from subsidiaries | | - | - | 22,416 | 13,136 |
| Capital expenditure on investment property | | (36) | (151) | - | - |
| Proceeds from partial disposal of an investment property | | - | 4,510 | - | - |
| Investment in subsidiary | | - | (2,883) | - | - |
| Proceeds from disposal of property and equipment | | 79 | 563 | - | 11 |
| Projects work in progress | | - | 154 | - | - |
| Additions to property and equipment | | (5,549) | (5,263) | (3) | (10) |
| Net cash (used in) / generated from investing activities | | (99,141) | 972 | 70,415 | 14,571 |
| Financing activities | | | | | |
| Bank borrowings | | 27,618 | 30,780 | 29,057 | 24,780 |
| Non-controlling interest | | 3,915 | 1,171 | - | - |
| Dividends paid | | (25,528) | (20,102) | (20,194) | (15,386) |
| Coupon payments / expenses on perpetual bonds | | (4,405) | (4,991) | (2,356) | (2,343) |
| Net cash generated from financing activities | | 1,600 | 6,858 | 6,507 | 7,051 |
| Net change in cash and cash equivalents | | (115,484) | (116,152) | 65,812 | (1,383) |
| Cash and cash equivalents at the beginning of the period | | 240,456 | 318,616 | 4,549 | 2,363 |
| Cash and cash equivalents at the end of the period | 5 | 124,972 | 202,464 | 70,361 | 980 |



UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020

ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF PARENT COMPANY

| Consolidated | Share capital (RO'000) | Share premium (RO'000) | Treasury shares (RO'000) | Legal reserve* (RO'000) | General reserve (RO'000) | Other non- distributable reserves (RO'000) | Cumulative changes in fair value (RO'000) | Retained Earnings (RO'000) | Total (RO'000) | Perp. Tier I capital bonds (RO'000) | Sub-total (RO'000) | Non- Controlling interests (RO'000) | Total (RO'000) |
|---|------------------------------|------------------------------|--------------------------------|-------------------------------|--------------------------------|---|--|----------------------------------|-------------------|--|-----------------------|--|-------------------|
| At 1 January 2019 | 76,931 | 47,684 | (81,464) | 34,423 | 13,033 | 33,323 | (8,391) | 64,359 | 179,898 | 129,641 | 309,539 | 154,495 | 464,034 |
| Profit for the period | - | - | - | - | - | - | - | 22,108 | 22,108 | - | 22,108 | 11,389 | 33,497 |
| Other comprehensive expense for the period | - | - | - | - | - | (14) | (1,794) | - | (1,808) | - | (1,808) | 130 | (1,678) |
| Total comprehensive (expense) / income for the period | - | - | - | - | - | (14) | (1,794) | 22,108 | 20,300 | - | 20,300 | 11,519 | 31,819 |
| Non-controlling interest addition | - | - | - | - | - | - | - | - | - | - | - | 1,171 | 1,171 |
| Transfer to/ from retained earnings | - | - | - | - | - | 1,035 | - | (1,035) | - | - | - | - | - |
| Movements related to subsidiaries and FVTOCI investment | - | - | - | - | - | - | - | (181) | (181) | - | (181) | (174) | (355) |
| Perpetual Bond interest payment | - | - | - | - | - | - | - | (3,630) | (3,630) | - | (3,630) | (1,361) | (4,991) |
| Stock dividend (note 12) | 3,846 | (3,846) | - | - | - | - | - | - | - | - | - | - | - |
| Dividend paid relating to 2018 (note 13) | - | - | - | - | - | - | - | (15,386) | (15,386) | - | (15,386) | (8,409) | (23,795) |
| Treasury Shares adjustment (note 13) | - | - | - | - | - | - | - | 3,693 | 3,693 | - | 3,693 | - | 3,693 |
| At 30 September 2019 | 80,777 | 43,838 | (81,464) | 34,423 | 13,033 | 34,344 | (10,185) | 69,928 | 184,694 | 129,641 | 314,335 | 157,241 | 471,576 |
| At 1 January 2020 | 80,777 | 43,838 | (81,464) | 38,871 | 13,033 | 41,350 | (8,384) | 64,268 | 192,289 | 116,762 | 309,051 | 162,522 | 471,573 |
| Profit for the period | - | - | - | - | - | - | - | 28,654 | 28,654 | - | 28,654 | 8,334 | 36,988 |
| Other comprehensive expense for the period | - | - | - | - | - | (526) | (8,426) | - | (8,952) | - | (8,952) | (462) | (9,414) |
| Total comprehensive (expense) / income for the period | - | - | - | - | - | (526) | (8,426) | 28,654 | 19,702 | - | 19,702 | 7,872 | 27,574 |
| Transfer to / from retained earnings | - | - | - | - | - | 1,048 | - | (1,048) | - | - | - | - | - |
| Disposal of subsidiary | - | - | - | (22,817) | (13,033) | (36,544) | 1,148 | 71,246 | - | (70,252) | (70,252) | (141,463) | (211,715) |
| Movements related to subsidiaries and FVTOCI investment | - | - | - | - | - | - | 250 | (308) | (58) | - | (58) | (199) | (257) |
| Sale of treasury shares (note 12a) | - | - | 22,884 | - | - | - | - | (2,558) | 20,326 | - | 20,326 | - | 20,326 |
| Perpetual bond interest payment | - | - | - | - | - | - | - | (3,100) | (3,100) | - | (3,100) | (1,305) | (4,405) |
| Conversion of associate to subsidiary | - | - | - | - | - | - | - | - | - | - | - | 3,915 | 3,915 |
| Dividend paid relating to 2019 (note 13) | - | - | - | - | - | - | - | (20,194) | (20,194) | - | (20,194) | (8,819) | (29,013) |
| Treasury shares dividend adjustment (note 13) | - | - | - | - | - | - | - | 3,485 | 3,485 | - | 3,485 | - | 3,485 |
| At 30 September 2020 | 80,777 | 43,838 | (58,580) | 16,054 | - | 5,328 | (15,412) | 140,445 | 212,450 | 46,510 | 258,960 | 22,523 | 281,483 |



**UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2020**

| Parent company | <i>Share capital</i> | <i>Share premium</i> | <i>Legal reserve *</i> | <i>General reserve</i> | <i>Other non-distributable reserves</i> | <i>Cumulative changes in fair value</i> | <i>Retained earnings</i> | <i>Total</i> | <i>Perpetual Tier I capital bonds</i> | <i>Total</i> |
|--|----------------------|----------------------|------------------------|------------------------|---|---|--------------------------|-----------------|---------------------------------------|-----------------|
| | <i>(RO'000)</i> | <i>(RO'000)</i> | <i>(RO'000)</i> | <i>(RO'000)</i> | <i>(RO'000)</i> | <i>(RO'000)</i> | <i>(RO'000)</i> | <i>(RO'000)</i> | <i>(RO'000)</i> | <i>(RO'000)</i> |
| At 1 January 2019 | 76,931 | 47,684 | 34,423 | 13,033 | 11,591 | (20,452) | 84,763 | 247,973 | 60,638 | 308,611 |
| Profit for the period | - | - | - | - | - | - | 25,872 | 25,872 | - | 25,872 |
| Other comprehensive expense for the period | - | - | - | - | (14) | (2,311) | - | (2,325) | - | (2,325) |
| Total comprehensive (expense) / income for the period | - | - | - | - | (14) | (2,311) | 25,872 | 23,547 | - | 23,547 |
| Transfer to / from retained earnings | - | - | - | - | - | - | (181) | (181) | - | (181) |
| Movements related to subsidiaries and FVTOCI investments | - | - | - | - | 1,035 | - | (1,035) | - | - | - |
| Perpetual bond interest payment | - | - | - | - | - | - | (3,758) | (3,758) | - | (3,758) |
| Stock dividend (note 12) | 3,846 | (3,846) | - | - | - | - | - | - | - | - |
| Dividend paid relating to 2018 (note 13) | - | - | - | - | - | - | (15,386) | (15,386) | - | (15,386) |
| At 30 September 2019 | 80,777 | 43,838 | 34,423 | 13,033 | 12,612 | (22,763) | 90,275 | 252,195 | 60,638 | 312,833 |
| At 1 January 2020 | 80,777 | 43,838 | 38,871 | 13,033 | 19,618 | (21,891) | 84,461 | 258,707 | 60,638 | 319,345 |
| Profit for the period | - | - | - | - | - | - | 32,459 | 32,459 | - | 32,459 |
| Other comprehensive expense for the period | - | - | - | - | (526) | (9,503) | - | (10,029) | - | (10,029) |
| Total comprehensive income / (expense) for the period | - | - | - | - | (526) | (9,503) | 32,459 | 22,430 | - | 22,430 |
| Transfer to / from retained earnings | - | - | - | - | 1,048 | 4,618 | (5,666) | - | - | - |
| Disposal of subsidiary | - | - | (22,817) | (13,033) | (14,812) | 1,091 | 49,571 | - | - | - |
| Movements related to subsidiaries and FVTOCI investment | - | - | - | - | - | - | 1,808 | 1,808 | - | 1,808 |
| Perpetual bond interest payment | - | - | - | - | - | - | (3,714) | (3,714) | - | (3,714) |
| Dividend paid relating to 2019 (note 13) | - | - | - | - | - | - | (20,194) | (20,194) | - | (20,194) |
| At 30 September 2020 | 80,777 | 43,838 | 16,054 | - | 5,328 | (25,685) | 138,725 | 259,037 | 60,638 | 319,675 |

* Transfer to legal reserve is made on annual basis

The accompanying notes form an integral part of these unaudited interim condensed consolidated and parent company financial statements.

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 Company's principal place of business and registered address is OMINVEST Business Center, Seventh Floor, Building No. 95, Block No 9993, Muscat Hills, Madinat Al Erfaan, Muscat, Sultanate of Oman. The Company's postal address is PO Box 3886, Ruwi, Postal Code 112, Sultanate of Oman.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES.

The unaudited interim condensed financial statements for the nine-month period ended 30 September 2020 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 2019, as amended.

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the audited annual financial statements for the year ended 31 December 2019 unless indicated below. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards. Previous period numbers are reclassified / regrouped if necessary, for comparative purpose. The related adjustments are not material.

The unaudited interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the period ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year 2020.

3. ESTIMATES

The preparation of unaudited interim condensed 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 unaudited interim condensed 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 2019.

4. IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE IN 2020

For the period ended 30 September 2020, 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 2020.

4A. DISPOSAL OF SUBSIDIARY

On 29 June 2020, Company sold 11.76% shares held in Oman Arab Bank SAOC (OAB) to Arab Bank PLC (ABP), a financial institution headquartered in Kingdom of Jordan and listed on Amman Stock Exchange. On 30 September 2020, OAB acquired 99.98% of the shares and voting interest in Alizz Islamic Bank SAOG (AIB) by issuing shares of OAB to existing AIB shareholders in the ratio of 80.64 : 19.36. As a result, OAB obtained full control over AIB which made it a wholly owned subsidiary and AIB was delisted from Muscat Securities Market (MSM) upon this acquisition. On 6 July 2020, OAB became a listed bank and the ordinary equity shares of OAB were listed on MSM.

4A. DISPOSAL OF SUBSIDIARY (continued)

Due to above transactions, the Parent Company shareholding in OAB was effectively reduced from 50.99% to 31.64%. The Group lost control over OAB on 29 September 2020 mainly due to disposal of 11.76% with control to ABP. Resultantly, OAB has been accounted for as disposal of subsidiary and retained stake of 31.64% has been recognized as an associate as the Group has significant influence over OAB now. The statement of comprehensive income contains income and expenses of OAB up to the date of loss of control and assets and liabilities of OAB have been derecognized in full in the statement of financial position.

Group:

Details of assets and liabilities derecognized due to loss of control and gains on derecognition of subsidiary is as follows:

| | <i>(RO ' 000)</i> |
|--|-----------------------|
| Assets | |
| Cash and cash equivalents | 125,668 |
| Due from banks and other money market placements | 64,730 |
| Loans, advances and financing activities for customers | 2,023,892 |
| Investments in securities | 183,308 |
| Property and equipment | 40,632 |
| Other assets | 63,345 |
| Total assets | <u>2,501,575</u> |
| Liabilities | |
| Due to banks and other money market deposits | 35,286 |
| Customers' deposits and unrestricted investment accounts | 2,008,304 |
| Other liabilities | 73,343 |
| Taxation | 3,427 |
| Subordinated bonds | 20,000 |
| Total liabilities | <u>2,140,360</u> |
| Total Equity | 361,215 |
| Tier 1 perpetual bond | <u>(72,553)</u> |
| Total equity attributable to the equity holders | <u>288,662</u> |
| Consideration received | 45,928 |
| Net assets derecognized | (288,662) |
| Non-controlling interest derecognized | 141,473 |
| Fair value of retained interest recognized as investment in associates (note 9a) | 113,229 |
| Gain on disposal | <u>11,968</u> |
| Net cashflow on disposal | |
| Cash consideration received | 45,928 |
| Net cash equivalents disposed off | <u>(155,112)</u> |
| | <u>(109,184)</u> |

Parent Company:

The Parent Company continued to apply equity accounting upto loss of control date. On loss of control, the investment in subsidiary was derecognized for its full carrying value.

| | |
|--|----------------------|
| Carrying amount of investment in Subsidiary (OAB) | (147,189) |
| Consideration received on disposal of OAB | 45,928 |
| Fair value of retained interest recognized as investment in associates (note 9(a)) | 113,229 |
| Gain on disposal | <u>11,968</u> |

4A. DISPOSAL OF SUBSIDIARY (continued)

Parent Company accounts for investment in subsidiaries and associates using equity method of accounting. On disposal, although the retained interest (associate) is also accounted for under equity method of accounting but the Parent Company has applied the guidance on the loss of control as per IFRS 10 and losing control over a subsidiary is considered as a significant economic event.

Transfer of reserves:

The Parent Company and Group has transferred the reserves held for OAB to the retained earnings upon disposal as a subsidiary. The details are mentioned below:

| | <i>Group</i> | <i>Parent</i> |
|--|---------------------|----------------------|
| Legal reserve | 22,817 | 22,817 |
| General reserve | 13,033 | 13,033 |
| Capital reserve | 21,732 | |
| Special reserve | 1,996 | 1,996 |
| Subordinated debt reserve | 8,160 | 8,160 |
| Impairment reserve | 4,656 | 4,656 |
| Cumulative changes in fair value reserve | (1,148) | (1,091) |
| | 71,246 | 49,571 |

4B. STEP ACQUISITION OF A SUBSIDIARY

On 27 July 2020, the Group acquired additional 30% stake in Ubhar Capital SAOC (Ubhar) increasing its stake to 66%. Resultantly, the Group acquired control over Ubhar and investment was converted from associate to subsidiary. Accordingly, Ubhar's financial statements are consolidated in the Group accounts from the acquisition date. The Group is in the process of completing the related Purchase Price Allocation.

5. CASH AND CASH EQUIVALENTS

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

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|---|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| Balances with banks and money at call | 53,314 | 191,505 | 40,329 | 4,549 |
| Deposits with banks (note 6) | 71,658 | 80,916 | 30,032 | - |
| Due to banks – current accounts (note 15) | - | (31,465) | - | - |
| Capital deposits (note 6) | - | (500) | - | - |
| Total | 124,972 | 240,456 | 70,361 | 4,549 |

6. DEPOSITS WITH BANKS

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|-------------------------|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| Money market placements | - | 38,776 | - | - |
| Current accounts | - | 12,026 | - | - |
| Capital deposits | - | 500 | - | - |
| Deposits | 71,658 | 29,614 | 30,032 | - |
| Total | 71,658 | 80,916 | 30,032 | - |

7. PREMIUM AND INSURANCE BALANCES RECEIVABLE

| | <i>Consolidated (Unaudited)</i> | | | <i>Consolidated (Audited)</i> | | |
|---------------------------------|---------------------------------|----------------|----------------|--------------------------------|----------------|----------------|
| | <i>30-Sep-20</i> | | | <i>31-Dec-19</i> | | |
| | <i>Medical/</i> <i>life</i> | <i>General</i> | <i>Total</i> | <i>Medical/</i> <i>life</i> | <i>General</i> | <i>Total</i> |
| | <i>RO '000</i> | <i>RO '000</i> | <i>RO '000</i> | <i>RO '000</i> | <i>RO '000</i> | <i>RO '000</i> |
| Premiums receivable | 46,642 | 4,453 | 51,095 | 41,939 | 4,150 | 46,089 |
| Reinsurance balances receivable | 8,037 | 207 | 8,244 | 18,038 | 124 | 18,162 |
| | 54,679 | 4,660 | 59,339 | 59,977 | 4,274 | 64,251 |
| Allowance for impaired debts | (1,241) | (809) | (2,050) | (903) | (706) | (1,609) |
| Total | 53,438 | 3,851 | 57,289 | 59,074 | 3,568 | 62,642 |

8. INVESTMENT SECURITIES

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

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|---|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| Financial assets at fair value through profit or loss (note 8a) | 14,198 | 14,119 | 1,709 | 1,711 |
| Financial assets at fair value through other comprehensive income (note 8b) | 90,399 | 67,507 | 3,774 | 1,504 |
| Investments at amortized cost (note 8c) | 14,891 | 160,571 | - | - |
| Total investment securities | 119,488 | 242,197 | 5,483 | 3,215 |

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

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| Financial sector | 538 | 4,330 | - | - |
| Industrial sector | 869 | 891 | 484 | 484 |
| Local quoted investments | 1,407 | 5,221 | 484 | 484 |
| Foreign quoted investments | 45 | 190 | 45 | 25 |
| Quoted investments | 1,452 | 5,411 | 529 | 509 |
| Unquoted local investments | 1,762 | 1,806 | 945 | 967 |
| Unquoted foreign investments | 10,984 | 6,902 | 235 | 235 |
| Total Financial assets at fair value through profit or loss | 14,198 | 14,119 | 1,709 | 1,711 |

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

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|---|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| Local investments | | | | |
| Quoted investments (cost) | 64,187 | 63,762 | 2,300 | - |
| Fair value reserve | (5,354) | (6,770) | (31) | - |
| Unquoted investments (cost) | 861 | 1,074 | 861 | 861 |
| Fair value reserve | 581 | 537 | 581 | 581 |
| Total local investments | 60,275 | 58,603 | 3,711 | 1,442 |
| Foreign investments | | | | |
| Quoted investments (cost) | 38,548 | 8,623 | - | - |
| Fair value reserve | (8,607) | (495) | - | - |
| Unquoted investments (cost) | 1,058 | 1,651 | 205 | 205 |
| Fair value reserve | (875) | (875) | (142) | (143) |
| Total foreign investments | 30,124 | 8,904 | 63 | 62 |
| Total Investments at fair value through other comprehensive income | 90,399 | 67,507 | 3,774 | 1,504 |

8. INVESTMENT SECURITIES (continued)

(c) Investment at amortized cost

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| Oman Government development bonds & sukus | 14,213 | 143,994 | - | - |
| Banks and corporate bonds | 678 | 16,577 | - | - |
| Total Investments at amortized cost | 14,891 | 160,571 | - | - |

9. INVESTMENT IN ASSOCIATES

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

| <i>Consolidated</i> | <i>Country of incorporation</i> | <i>30-Sep-20 (Unaudited) Holding %</i> | <i>31-Dec-19 (Audited) Holding %</i> |
|---|---------------------------------|--|--------------------------------------|
| Quoted | | | |
| Bank Muscat SAOG | Sultanate of Oman | 9.99 | 9.99 |
| Oman Arab Bank SAOG (refer note 4A) | Sultanate of Oman | 31.64 | - |
| National Finance Company SAOG | Sultanate of Oman | 34.60 | 34.60 |
| Al Ahlia Insurance Company SAOG | Sultanate of Oman | 24.30 | 24.30 |
| Takaful Oman Insurance SAOG (note 9(d)) | Sultanate of Oman | 24.52 | 18.14 |
| Unquoted | | | |
| International General Insurance Holding Limited (IGI) (note 9(b)) | United Arab Emirates | - | 20.00 |
| Al Omania Education Services SAOC (note 9(c)) | Sultanate of Oman | 40.00 | - |
| Ubhar Capital SAOC (refer note 4B) | Sultanate of Oman | - | 36.00 |
| National Finance House B.S.C. | Kingdom of Bahrain | 17.47 | 17.47 |
| Modern Steel Mill LLC | Sultanate of Oman | 19.49 | 19.49 |
| Horizon (AD) Investment Ltd | Cayman Islands | 14.85 | 14.85 |
| EastBridge Partners Singapore | Singapore | 43.00 | 43.00 |
| Al Tarbiyah Al Islamyah School | Kingdom of Saudi Arabia | 11.14 | 11.14 |
| Parent Company | | | |
| | <i>Country of incorporation</i> | <i>30-Sep-20 (Unaudited) Holding %</i> | <i>31-Dec-19 (Audited) Holding %</i> |
| Quoted | | | |
| Oman Arab Bank SAOG (refer note 4A) | Sultanate of Oman | 31.63 | - |
| National Finance Company SAOG | Sultanate of Oman | 34.60 | 34.60 |
| Unquoted | | | |
| Ubhar Capital SAOC | Sultanate of Oman | 36.00 | 36.00 |

9. INVESTMENT IN ASSOCIATES (continued)

9(a) Details regarding movement in investment in associates is set out below:

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|---|---|---|---|---|
| | <i>(Unaudited)</i> 30-Sep-20 <i>(RO'000)</i> | <i>(Audited)</i> 31-Dec-19 <i>(RO'000)</i> | <i>(Unaudited)</i> 30-Sep-20 <i>(RO'000)</i> | <i>(Audited)</i> 31-Dec-19 <i>(RO'000)</i> |
| At beginning of the year | 239,635 | 219,055 | 38,936 | 36,982 |
| Add : Purchase | 20,959 | 9,952 | - | - |
| Less : Sale | (2,408) | - | - | - |
| Add : share of results | 16,345 | 25,699 | 2,975 | 3,389 |
| Less : dividends received | (13,774) | (14,182) | (2,074) | (1,434) |
| Less: derecognition of associate | (30,475) | (1,181) | - | - |
| Add: bargain gain | - | 292 | - | - |
| Less : provision for impairment | (5,610) | - | (5,610) | - |
| Add: Transfer from subsidiary (note 4A) | 113,229 | - | 113,229 | - |
| At the end of the period | 337,901 | 239,635 | 147,456 | 38,937 |

9(b) During the period, International General Insurance (IGI) merged with Tiberius and achieved listing on NASDAQ. As a part of merger agreement, the Group received USD 6.25 million in cash and its shareholding in the merged entity was diluted to 14.3% resulting in a loss of significant influence over IGI. Consequently, IGI is reclassified as investment at fair value through other comprehensive income.

9(c) During the period, Group acquired 40% stake in Al Omania Education Services SAOC for RO 17.6 million. The company is registered in Oman and currently owns and operates three schools. The investment structure provides an annual guaranteed cash yield of 6% along with a put option at the end of fourth year at 9% IRR, subject to certain conditions

9(d) During the period, Group acquired additional 6.38% stake in Takaful Oman Insurance SAOG for RO 0.8 million to further enhance its holding in the company.

9(e) During the period, Group acquired additional 30% stake in Ubhar Capital SAOC (Ubhar) increasing its stake to 66%. Resultantly, the Group acquired control over Ubhar and investment was converted from associate to subsidiary (refer note 4B).

10. INVESTMENT IN SUBSIDIARIES

As at the reporting date, investments held by the Parent Company in subsidiaries are as set out below:

| <i>Parent Company</i> | <i>Country of incorporation</i> | <i>Principal activity</i> | <i>30-Sep-20</i> <i>(Unaudited)</i> Holding <i>(%)</i> | <i>31-Dec-19</i> <i>(Audited)</i> Holding <i>(%)</i> |
|--|---------------------------------|----------------------------|--|--|
| Oman Arab Bank SAOC (refer note 4A) | Sultanate of Oman | Banking | - | 50.99 |
| National Life and General Insurance Co SAOG | Sultanate of Oman | Insurance | 73.45 | 73.45 |
| Jabreen International Development Company SAOC | Sultanate of Oman | Investment | 99.60 | 99.60 |
| Oman Real Estate Investment and Services SAOC | Sultanate of Oman | Real Estate | 100.00 | 100.00 |
| Salalah Resorts SAOC | Sultanate of Oman | Integrated Tourism Project | 99.99 | 99.99 |
| Al Jabal Al Aswad Investment LLC | Sultanate of Oman | Real Estate | 99.98 | 99.98 |
| Budva Beach Properties doo (10(ii)) | Montenegro | Tourism Project | - | 100.00 |

10. INVESTMENT IN SUBSIDIARIES (continued)

| | | | | |
|---|-----|------------|---------------|---|
| OMINVEST International Holdings Limited (note 10 (i)) | UAE | Investment | 100.00 | - |
|---|-----|------------|---------------|---|

10(i) During the period, Company incorporated a fully owned subsidiary in Dubai International Financial Center, UAE.

10(ii) During the period, Budva Beach Properties was liquidated and deconsolidated. No material adjustments were made.

10(iii) Details regarding movement in investment in subsidiaries is set out below:

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|---|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| At beginning of the year | - | - | 432,664 | 307,702 |
| Less disposal of part stake in a subsidiary (note 4A) | - | - | (45,928) | - |
| Add: Profit on disposal (note 4A) | - | - | 11,968 | - |
| Less: Transfer to Associate (note 4A) | - | - | (113,229) | - |
| Less : Deconsolidation of subsidiary (note 10b) | - | - | (2,085) | - |
| Add : transfer of subordinated loan | - | - | - | 100,000 |
| Add : share of results | - | - | 33,989 | 45,239 |
| Less : dividends received | - | - | (22,416) | (14,443) |
| Less: other movements | - | - | (9,541) | (5,834) |
| At the end of the period | - | - | 285,422 | 432,664 |

11. LOANS AND ADVANCES TO CUSTOMERS

At 30 June 2020, banking subsidiary (OAB) was deconsolidated (refer note 4A). Loans and advances to customers extended by the banking subsidiary as at 31 December 2019 were as follows:

| | <i>(Unaudited)</i> <i>30-Sep -20</i> <i>RO 000</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>RO 000</i> |
|---|--|---|
| Commercial loans | - | 1,161,929 |
| Overdrafts | - | 135,634 |
| Personal loans | - | 758,311 |
| Credit cards | - | 4,016 |
| | - | 2,059,890 |
| | - | (53,560) |
| Less: Allowance for loan impairment and reserved interest | - | 2,006,330 |

12. SHARE CAPITAL

| | <i>(Unaudited)</i> 30-Sep-20 <i>(RO'000)</i> | <i>(Audited)</i> 31-Dec-19 <i>(RO'000)</i> |
|--|---|---|
| Authorized 900,000,000 ordinary shares of RO 0.100 each (31 December 2019 - 900,000,000 ordinary shares of RO 0.100 each) | 90,000 | 90,000 |
| Issued and fully paid 807,772,329 ordinary shares of RO 0.100 each (31 December 2019 – 807,772,329 shares of RO 0.100 each) | 80,777 | 80,777 |

During 2019, Parent Company issued stock dividend of 38,465,349 shares at 100 baisa per share by transferring RO 3,846,535 from share premium account balance.

12a. TREASURY SHARES

During the period, Group sold 6.74% treasury shares for RO 20.3 million at a premium of 11% above the prevailing market value.

13. DIVIDEND PAID

Parent Company

CMA vide its circular no. (4/2020) dated 18 March 2020 approved the distribution of dividends for the listed companies. Accordingly, the Parent Company distributed the cash dividend of RO 0.025 per share (2019 - RO 0.020 per share) amounting to RO 20,194,308 (2019 - RO 15,386,140) to its shareholders (record date being 30 March 2020) as recommended in the agenda and as approved by the regulators. The same was subsequently ratified by the shareholders in the AGM held on 17 May 2020 via electronic platform, as per the CMA guidelines

Treasury shares dividend amounting to RO 3,485,173 (2019 – RO 3,692,674) is adjusted at the consolidation level.

14. OTHER NON-DISTRIBUTABLE RESERVES

| Consolidated | <i>Capital reserve</i> | <i>Impairment reserve</i> | <i>Contingency reserve</i> | <i>Special reserve</i> | <i>Sub. debt reserve</i> | <i>Foreign currency revaluation Reserve</i> | <i>Hedging reserve</i> | <i>Revaluation reserve</i> | <i>Total</i> |
|---------------------------------|------------------------|---------------------------|----------------------------|------------------------|--------------------------|---|------------------------|----------------------------|---------------|
| At 1 January 2019 | 21,732 | - | 3,251 | 1,996 | 6,119 | (9) | - | 234 | 33,323 |
| Net changes in fair values | - | - | - | - | - | (14) | - | - | (14) |
| Other comprehensive expense | - | - | - | - | - | (14) | - | - | (14) |
| Transfer from retained earnings | - | - | 1,035 | - | - | - | - | - | 1,035 |
| At 30 September 2019 | 21,732 | - | 4,286 | 1,996 | 6,119 | (23) | - | 234 | 34,344 |
| At 1 January 2020 | 21,732 | 4,656 | 4,596 | 1,996 | 8,160 | (24) | - | 234 | 41,350 |
| Net changes in fair values | - | - | - | - | - | (2) | (524) | - | (526) |
| Other comprehensive expense | - | - | - | - | - | (2) | (524) | - | (526) |
| Derecognition of subsidiary | (21,732) | (4,656) | - | (1,996) | (8,160) | - | - | - | (36,544) |
| Transfer from retained earnings | - | - | 1,048 | - | - | - | - | - | 1,048 |
| At 30 September 2020 | - | - | 5,644 | - | - | (26) | (524) | 234 | 5,328 |

| Parent Company | <i>Impairment reserve</i> | <i>Contingency reserve</i> | <i>Special reserve</i> | <i>Sub. debt reserve</i> | <i>Foreign currency revaluation reserve</i> | <i>Hedging reserve</i> | <i>Revaluation reserve</i> | <i>Total</i> |
|---------------------------------|---------------------------|----------------------------|------------------------|--------------------------|---|------------------------|----------------------------|---------------|
| At 1 January 2019 | - | 3,251 | 1,996 | 6,119 | (9) | - | 234 | 11,591 |
| Net changes in fair values | - | - | - | - | (14) | - | - | (14) |
| Other comprehensive expense | - | - | - | - | (14) | - | - | (14) |
| Transfer from retained earnings | - | 1,035 | - | - | - | - | - | 1,035 |
| At 30 September 2019 | - | 4,286 | 1,996 | 6,119 | (23) | - | 234 | 12,612 |
| At 1 January 2020 | 4,656 | 4,596 | 1,996 | 8,160 | (24) | - | 234 | 19,618 |
| Net changes in fair values | - | - | - | - | (2) | (524) | - | (526) |
| Other comprehensive expense | - | - | - | - | (2) | (524) | - | (526) |
| Derecognition of subsidiary | (4,656) | - | (1,996) | (8,160) | - | - | - | (14,812) |
| Transfer from retained earnings | - | 1,048 | - | - | - | - | - | 1,048 |
| At 30 September 2020 | - | 5,644 | - | - | (26) | (524) | 234 | 5,328 |

15. DUE TO BANKS

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

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|---------------------------------|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| Due to banks – current accounts | - | 31,465 | - | |
| Terms loans | 306,169 | 278,551 | 305,608 | 276,551 |
| Total | 306,169 | 310,016 | 305,608 | 276,551 |

The maturity profile of terms loans is as follows:

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|---------------------------|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| Due within one year | 65,990 | 93,896 | 65,429 | 91,896 |
| Due in more than one year | 240,179 | 184,655 | 240,179 | 184,655 |
| Total | 306,169 | 278,551 | 305,608 | 276,551 |

16. DEPOSITS FROM CUSTOMERS

At 30 June 2020, banking subsidiary (OAB) was deconsolidated (refer note 4A). Deposits from customers taken by the banking subsidiary as at 31 December 2019 were as follows:

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--------------------------|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| Term deposits | - | 906,344 | - | - |
| Demand and call accounts | - | 765,517 | - | - |
| Saving accounts | - | 306,971 | - | - |
| Total | - | 1,978,832 | - | - |

17. INSURANCE FUNDS

| | <i>Consolidated</i> | | | | | |
|--|------------------------------|-------------------------|---------------|----------------------------|-------------------------|---------------|
| | <i>30-Sep-20 (Unaudited)</i> | | | <i>31-Dec-19 (Audited)</i> | | |
| | <i>Gross</i> | <i>Reinsurers share</i> | <i>Net</i> | <i>Gross</i> | <i>Reinsurers share</i> | <i>Net</i> |
| | <i>RO '000</i> | <i>RO '000</i> | <i>RO'000</i> | <i>RO '000</i> | <i>RO '000</i> | <i>RO'000</i> |
| Actuarial / mathematical and unexpired risk reserve – life assurance | 55,446 | (11,769) | 43,677 | 50,293 | (13,292) | 37,001 |
| Unexpired risk reserve – general insurance | 8,396 | (174) | 8,222 | 8,110 | (253) | 7,857 |
| Closing claims outstanding (including IBNR) | 28,500 | (7,891) | 20,609 | 21,705 | (6,020) | 15,685 |
| Total | 92,342 | (19,834) | 72,508 | 80,108 | (19,565) | 60,543 |

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

| | <i>30-Sep-20 (Unaudited)</i> | | | <i>30-Sep-19 (Unaudited)</i> | | |
|---|---------------------------------|---|-------------------------------|---------------------------------|---|-------------------------------|
| | <i>Gross outstanding claims</i> | <i>Reinsurers share of outstanding claims</i> | <i>Net outstanding claims</i> | <i>Gross outstanding claims</i> | <i>Reinsurers share of outstanding claims</i> | <i>Net outstanding claims</i> |
| | <i>RO '000</i> | <i>RO '000</i> | <i>RO '000</i> | <i>RO '000</i> | <i>RO '000</i> | <i>RO '000</i> |
| | | | | | | |
| At acquisition date claims outstanding (including IBNR) | 21,705 | (6,020) | 15,685 | 25,048 | (9,721) | 15,327 |
| Claims provided during the period | 76,433 | (18,716) | 57,717 | 83,928 | (25,923) | 58,005 |
| Claims paid during the period | (69,638) | 16,845 | (52,793) | (77,006) | 25,921 | (51,085) |
| Closing claims outstanding (including IBNR) | 28,500 | (7,891) | 20,609 | 31,970 | (9,723) | 22,247 |

18. GROSS PREMIUMS AND PREMIUMS CEDED TO REINSURERS

| <i>Consolidated</i> | <i>30-Sep-20 (Unaudited)</i> | | | <i>30-Sep-19 (Unaudited)</i> | | |
|--------------------------------------|------------------------------|----------------|-----------------|------------------------------|----------------|----------------|
| | <i>Life</i> | <i>General</i> | <i>Total</i> | <i>Life</i> | <i>General</i> | <i>Total</i> |
| | <i>RO'000</i> | <i>RO '000</i> | <i>RO '000</i> | <i>RO 000</i> | <i>RO '000</i> | <i>RO '000</i> |
| | | | | | | |
| Gross written premiums | 98,235 | 14,740 | 112,975 | 104,718 | 13,497 | 118,215 |
| Movement in unearned premiums | (5,152) | (286) | (5,438) | (11,659) | (303) | (11,962) |
| Gross premium, earned | 93,083 | 14,454 | 107,537 | 93,059 | 13,194 | 106,253 |
| Reinsurance premiums ceded | (18,395) | (759) | (19,153) | (23,862) | (943) | (24,805) |
| Movement in unearned premiums | (1,523) | (78) | (1,602) | (3,289) | (39) | (3,328) |
| Premium ceded to reinsurers | (19,918) | (837) | (20,755) | (27,151) | (982) | (28,133) |
| Net insurance premium revenue | 73,164 | 13,617 | 86,782 | 65,908 | 12,212 | 78,120 |

19. INTEREST INCOME

| | <i>Consolidated (Unaudited)</i> | | | |
|---|--|--|--|--|
| | <i>9 months ended 30-Sep-20 (RO'000)</i> | <i>9 months ended 30-Sep-19 (RO'000)</i> | <i>3 months ended 30-Sep-20 (RO'000)</i> | <i>3 months ended 30-Sep-19 (RO'000)</i> |
| Loans and advances to customers | 54,479 | 77,545 | - | 26,762 |
| Placements with banks and other money market placements | 2,428 | 2,585 | 777 | 925 |
| Other interest income | 5,705 | 6,349 | 623 | 2,284 |
| Total | 62,612 | 86,479 | 1,400 | 29,971 |

| | <i>Parent company (Unaudited)</i> | | | |
|---|--|--|--|--|
| | <i>9 months ended 30-Sep-20 (RO'000)</i> | <i>9 months ended 30-Sep-19 (RO'000)</i> | <i>3 months ended 30-Sep-20 (RO'000)</i> | <i>3 months ended 30-Sep-19 (RO'000)</i> |
| Placements with banks and other money market placements | 397 | - | 397 | - |
| Interest income | 4,650 | 8,048 | 1,544 | 2,771 |
| Total | 5,047 | 8,048 | 1,941 | 2,771 |

20. INTEREST EXPENSE

| | <i>Consolidated (Unaudited)</i> | | | |
|----------------------------------|--|--|--|--|
| | <i>9 months ended 30-Sep-20 (RO'000)</i> | <i>9 months ended 30-Sep-19 (RO'000)</i> | <i>3 months ended 30-Sep-20 (RO'000)</i> | <i>3 months ended 30-Sep-19 (RO'000)</i> |
| Time deposits | 16,610 | 23,651 | - | 8,150 |
| Subordinated bonds | 548 | 823 | - | 278 |
| Call, savings and other accounts | 4,402 | 5,616 | - | 1,895 |
| Bank Borrowings | 11,193 | 9,248 | 3,815 | 3,364 |
| Total | 32,753 | 39,338 | 3,815 | 13,687 |

| | <i>Parent Company (Unaudited)</i> | | | |
|----------------------------|--|--|--|--|
| | <i>9 months ended 30-Sep-20 (RO'000)</i> | <i>9 months ended 30-Sep-19 (RO'000)</i> | <i>3 months ended 30-Sep-20 (RO'000)</i> | <i>3 months ended 30-Sep-19 (RO'000)</i> |
| Bank borrowings and others | 11,001 | 8,973 | 3,800 | 3,189 |
| Total | 11,001 | 8,973 | 3,800 | 3,189 |

21. INVESTMENT INCOME

| | <i>Consolidated (Unaudited)</i> | | | |
|--|--|--|--|--|
| | <i>9 months ended 30-Sep-20 (RO'000)</i> | <i>9 months ended 30-Sep-19 (RO'000)</i> | <i>3 months ended 30-Sep-20 (RO'000)</i> | <i>3 months ended 30-Sep-19 (RO'000)</i> |
| Dividend from investments | 3,233 | 2,126 | 633 | 380 |
| <u>Quoted local investments</u> | | | | |
| Profit on sale | 58 | 24 | 8 | - |
| Change in fair value | 14 | (487) | (49) | (160) |
| <u>Unquoted local investments</u> | | | | |
| Profit / (Loss) on sale | - | 37 | - | 37 |
| Change in fair value | (55) | (32) | 139 | (94) |
| <u>Quoted foreign investments</u> | | | | |
| (Loss) / Profit on sale | - | 9 | - | 9 |
| Change in fair value | 24 | - | 22 | - |
| <u>Unquoted foreign investments</u> | | | | |
| Change in fair value | (543) | - | (543) | - |
| <u>Investment properties</u> | | | | |
| Gains on investment properties | - | 789 | - | 76 |
| Rental income | 562 | 272 | 149 | 99 |
| Net gain from associates | 3,728 | - | - | - |
| Unallocated provision for investments | (5,610) | - | - | - |
| Gains on partial sale of sub (note 4A) | 11,968 | - | - | - |
| Total | 13,379 | 2,738 | 359 | 347 |

| | <i>Parent Company (Unaudited)</i> | | | |
|--|--|--|--|--|
| | <i>9 months ended 30-Sep-20 (RO'000)</i> | <i>9 months ended 30-Sep-19 (RO'000)</i> | <i>3 months ended 30-Sep-20 (RO'000)</i> | <i>3 months ended 30-Sep-18 (RO'000)</i> |
| Dividend from investments | 48 | 34 | - | - |
| <u>Quoted local investments</u> | | | | |
| Change in fair value | - | (1) | 104 | 4 |
| <u>Unquoted local investments</u> | | | | |
| Change in fair value | (26) | (32) | (28) | (32) |
| <u>Quoted foreign investments</u> | | | | |
| Change in fair value | 24 | 9 | 24 | 4 |
| <u>Investment properties</u> | | | | |
| Rental income | 117 | - | 7 | - |
| Unallocated provision for investments | (5,610) | - | - | - |
| Gains on partial sale of sub (note 4A) | 11,968 | - | - | - |
| Total | 6,521 | 10 | 107 | (24) |

22. OPERATING EXPENSES

| | <i>Consolidated (Unaudited)</i> | | | |
|--|--|--|--|--|
| | <i>9 months ended 30-Sep-20 (RO'000)</i> | <i>9 months ended 30-Sep-19 (RO'000)</i> | <i>3 months ended 30-Sep-20 (RO'000)</i> | <i>3 months ended 30-Sep-19 (RO'000)</i> |
| Staff costs | 24,630 | 26,449 | 3,274 | 4,686 |
| Other operating expenses | 11,802 | 20,476 | 1,556 | 10,603 |
| Amortization and depreciation | 4,983 | 5,889 | 679 | 1,904 |
| <u>Directors' sitting fees and remuneration:</u> | | | | |
| Parent Company | 150 | 150 | 50 | 50 |
| Subsidiaries and adjustments | 378 | 173 | 85 | 76 |
| Total | 41,943 | 53,137 | 5,644 | 17,319 |

| | <i>Parent Company (Unaudited)</i> | | | |
|--|--|--|--|--|
| | <i>9 months ended 30-Sep-20 (RO'000)</i> | <i>9 months ended 30-Sep-19 (RO'000)</i> | <i>3 months ended 30-Sep-20 (RO'000)</i> | <i>3 months ended 30-Sep-19 (RO'000)</i> |
| Staff costs | 3,293 | 3,298 | 858 | 525 |
| Other operating expenses | 436 | 548 | 159 | 125 |
| Amortization and depreciation | 631 | 630 | 211 | 251 |
| Directors' sitting fees and remuneration | 150 | 150 | 50 | 50 |
| Total | 4,510 | 4,626 | 1,278 | 951 |

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

| | <i>Investments</i> <i>RO '000</i> | <i>Banking</i> <i>RO '000</i> | <i>Insurance</i> <i>RO '000</i> | <i>Real estate</i> <i>RO '000</i> | <i>Adjustments</i> <i>RO '000</i> | <i>Total</i> <i>RO '000</i> |
|--------------------------|--------------------------------------|----------------------------------|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------|
| <i>30 September 2020</i> | | | | | | |
| Segment revenues | 65,898 | 77,535 | 104,856 | 858 | (43,378) | 205,769 |
| Segment results | 42,476 | 18,659 | 14,017 | 488 | (38,652) | 36,988 |
| Segment assets | 602,579 | 271,979 | 191,470 | 14,446 | (348,201) | 732,273 |
| <i>30 September 2019</i> | | | | | | |
| Segment revenues | 62,428 | 100,496 | 104,247 | 1,203 | (42,681) | 225,693 |
| Segment results | 39,599 | 20,241 | 7,355 | 677 | (34,375) | 33,497 |
| <i>31 December 2019</i> | | | | | | |
| Segment assets | 556,657 | 2,658,685 | 188,218 | 14,912 | (426,329) | 2,992,143 |

24. RELATED PARTY TRANSACTIONS

Related party transactions are as follows:

| <i>Consolidated</i> | <i>Directors</i> | <i>Associates</i> | <i>Other related parties</i> | <i>Non-controlling interests</i> |
|---|------------------|-------------------|------------------------------|----------------------------------|
| | <i>RO'000</i> | <i>RO'000</i> | <i>RO'000</i> | <i>RO'000</i> |
| <u>Statement of comprehensive income</u> | | | | |
| <i>30-September-2020</i> | | | | |
| Interest and commission income | 172 | 1,392 | 1,084 | 26 |
| Interest expense | - | 5,013 | 1 | 236 |
| Directors' sitting fees and Remuneration | - | - | - | - |
| Premiums received | - | 1,144 | 520 | - |
| Claims paid | - | 1,105 | 564 | - |
| Operating expenses/capex | - | 87 | 121 | - |

| | | | | |
|--|-----|-------|-------|-----|
| <i>30-September-2019</i> | | | | |
| Interest and commission income | 166 | 1,340 | 1,209 | 177 |
| Interest and other expense | - | 5,703 | 32 | 375 |
| Directors' sitting fees and Remuneration | 323 | - | - | - |
| Premiums received | 1 | 239 | 729 | - |
| Claims paid | - | 137 | 689 | - |
| Operating expenses/capex | 40 | 173 | 269 | - |
| Purchase of Investment | - | - | 2,490 | - |

Statement of financial positions

30-September-2020

| | | | | |
|-------------------------------------|---|---------|--------|---|
| Sale of treasury shares/investments | - | - | 20,326 | - |
| Purchase of investment | - | - | 18,401 | - |
| Borrowing arrangements | - | 135,839 | - | - |
| Deposits | - | 13,777 | - | - |
| Premiums and other receivable | - | 872 | 369 | - |
| Payables | - | 571 | 533 | - |

Additionally, parent company has sold 11.76% stake in OAB to Arab Bank (refer note 4A)

| | | | | |
|-------------------------------------|-------|---------|--------|---------|
| <i>31-December-2019</i> | | | | |
| Borrowing arrangements | - | 129,000 | - | - |
| Loans and advances | 7,569 | 32,580 | 42,356 | 15,836 |
| Current and deposits from Customers | 694 | 40,990 | 4,890 | 1,434 |
| Insurance balance receivables | - | 64 | 203 | - |
| Payables and deposits | - | 33 | 391 | - |
| Off balance sheet | | | | |
| Letters of credit and guarantees | - | - | 4,800 | 136,786 |

24. RELATED PARTY TRANSACTIONS (continued)

| <i>Parent Company</i> | <i>30-Sep-20 (Unaudited)</i> | | | <i>30-Sep-19 (Unaudited)</i> | | |
|---|------------------------------|-------------------|------------------------------|------------------------------|-------------------|------------------------------|
| | <i>Subsidiaries</i> | <i>Associates</i> | <i>Directors/ Others</i> | <i>Subsidiaries</i> | <i>Associates</i> | <i>Directors/ Others</i> |
| | <i>RO'000</i> | <i>RO'000</i> | <i>RO'000</i> | <i>RO'000</i> | <i>RO'000</i> | <i>RO'000</i> |
| <u>Statement of comprehensive income</u> | | | | | | |
| Directors' sitting fees and remuneration | - | - | 150 | - | - | 150 |
| Operating expenses, brokerage and capex | 198 | - | 34 | 85 | - | 31 |
| Interest and other income | 4,776 | - | - | 8,048 | - | - |
| Interest expenses | 126 | 546 | 4,510 | 40 | - | 5,149 |
| Premiums | 122 | - | - | 104 | - | - |
| Claims | 27 | - | - | 42 | - | - |
| <u>Other transactions</u> | | | | | | |
| Dividend from subsidiaries | 22,416 | - | - | 14,443 | - | - |
| Dividend from associates | - | 2,075 | - | - | 1,434 | - |
| | <i>30-Sep-20 (Unaudited)</i> | | | <i>31-Dec-19 (Audited)</i> | | |
| <u>Statement of financial positions</u> | | | | | | |
| Bank borrowings | - | 29,839 | - | - | - | - |
| Bank balances | - | 29,061 | - | 4,264 | - | - |
| Due from subsidiaries (Net) | 116,503 | - | - | 115,876 | - | - |
| Payables | - | - | - | - | - | 11 |
| Investment property purchase | - | - | - | 2,100 | - | - |

In addition, at period end, parent company borrowings from Group associate bank were RO 106 million (2019 - RO 129 million).

25. CONTINGENT LIABILITIES

The Contingent liabilities for the Group were as follows:

| | <i>(Unaudited)</i> | <i>(Audited)</i> |
|---|--------------------|------------------|
| | <i>30-Sep-20</i> | <i>31-Dec-19</i> |
| | <i>(RO'000)</i> | <i>(RO'000)</i> |
| Letters of credit | - | 162,993 |
| Guarantees and other contingent liabilities | 288 | 557,036 |
| | 288 | 720,029 |

Letters of credit and guarantees amounting to RO Nil (31 Dec 2019 - RO 380,730 thousand) were counter guaranteed by other banks.

There are no contingent liabilities in Parent company.

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 unaudited interim condensed 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 2019. 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.

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i> |
| Profit for the period attributable to shareholders of the parent (RO'000) | 28,654 | 22,108 | 32,459 | 25,872 |
| Less: Perpetual bond interest | (3,100) | (3,630) | (3,714) | (3,758) |
| Profit for the year attributable to equity holders of the Group / Parent Company after interest on Perpetual bonds | 25,554 | 18,478 | 28,745 | 22,114 |
| Weighted average number of shares outstanding during the period | 654,055,176 | 613,906,970 | 807,772,329 | 807,772,329 |
| Basic earnings per share (RO) | 0.039 | 0.030 | 0.036 | 0.027 |

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:

| | <i>Consolidated</i> | | <i>Parent Company</i> | |
|--|---|---|---|---|
| | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> | <i>(Unaudited)</i> <i>30-Sep-20</i> <i>(RO'000)</i> | <i>(Audited)</i> <i>31-Dec-19</i> <i>(RO'000)</i> |
| Equity attributable to shareholders of the parent (RO'000) | 212,450 | 192,289 | 259,037 | 258,707 |
| Number of shares outstanding at the end of the period | 668,365,426 | 613,906,970 | 807,772,329 | 807,772,329 |
| Net assets per share (RO) | 0.318 | 0.313 | 0.321 | 0.320 |

29. APPROVAL OF FINANCIAL STATEMENTS

These unaudited condensed interim financial statements were approved and authorized for release by the Board of Directors on 11 November 2020.