



OMINVEST

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

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

30 SEPTEMBER 2019



Directors' report For the period ended 30 September 2019

Dear shareholders,

On behalf of the Board of Directors, I am pleased to present to you the unaudited financial results of the Group and the parent company for the nine-month period ended 30 September 2019.

IMF has recently lowered GDP growth rates for most economies and for the world in its latest World Economic Outlook report. Taking cues from global weakness and the rising geopolitical issues in the region, IMF projected real GDP for the GCC region to grow at 0.7% for 2019 down from 2% at 2018. Despite the challenging microeconomic conditions, Ominvest Group continues to deliver robust performance. The consolidated profit for the nine-month period ended 30 September 2019 amounted to RO 33.5 million representing a 5.7% growth compared to the profit reported during the corresponding period of the previous year. The Group's consolidated profit attributable to its shareholders increased by 11.6% during the nine-month period ended 30 September 2019 as compared to the corresponding period of the previous year.

The Group is progressing well on its ambitious, albeit prudent, growth and diversification strategy. The Group's liquidity position is robust with adequate unutilised banking lines and prudent debt to equity ratio. The Group maintains a healthy pipeline of sector focus deals and continues to explore opportunistic transactions in diverse markets. Set out below is a summary of the Group's financial performance during the nine-month period ended 30 September 2019:

Parent company's performance

Total revenue and profit for the nine-month period ended 30 September 2019 increased by 27.5% and 17.2%, respectively compared to the corresponding period of 2018. The growth is attributable to the improved share of profit contribution from our subsidiary companies and increased interest income.

Jabreen International Development Company SAOC (Jabreen) is our fully owned private equity arm with a focus on international investments in diverse growth sectors. Jabreen reported an impressive profit of RO 13.7 million for the nine-month period ended 30 September 2019. Major events for the last quarter are set out below:

- Jabreen received the necessary regulatory approvals for its investment in EastBridge Partners Singapore. This strategic investment is our private equity platform for further investments in the South East Asia market and we are excited about its growth potential.



- Jabreen's associate company, International General Insurance Holdings Ltd. ("IGI") and Tiberius Acquisition Corp, a publicly traded special purpose acquisition company listed at NASDAQ, and certain related parties, have entered into a definitive business combination agreement which will result in the public listing of IGI. Under the terms of the agreement, IGI and Tiberius will combine under a new holding company to be domiciled in Bermuda, which is expected to be listed on the Nasdaq Capital Market during Q-1 2020 under the symbol "IGIC". The transaction is expected to unlock the investment value and provide liquidity going forward.

Oman Arab Bank (OAB), our banking subsidiary, reported a profit of RO 20.2 million for the period ended 30 September 2019 compared to RO 21.3 million for the corresponding period of 2018 representing a decrease of 4.8%. The decrease is primarily due to higher provisioning requirements on account of prevailing economic environment. The loan book of OAB increased by 7.2% and amounted to RO 2 billion as of 30 September 2019. Customers' deposits increased by 3% as of 30 September 2019 and amounted to RO 1.9 billion.

National Life & General Insurance Company (NLGIC), our subsidiary in the insurance sector, reported gross written premium of RO 118 million, of which Oman contributed 45.6%, UAE 52.9%, and Kuwait 1.5%. Profit for the period amounted to RO 7.4 million representing a modest growth of 1% as compared to the corresponding period of 2018.

I am pleased to inform you that at the recently conducted prestigious AIWA award function, NLGIC won the award for 'Best Performing Company in the Large Cap segment in Oman' and its CEO S. Venkatachalam received "Best CEO of the Year" award for second consecutive year.

National Finance Company (NFC), our largest associate company, reported a profit of RO 5 million for the nine-month period ended 30 September 2019. The company's profitability has reduced primarily due to its prudent provisioning policy on account of a general economic slowdown. Despite challenging market conditions, the core operational performance of NFC represented by profit before provisions and tax increased by 5.7% compared to the corresponding period of the previous year.

NFC continues to adopt a conservative approach to the credit approvals and target customers who meet its credit risk appetite. With a strong capital base and an optimum leverage of 3.3 times of the regulatory capital, the company is well positioned to capture selective and quality lending opportunities.

Oman Real Estate Services (ORIS), our real estate investment arm, was recently awarded "Iconic Commercial Project of the year 2019" at AIWA award function for the Ominvest Business Center (OBC). During the period, ORIS has swiftly sold or leased out substantially all the floors of OBC Center at attractive valuations. This is a remarkable achievement considering the difficult market conditions and demonstrates that there is strong demand for quality projects at reasonable price.

After successful completion of OBC project, ORIS is in advance stage of commencing its other prestigious projects in due course.



Corporate Social Responsibility (CSR)

Ominvest has a strong commitment towards the development and growth of the Omani youth and society. Our CSR activities mainly focuses on education and training by engaging with young entrepreneurs and building upon their skills. Ominvest created an in-house internship program for young graduates across its group companies, allowing them to obtain working knowledge. To further capitalize on this strategy, Ominvest collaborates with well-established and reputed entities that share our CSR philosophy such as Zubair SEC, Injaz Oman and Environmental Society of Oman.

Acknowledgements

I take this opportunity to thank our esteemed shareholders, partners and regulators for their continued support and trust. I would also like to thank the management team and all our employees for their hard work and commitment.

We are profoundly thankful to His Majesty Sultan Qaboos Bin Said for his vision and wise leadership for the steady growth, stability and enduring prosperity of our great country. We also extend our heartfelt greetings to His Majesty Sultan Qaboos Bin Said and the people of Oman on the blessed occasion of the 49th Oman National Day.

Khalid Muhammad Al Zubair
Chairman



**UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY
STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2019**

	Notes	Consolidated		Parent Company	
		(Unaudited) 30-Sep-19 (RO'000)	(Audited) 31-Dec-18 (RO'000)	(Unaudited) 30-Sep-19 (RO'000)	(Audited) 31-Dec-18 (RO'000)
Assets					
Balances with banks and money at call	5	179,600	212,686	980	2,363
Deposits with banks	6	101,273	121,637	-	-
Premium and insurance balance receivable	7	67,596	43,122	-	-
Re-insurance share in insurance funds	17	24,803	28,129	-	-
Investment securities	8	229,465	175,799	3,216	2,271
Investment in associates	9	232,332	219,055	37,243	36,982
Investment in subsidiaries	10	-	-	318,619	307,702
Loans and advances to customers	11	1,965,174	1,826,817	-	-
Due from subsidiaries		-	-	206,405	188,260
Other assets		66,337	61,270	3,517	2,842
Investment properties		13,473	17,043	-	-
Projects work in progress		3,106	3,260	-	-
Property and equipment		44,794	36,727	1,134	404
Intangible assets		18,622	16,537	-	-
Total assets		2,946,575	2,762,082	571,114	540,824
Equity and liabilities					
Equity					
Share capital	12	80,777	76,931	80,777	76,931
Share premium		43,838	47,684	43,838	47,684
Treasury shares		(81,464)	(81,464)	-	-
Legal reserve		34,423	34,423	34,423	34,423
General reserve		13,033	13,033	13,033	13,033
Other non-distributable reserves	14	34,344	33,323	12,612	11,591
Cumulative changes in fair value reserve		(10,185)	(8,391)	(22,763)	(20,452)
Retained earnings		69,928	64,359	90,275	84,763
Equity attributable to equity holders of the Parent Company		184,694	179,898	252,195	247,973
Perpetual Tier I capital bonds		129,641	129,641	60,638	60,638
		314,335	309,539	312,833	308,611
Non-controlling interests		157,241	154,495	-	-
Total equity		471,576	464,034	312,833	308,611
Liabilities					
Due to banks	15	331,489	238,007	253,580	228,800
Deposits from customers	16	1,916,450	1,862,768	-	-
Insurance funds	17	96,894	78,011	-	-
Subordinated debt		20,000	20,000	-	-
Other liabilities		104,024	91,504	4,701	3,405
Taxation		6,142	7,758	-	8
Total liabilities		2,474,999	2,298,048	258,281	232,213
Total equity and liabilities		2,946,575	2,762,082	571,114	540,824
Net assets per share (Rial Omani)	28	0.301	0.308	0.312	0.322


KHALID MUHAMMAD AL ZUBAIR
CHAIRMAN


ABDUL AZIZ AL BALUSHI
GROUP CEO

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 2019

	Notes	Consolidated (Unaudited)			
		9 months ended 30-Sep-19 (RO'000)	9 months ended 30-Sep-18 (RO'000)	3 months ended 30-Sep-19 (RO'000)	3 months ended 30-Sep-18 (RO'000)
Gross premium earned	18	106,253	94,189	34,899	31,128
Interest income	19	86,479	75,617	29,971	26,722
Investment income	21	2,738	9,913	347	1,692
Fee and commission income - net		4,498	11,416	422	2,725
Other operating income		7,225	6,803	2,444	3,352
Share of results from associates	9(b)	18,500	5,306	5,567	1,604
Total revenue		225,693	203,244	73,650	67,223
Premium ceded to re-insurers	18	(28,133)	(36,111)	(8,214)	(11,556)
Net claims	17	(58,005)	(43,359)	(20,289)	(15,076)
Interest expense	20	(39,338)	(30,994)	(13,687)	(11,033)
Operating expenses	22	(53,137)	(48,673)	(17,319)	(15,778)
Allowance for loan impairment, net of recoveries		(8,139)	(7,122)	(3,460)	(2,353)
Total expenses		(186,752)	(166,259)	(62,969)	(55,796)
Profit before tax		38,941	36,985	10,681	11,427
Income tax expense		(5,444)	(5,284)	(1,502)	(1,812)
Profit for the period		33,497	31,701	9,179	9,615
Profit for the period attributable to:					
Equity holders of the Parent Company		22,108	19,807	6,032	5,283
Non-controlling interests		11,389	11,894	3,147	4,332
		33,497	31,701	9,179	9,615
Basic earnings per share attributable to the equity holders of the Parent Company (RO)	27	0.030	0.032	0.010	0.009
Other comprehensive (expense) / income :					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation reserve		(14)	(104)	(13)	(33)
<i>Items not to be reclassified subsequently to profit or loss:</i>					
Fair value changes of financial assets fair value through other comprehensive income		(1,664)	5,095	1,987	11,060
Other comprehensive (expense) / income for the period		(1,678)	4,991	1,974	11,027
Total comprehensive income for the period		31,819	36,692	11,153	20,642
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company		20,300	25,080	7,931	16,195
Non-controlling interests		11,519	11,612	3,222	4,447
		31,819	36,692	11,153	20,642

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



UNAUDITED INTERIM CONDENSED PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2019

	Notes	Parent Company (Unaudited)			
		9 months ended 30-Sep-19 (RO'000)	9 months ended 30-Sep-18 (RO'000)	3 months ended 30-Sep-19 (RO'000)	3 months ended 30-Sep-18 (RO'000)
Interest income	19	8,048	5,964	2,771	2,699
Investment income	21	10	55	(24)	(1)
Other income		165	142	(10)	22
Share of results from subsidiaries		29,803	22,526	7,024	5,125
Share of results from associates	9(b)	1,695	2,468	316	890
Total revenue		39,721	31,155	10,077	8,735
Interest expense	20	(8,973)	(5,471)	(3,189)	(2,343)
Operating expenses	22	(4,626)	(3,615)	(951)	(1,025)
Total expenses		(13,599)	(9,086)	(4,140)	(3,368)
Profit before tax		26,122	22,069	5,937	5,367
Income tax expense		(250)	-	-	-
Profit for the period		25,872	22,069	5,937	5,367
Basic earnings per share attributable to the equity holders of the Parent Company (RO)	27	0.027	0.027	0.007	0.007
Other comprehensive (expense) / income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation reserve		(14)	(104)	(13)	(33)
<i>Items not to be reclassified subsequently to profit or loss:</i>					
Fair value changes of financial assets fair value through other comprehensive income		(2,311)	(6,307)	2,916	14,132
Other comprehensive (expense) / income for the period		(2,325)	(6,411)	2,903	14,099
Total comprehensive income / (expense) for the period		23,547	15,658	8,840	19,466

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



**UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2019**

ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF PARENT COMPANY

Consolidated	Share capital	Share premium	Treasury shares	Legal reserve*	General reserve	Other non-distributable reserves	Cumulative changes in fair value	Retained earnings	Total	Perpetual Tier I capital bonds	Sub-total	Non-Controlling interests	Total
	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)	(RO'000)
At 1 January 2018	69,937	54,678	(81,464)	30,714	13,033	28,567	(11,093)	60,948	165,320	30,000	195,320	149,514	344,834
Profit for the period	-	-	-	-	-	-	-	19,807	19,807	-	19,807	11,894	31,701
Other comprehensive expense for the period	-	-	-	-	-	(104)	5,377	-	5,273	-	5,273	(282)	4,991
Total comprehensive (expense) / income for the period	-	-	-	-	-	(104)	5,377	19,807	25,080	-	25,080	11,612	36,692
Transfer to / from retained earnings	-	-	-	-	-	1,465	-	(1,465)	-	-	-	-	-
Issue of perpetual bonds	-	-	-	-	-	-	-	-	-	58,338	58,338	-	58,338
Movements related to subsidiaries and FVTOCI investment	-	-	-	-	-	-	(1)	(2,847)	(2,848)	-	(2,848)	(2,240)	(5,088)
Bonus shares issued (note 12)	6,994	(6,994)	-	-	-	-	-	-	-	-	-	-	-
Dividend paid relating to 2017 (note 13)	-	-	-	-	-	-	-	(10,491)	(10,491)	-	(10,491)	(8,170)	(18,661)
Treasury Shares dividend adjustment (note 13)	-	-	-	-	-	-	-	2,518	2,518	-	2,518	-	2,518
At 30 September 2018	76,931	47,684	(81,464)	30,714	13,033	29,928	(5,717)	68,470	179,579	88,338	267,917	150,716	418,633
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) / income 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 (note 9(a))	-	-	-	-	-	-	-	-	-	-	-	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)
Bonus shares issued (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 dividend 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



**UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2019**

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 2018	69,937	54,678	30,714	13,033	6,835	(6,410)	77,490	246,277	-	246,277
Profit for the period	-	-	-	-	-	-	22,069	22,069	-	22,069
Other comprehensive expense for the period	-	-	-	-	(104)	(6,307)	-	(6,411)	-	(6,411)
Total comprehensive (expense) / income for the period	-	-	-	-	(104)	(6,307)	22,069	15,658	-	15,658
Transfer to / from retained earnings	-	-	-	-	1,465	-	(1,465)	-	-	-
Issue of perpetual bonds	-	-	-	-	-	-	-	-	60,638	60,638
Movements related to subsidiaries and FVTOCI investments	-	-	-	-	-	201	(3,029)	(2,828)	-	(2,828)
Bonus shares issued (note 12)	6,994	(6,994)	-	-	-	-	-	-	-	-
Dividend paid relating to 2017	-	-	-	-	-	-	(10,491)	(10,491)	-	(10,491)
At 30 September 2018	76,931	47,684	30,714	13,033	8,196	(12,516)	84,574	248,616	60,638	309,254
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 income / (expense) 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 investment	-	-	-	-	1,035	-	(1,035)	-	-	-
Perpetual bond interest payment	-	-	-	-	-	-	(3,758)	(3,758)	-	(3,758)
Bonus shares issued (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

* 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.



**UNAUDITED INTERIM CONDENSED CONSOLIDATED AND PARENT COMPANY
STATEMENTS OF CASH FLOWS FOR THE
NINE MONTH PERIOD ENDED 30 SEPTEMBER 2019**

	Notes	<i>Consolidated</i>		<i>Parent Company</i>	
		<i>(Unaudited)</i> 30-Sep-19 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Sep-18 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Sep-19 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Sep-18 <i>(RO'000)</i>
Operating activities					
Profit before tax		38,941	36,985	26,122	22,069
<u>Adjustments for:</u>					
Depreciation on property and equipment	22	5,162	3,495	109	17
Amortization of intangible assets	22	727	709	521	-
Share of results from associates	9(b)	(18,500)	(5,306)	(1,695)	(2,468)
Share of results from subsidiaries		-	-	(29,803)	(22,526)
Allowance for loan impairment net of recoveries		8,139	7,122	-	-
Loss / (gain) on sale of property and equipment		58	(3)	(10)	-
Gains on investment property	21	(789)	(5,308)	-	-
Change in the fair value of financial assets at fair value through profit or loss	21	519	182	24	(17)
(Profit) / loss on sale of investments	21	(70)	126	-	1
Income from amortised cost investments		(4,945)	(3,505)	-	-
Operating results before working capital changes		29,242	34,497	(4,732)	(2,924)
Changes in operating assets and liabilities					
Investment securities		(50,853)	(47,389)	(969)	17,573
Loans and advances to customers		(146,496)	(181,965)	-	-
Due from subsidiaries		-	-	(18,145)	(50,806)
Other assets		(3,816)	(7,614)	632	(1,653)
Deposits from customers		53,682	88,283	-	-
Premiums and insurance balances receivables		(24,474)	(8,599)	-	-
Re-insurance share in insurance funds		3,326	(12,370)	-	-
Insurance funds		18,883	28,191	-	-
Other liabilities		3,933	(43,973)	488	559
Cash used in operations		(116,573)	(150,939)	(22,726)	(37,251)
Tax paid		(7,409)	(6,050)	(279)	-
Net cash used in operating activities		(123,982)	(156,989)	(23,005)	(37,251)
Investing activities					
Investment in associates	9(b)	(9,953)	(9,737)	-	(7,065)
Dividend received from associates	9(b)	13,995	1,433	1,434	30
Dividend received from subsidiaries		-	-	13,136	10,638
Capital expenditure on investment property		(151)	(6,518)	-	-
Proceeds from partial disposal of an investment property		4,510	6,259	-	-
Investment in Subsidiary		(2,883)	-	-	(60,000)
Proceeds from disposal of property and equipment		563	4	11	-
Projects work in progress		154	(2)	-	-
Additions to property and equipment		(5,263)	(3,207)	(10)	(4)
Net cash generated / (used in) from investing activities		972	(11,768)	14,571	(56,401)
Financing activities					
Bank borrowings		30,780	69,000	24,780	71,500
Perpetual bond issue		-	31,964	-	34,264
Non-controlling interest		1,171	-	-	-
Dividends paid		(20,102)	(16,143)	(15,386)	(10,491)
Coupon payments / expenses on perpetual bonds		(4,991)	(1,524)	(2,343)	(340)
Net cash generated from financing activities		6,858	83,297	7,051	94,933
Net change in cash and cash equivalents		(116,152)	(85,460)	(1,383)	1,281
Cash and cash equivalents at the beginning of the period		318,616	319,056	2,363	878
Cash and cash equivalents at the end of the period	5	202,464	233,596	980	2,159

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 2019 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 financial statements are consistent with those used in the preparation of the audited annual financial statements for the year ended 31 December 2018 unless indicated below. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2018, 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 2019 are not necessarily indicative of the results that may be expected for the financial year 2019.

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 2018.

4. IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE IN 2019

For the period ended 30 September 2019, 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 2019.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019 and accordingly, the comparative information is not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

4. IFRS STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE IN 2019 (continued)

The Group has recorded right-of-use assets representing the right to use the underlying assets (namely lease of premises, automated teller machines, vehicles and certain IT infrastructure facilities) under ‘Property and equipment’ and the corresponding lease liabilities to make lease payments under ‘other liabilities’. The right-of-use assets and lease liabilities recorded in consolidated financial statements as at 1 January 2019 amounted to RO 8.61 million with no impact on retained earnings. When measuring lease liabilities, the Group discounted lease payments using the rate of 4.50% at 1 January 2019. The interest expense on the lease liabilities is treated as finance costs, which IFRS 16 requires to be presented separately in the statement of comprehensive income. Consistent with this requirement, the Group presented interest expense on lease liabilities under ‘Interest expenses’ and the depreciation charge on the right-of-use assets was included in the ‘Depreciation and amortization’

The related accounting policies of the Group upon adoption of IFRS 16 are as follows:

a) Right of use assets: The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment. The carrying value of right-of-use assets are recognised under property and equipment in the statement of financial position.

b) Lease liabilities: At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset and is recognised under other liabilities in the statement of financial position.

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> 30-Sep-19 <i>(RO'000)</i>	<i>(Audited)</i> 31-Dec-18 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Sep-19 <i>(RO'000)</i>	<i>(Audited)</i> 31-Dec-18 <i>(RO'000)</i>
Balances with banks and money at call	179,600	212,686	980	2,363
Deposits with banks (note 6)	101,273	121,637	-	-
Due to banks – current accounts (note 15)	(77,909)	(15,207)	-	-
Capital deposits (note 6)	(500)	(500)	-	-
	202,464	318,616	980	2,363

6. DEPOSITS WITH BANKS

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>
Money market placements	54,252	83,978	-	-
Current accounts	17,365	7,294	-	-
Capital deposits	500	500	-	-
Deposits	29,156	29,865	-	-
	101,273	121,637	-	-

7. PREMIUM AND INSURANCE BALANCES RECEIVABLE

	<i>Consolidated (Unaudited)</i> <i>30-Sep-19</i>			<i>Consolidated (Audited)</i> <i>31-Dec-18</i>		
	<i>Medical/ life</i> <i>RO '000</i>	<i>General</i> <i>RO '000</i>	<i>Total</i> <i>RO '000</i>	<i>Medical/ life</i> <i>RO '000</i>	<i>General</i> <i>RO '000</i>	<i>Total</i> <i>RO '000</i>
Premiums receivable	46,333	3,334	49,667	29,781	3,279	33,060
Reinsurance balances receivable	19,336	35	19,371	11,013	105	11,118
	65,669	3,369	69,038	40,794	3,384	44,178
Allowance for impaired debts	(1,032)	(410)	(1,442)	(735)	(321)	(1,056)
	64,637	2,959	67,596	40,059	3,063	43,122

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-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>
Financial assets at fair value through profit or loss (note 8a)	9,313	8,260	1,712	767
Financial assets at fair value through other comprehensive income (note 8b)	58,704	42,406	1,504	1,504
Investments at amortised cost (note 8c)	161,448	125,133	-	-
	229,465	175,799	3,216	2,271

8. INVESTMENT SECURITIES (continued)

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

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>
Financial sector	4,357	5,927	-	-
Industrial sector	868	1,096	484	485
Local quoted investments	5,225	7,023	484	485
Foreign quoted investments	194	171	25	15
Quoted investments	5,419	7,194	509	500
Unquoted local investments	1,804	799	967	-
Unquoted foreign investments	2,090	267	236	267
Financial assets at fair value through profit or loss	9,313	8,260	1,712	767

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

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>
Local investments				
Quoted investments (cost)	55,070	37,879	-	-
Fair value reserve	(8,418)	(6,625)	-	-
Unquoted investments (cost)	1,074	1,149	861	861
Fair value reserve	537	583	581	581
Total local investments	48,263	32,986	1,442	1,442
Foreign investments				
Quoted investments (cost)	10,731	9,858	-	-
Fair value reserve	(1,076)	(1,256)	-	-
Unquoted investments (cost)	1,661	1,693	205	205
Fair value reserve	(875)	(875)	(143)	(143)
Total foreign investments	10,441	9,420	62	62
Total Investments at fair value through other comprehensive income	58,704	42,406	1,504	1,504

(c) *Investment at amortised cost*

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>
Oman Government Development Bonds & Sukuks	139,206	119,874	-	-
Banks and Corporate Bonds	22,242	5,259	-	-
Total Investments at amortised cost	161,448	125,133	-	-

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-19 (Unaudited) Holding %</i>	<i>31-Dec-18 (Audited) Holding %</i>
Quoted			
Bank Muscat SAOG	Sultanate of Oman	9.99	9.60
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	Sultanate of Oman	18.14	18.14
Unquoted			
International General Insurance Holding Limited	United Arab Emirates	20.00	20.00
Ubhar Capital SAOC	Sultanate of Oman	36.00	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 (note 9(c))	Singapore	43.00	-
Al Tarbiyah Al Islamiyah School (note 9(c))	Kingdom of Saudi Arabia	14.85	-
Shamal Plastic Industries LLC (SPIL)(note 9(a))	Sultanate of Oman	-	15.00
Gulf Acrylic Industries LLC (GAIL)(note 9(a))	Sultanate of Oman	-	15.00
Parent Company			
	<i>Country of incorporation</i>	<i>30-Sep-19 (Unaudited) Holding %</i>	<i>31-Dec-18 (Audited) Holding %</i>
Quoted			
National Finance Company SAOG	Sultanate of Oman	34.60	34.60
Unquoted			
Ubhar Capital SAOC	Sultanate of Oman	36.00	36.00

9(a) During the period, Oman National Investment Corporation SAOC (Jabreen) gained control of SPIL and GAIL by acquiring additional 36.65% stake in SPIL and 36.7% stake in GAIL. Consequently, these companies became subsidiaries of Jabreen. The purchase consideration amounted to RO 2.883 million.

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

	<i>Consolidated (Unaudited)</i>		<i>Parent Company (Unaudited)</i>	
	<i>30-Sep-19 (RO'000)</i>	<i>30-Sep-18 (RO'000)</i>	<i>30-Sep-19 (RO'000)</i>	<i>30-Sep-18 (RO'000)</i>
At beginning of the period	219,055	72,807	36,982	69,962
Add : purchases/transfer from FVTPL	9,953	9,867	-	7,065
Less : transfer to Jabreen Capital	-	-	-	(52,060)
Add : share of results	18,500	5,306	1,695	2,468
Less : dividends accrued	(13,995)	(1,433)	(1,434)	(30)
Conversion to subsidiaries	(1,181)	-	-	-
At the end of the period	232,332	86,547	37,243	27,405

9. INVESTMENT IN ASSOCIATES (continued)

- 9(c) During the period, Oman National Investment Corporation SAOC (Jabreen) acquired 43% stake in EastBridge Partners Singapore and 14.85% stake in Al Tarbiyah Al Islamyah School in Kingdom of Saudi Arabia.

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-19 (Unaudited) Holding (%)</i>	<i>31-Dec-18 (Audited) Holding (%)</i>
Oman Arab Bank SAOC	Sultanate of Oman	Banking	50.99	50.99
National Life and General Insurance Co SAOG	Sultanate of Oman	Insurance	73.45	73.45
Oman National Investment Corporation SAOC (Jabreen Capital)	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 SAOG	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	Montenegro	Tourism Project	100.00	100.00

11. LOANS AND ADVANCES TO CUSTOMERS

- a. At 30 September 2019, loans and advances to customers extended by the banking subsidiary were as follows:

	<i>(Unaudited) 30-Sep-19 RO 000</i>	<i>(Audited) 31-Dec-18 RO 000</i>
Commercial loans	1,129,160	978,479
Overdrafts	136,294	136,148
Personal loans	762,515	763,594
Credit cards	4,180	3,815
	2,032,149	1,882,036
Less: Allowance for loan impairment and reserved interest	(66,975)	(55,219)
	1,965,174	1,826,817

11. LOANS AND ADVANCES TO CUSTOMERS (continued)

b. Allowance for loan impairment and contractual interest not recognized.

The movements in the provision for loan impairment and contractual interest not recognized were as follows:

	<i>30-Sep-19 (Unaudited)</i>		
	<i>Allowance for loan impairment</i>	<i>Contractual interest not recognized</i>	<i>Total</i>
	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>
Balance at beginning of period	47,596	7,623	55,219
Provided during the period	14,383	3,539	17,922
Amounts written off during the period	(38)	(11)	(49)
Amounts recovered during the period	(5,269)	(848)	(6,117)
Balance at end of period	<u>56,672</u>	<u>10,303</u>	<u>66,975</u>

	<i>30-Sep-18 (Unaudited)</i>		
	<i>Allowance for loan impairment</i>	<i>Contractual interest not recognized</i>	<i>Total</i>
	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>
Balance at beginning of period	43,147	7,312	50,459
IFRS 9 related adjustment	2,612	-	2,612
Provided during the period	11,773	2,518	14,291
Amounts written off during the period	(997)	(246)	(1,243)
Amounts recovered during the period	(3,581)	(898)	(4,479)
Balance at end of period	<u>52,954</u>	<u>8,686</u>	<u>61,640</u>

12. SHARE CAPITAL

	<i>(Unaudited) 30-Sep-19 (RO'000)</i>	<i>(Audited) 31-Dec-18 (RO'000)</i>
Authorized 900,000,000 ordinary shares of RO 0.100 each (31 December 2018 - 900,000,000 ordinary shares of RO 0.100 each)	<u>90,000</u>	90,000
Issued and fully paid 807,772,329 ordinary shares of RO 0.100 each (31 December 2018 – 769,306,980 shares of RO 0.100 each)	<u>80,777</u>	76,931

At the Annual General Meeting of the shareholders of the Parent Company held on 27 March 2019, stock dividend of 38,465,349 (2018 – 69,936,998) shares at 100 baisa per share were approved to be issued by transferring RO 3,846,535 (2018 – RO 6,993,699) from share premium account balance.

13. DIVIDEND PAID

Parent Company

At the Annual General Meeting held on 27 March 2019, a cash dividend of RO 0.020 per share (2018 - RO 0.015 per share) amounting to RO 15,386,140 (2018 - RO 10,490,548) and a stock dividend of RO 0.005 per share (2018 – RO 0.010 per share) amounting to RO 3,846,535 (2018 –RO 6,993,699) in respect of year ended 31 December 2018 was approved by the shareholders.

Treasury shares dividend amounting to RO 3,692,674 (2018 – RO 2,517,732) 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>Others</i>	<i>Total</i>
At 1 January 2018	21,732	-	2,061	1,408	4,079	(947)	234	28,567
Net changes in fair values	-	-	-	-	-	(71)	-	(71)
Other comprehensive expense	-	-	-	-	-	(71)	-	(71)
Transfer to / from retained earnings	-	1,317	709	237	-	-	-	2,263
At 30 September 2018	21,732	1,317	2,770	1,645	4,079	(1,018)	234	30,759
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 to / from retained earnings	-	-	1,035	-	-	-	-	1,035
At 30 September 2019	21,732	-	4,286	1,996	6,119	(23)	234	34,344

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>Others</i>	<i>Total</i>
At 1 January 2018	-	2,061	1,408	4,079	(947)	234	6,835
Net changes in fair values	-	-	-	-	(71)	-	(71)
Other comprehensive expense	-	-	-	-	(71)	-	(71)
Transfer to / from retained earnings	1,317	709	237	-	-	-	2,263
At 30 September 2018	1,317	2,770	1,645	4,079	(1,018)	234	9,027
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 to / from retained earnings	-	1,035	-	-	-	-	1,035
At 30 September 2019	-	4,286	1,996	6,119	(23)	234	12,612

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-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>
Due to banks – current accounts	77,909	15,207	-	-
Terms loans	253,580	222,800	253,580	228,800
	331,489	238,007	253,580	228,800

The maturity profile of terms loans is as follows:

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>
Due within one year	90,700	87,650	90,700	93,650
Due in more than one year	162,880	135,150	162,880	135,150
	253,580	222,800	253,580	228,800

16. DEPOSITS FROM CUSTOMERS

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>
Term deposits	702,031	700,476	-	-
Demand and call accounts	906,548	871,785	-	-
Saving accounts	307,871	290,507	-	-
	1,916,450	1,862,768	-	-

17. INSURANCE FUNDS

	<i>Consolidated</i>					
	<i>30-Sep-2019 (Unaudited)</i>			<i>31-Dec-18 (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	57,058	(14,604)	42,454	45,399	(17,893)	27,506
Unexpired risk reserve – general insurance	7,866	(476)	7,390	7,564	(515)	7,049
Closing claims outstanding (including IBNR)	31,970	(9,723)	22,247	25,048	(9,721)	15,327
	96,894	(24,803)	72,091	78,011	(28,129)	49,882

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

	<i>30-Sep-2019 (Unaudited)</i>			<i>30-Sep-2018 (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)	25,048	(9,721)	15,327	22,422	(8,655)	13,767
Claims provided during the period	83,928	(25,923)	58,005	73,063	(29,704)	43,359
Claims paid during the period	(77,006)	25,921	(51,085)	(60,156)	24,339	(35,817)
Closing claims outstanding (including IBNR)	31,970	(9,723)	22,247	35,329	(14,020)	21,309

18. GROSS PREMIUMS AND PREMIUMS CEDED TO REINSURERS

<i>Consolidated</i>	<i>30-Sep-2019 (Unaudited)</i>			<i>30-Sep-2018 (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	104,718	13,497	118,215	96,730	12,743	109,473
Movement in unearned premiums	(11,659)	(303)	(11,962)	(14,171)	(1,113)	(15,284)
Gross premium, earned	93,059	13,194	106,253	82,559	11,630	94,189
Reinsurance premiums ceded	(23,862)	(943)	(24,805)	(42,217)	(899)	(43,116)
Movement in unearned premiums	(3,289)	(39)	(3,328)	6,951	54	7,005
Premium ceded to reinsurers	(27,151)	(982)	(28,133)	(35,266)	(845)	(36,111)
Net insurance premium revenue	65,908	12,212	78,120	47,293	10,785	58,078

19. INTEREST INCOME

	<i>Consolidated (Unaudited)</i>			
	<i>9 months ended 30-Sep-19 (RO'000)</i>	<i>9 months ended 30-Sep-18 (RO'000)</i>	<i>3 months ended 30-Sep-19 (RO'000)</i>	<i>3 months ended 30-Sep-18 (RO'000)</i>
Loans and advances to customers	77,545	69,223	26,762	24,505
Placements with banks and other money market placements	2,585	2,111	925	668
Other interest income	6,349	4,283	2,284	1,549
	86,479	75,617	29,971	26,722

	<i>Parent company (Unaudited)</i>			
	<i>9 months ended 30-Sep-19 (RO'000)</i>	<i>9 months ended 30-Sep-18 (RO'000)</i>	<i>3 months ended 30-Sep-19 (RO'000)</i>	<i>3 months ended 30-Sep-18 (RO'000)</i>
Interest income	8,048	5,964	2,771	2,699
	8,048	5,964	2,771	2,699

20. INTEREST EXPENSE

	<i>Consolidated (Unaudited)</i>			
	<i>9 months ended 30-Sep-19 (RO'000)</i>	<i>9 months ended 30-Sep-18 (RO'000)</i>	<i>3 months ended 30-Sep-19 (RO'000)</i>	<i>3 months ended 30-Sep-18 (RO'000)</i>
Time deposits	23,651	17,906	8,150	6,623
Subordinated bonds	823	823	278	278
Call, savings and other accounts	5,616	5,675	1,895	1,931
Bank Borrowings	9,248	6,590	3,364	2,201
	39,338	30,994	13,687	11,033

	<i>Parent Company (Unaudited)</i>			
	<i>9 months ended 30-Sep-19 (RO'000)</i>	<i>9 months ended 30-Sep-18 (RO'000)</i>	<i>3 months ended 30-Sep-19 (RO'000)</i>	<i>3 months ended 30-Sep-18 (RO'000)</i>
Bank Borrowings	8,973	5,471	3,189	2,343
	8,973	5,471	3,189	2,343

21. INVESTMENT INCOME

	<i>Consolidated (Unaudited)</i>			
	<i>9 months ended 30-Sep-19 (RO'000)</i>	<i>9 months ended 30-Sep-18 (RO'000)</i>	<i>3 months ended 30-Sep-19 (RO'000)</i>	<i>3 months ended 30-Sep-18 (RO'000)</i>
Dividend from investments	2,126	4,755	380	-
<u>Quoted local investments</u>				
Profit on sale	24	(111)	-	(163)
Change in fair value	(487)	(230)	(160)	86
<u>Unquoted local investments</u>				
Profit / (Loss) on sale	37	7	37	10
Change in fair value	(32)	47	(94)	(10)
<u>Quoted foreign investments</u>				
(Loss) / Profit on sale	9	(22)	9	1
Change in fair value	-	1	-	3
<u>Investment properties</u>				
Gains on investment properties	789	5,308	76	1,708
Rental income	272	158	99	57
	2,738	9,913	347	1,692

	<i>Parent Company (Unaudited)</i>			
	<i>9 months ended 30-Sep-19 (RO'000)</i>	<i>9 months ended 30-Sep-18 (RO'000)</i>	<i>3 months ended 30-Sep-19 (RO'000)</i>	<i>3 months ended 30-Sep-18 (RO'000)</i>
Dividend from investments	34	39	-	2
<u>Quoted local investments</u>				
Change in fair value	(1)	16	4	(6)
<u>Unquoted local investments</u>				
Change in fair value	(32)	-	(32)	-
<u>Quoted foreign investments</u>				
Loss on sale	-	(1)	-	-
Change in fair value	9	1	4	3
	10	55	(24)	(1)

22. OPERATING EXPENSES

	<i>Consolidated (Unaudited)</i>			
	<i>9 months ended 30-Sep-19 (RO'000)</i>	<i>9 months ended 30-Sep-18 (RO'000)</i>	<i>3 months ended 30-Sep-19 (RO'000)</i>	<i>3 months ended 30-Sep-18 (RO'000)</i>
Staff costs	26,449	28,622	4,686	9,303
Other operating expenses	20,476	15,445	10,603	4,834
Depreciation and amortization	5,889	4,204	1,904	1,484
<u>Directors' sitting fees and remuneration:</u>				
Parent Company	150	150	50	50
Subsidiaries and adjustments	173	252	76	107
	53,137	48,673	17,319	15,778

	<i>Parent Company (Unaudited)</i>			
	<i>9 months ended 30-Sep-19 (RO'000)</i>	<i>9 months ended 30-Sep-18 (RO'000)</i>	<i>3 months ended 30-Sep-19 (RO'000)</i>	<i>3 months ended 30-Sep-18 (RO'000)</i>
Staff costs	3,298	2,906	525	791
Other operating expenses	548	542	125	179
Depreciation and amortization	630	17	251	5
Directors' sitting fees and remuneration	150	150	50	50
	4,626	3,615	951	1,025

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 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
Segment assets	674,987	2,454,984	185,320	22,391	(391,107)	2,946,575

<i>30 September 2018</i>						
Segment revenues	40,522	92,084	96,829	5,744	(31,935)	203,244
Segment results	24,070	21,269	7,274	4,848	(25,760)	31,701
<i>31 December 2018</i>						
Segment assets	626,985	2,328,818	161,314	27,420	(382,455)	2,762,082

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-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	-
<i>30-September-2018</i>				
Interest and commission income	190	1,127	901	164
Interest and other expense	-	446	40	421
Directors' sitting fees and remuneration	372	-	-	-
Premiums received	11	235	710	-
Claims paid	-	114	497	-
Other expense & capex	-	289	872	-
Sale of Investment property	-	3,411	-	-
<u>Statement of financial positions</u>				
<i>30-September-2019</i>				
Borrowing arrangements	-	140,000	-	-
Loans and advances	3,641	25,510	37,869	7,095
Current and deposits from customers	746	28,824	6,421	163
Insurance balance receivables	-	5	298	-
Payables	-	74	465	-
Off balance sheet				
Letters of credit and guarantees	5	-	3,018	133,679
<i>31-December-2018</i>				
Borrowing arrangements	-	134,800	-	-
Loans and advances	4,799	25,060	31,332	33,460
Current and deposits from customers	1,536	35,430	6,325	878
Insurance balance receivables	-	397	210	-
Payables	-	35	430	-
Off balance sheet				
Letters of credit and guarantees	-	-	3,610	155,661

24. RELATED PARTY TRANSACTIONS (continued)

<i>Parent Company</i>	<i>30-Sep-2019 (Unaudited)</i>			<i>30-Sep-18 (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
Sale of Associates	-	-	-	52,059	-	-
Perpetual bond issue	-	-	-	2,300	-	-
Brokerage	-	-	-	-	1	-
Operating expenses/capex	85	-	31	-	-	665
Interest and other income	8,048	-	-	5,975	-	-
Interest expenses	40	-	5,149	399	-	-
Premiums	104	-	-	110	-	-
Claims	42	-	-	28	-	-
<u>Other transactions</u>						
Dividend from subsidiaries	14,443	-	-	10,638	-	-
Dividend from associates	-	1,434	-	-	30	-
	<i>30-Sep-2019 (Unaudited)</i>			<i>31-Dec-18 (Audited)</i>		
<u>Statement of financial positions</u>						
Bank borrowings	-	-	140,000	6,000	-	134,800
Bank balances	767	-	-	1,603	-	-
Due from subsidiaries (Net)	206,405	-	-	188,260	-	-
Payables	-	-	1	-	-	3

25. CONTINGENT LIABILITIES

The Contingent liabilities for the Group were as follows:

	<i>(Unaudited) 30 September 2019 (RO'000)</i>	<i>(Audited) 31 December 2018 (RO'000)</i>
Letters of credit	191,695	210,776
Guarantees and other contingent liabilities	564,626	576,448
	756,321	787,224

Letters of credit and guarantees amounting to RO 407,880 thousand (2018 - RO 464,392 thousand) were counter guaranteed by other banks.

26. RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, liquidity risk and insurance risks. The 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 2018. 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-19</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-18</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-18</i> <i>(RO'000)</i>
Profit for the period attributable to shareholders of the parent (RO'000)	22,108	19,807	25,872	22,069
Less: Perpetual bond interest	(3,630)	-	(3,758)	-
Profit for the year attributable to equity holders of the Group / Parent Company after interest on Perpetual bonds	18,478	19,807	22,114	22,069
Weighted average number of shares outstanding during the period	613,906,970	613,906,970	807,772,329	807,772,329
Basic earnings per share (RO)	0.030	0.032	0.027	0.027

During the period, the Parent Company issued stock dividend of 38,465,349 (2018 – 69,936,998) 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 2018 and the basic earnings per share was recalculated accordingly. As there were no dilutive potential shares, the diluted earnings per share is identical to the basic earnings per share.

28. NET ASSETS PER SHARE

The calculation of net assets per share is as follows:

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>	<i>(Unaudited)</i> <i>30-Sep-19</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31-Dec-18</i> <i>(RO'000)</i>
Equity attributable to shareholders of the parent (RO'000)	184,694	179,898	252,195	247,973
Number of shares outstanding at the end of the period	613,906,970	584,673,305	807,772,329	769,306,980
Net assets per share (RO)	0.301	0.308	0.312	0.322

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 2019.