



OMINVEST

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

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

30 JUNE 2020



OMINVEST

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

DIRECTORS' REPORT

For the Period ended 30 June 2020

Dear Shareholders

On behalf of the Board of Directors, I am pleased to present the Unaudited Financial Results of OMINVEST Group for the period ended 30 June 2020. During the period, despite the challenging business and economic conditions caused by persistently low oil prices and the onset of COVID-19, 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.

One of the most remarkable transactions was the successful completion of the merger between Oman Arab Bank (OAB) and Alizz Islamic Bank (AIB). In line with the merger's terms, OAB issued its shares to the shareholders of AIB, bringing their shareholding to 19.36% in the share capital of OAB post-merger. I am pleased to share with you that pursuant to the merger, OAB successfully listed on the Muscat Securities Market and transformed into an SAOG. As part of the steps leading up to the merger, OMINVEST also sold 11.76% stake in OAB to Arab Bank Plc (ABP) for RO 46 million and generated a profit of RO 12 million. As a result of the above transactions, OMINVEST's stake in OAB was reduced to 31.64% and OAB is now classified as an Associate in OMINVEST's financials.

Looking ahead, we are sharpening our focus and intensifying our efforts to realize the following objectives: (i) optimize our current portfolios to ensure highest return on our invested capital; further boost our liquidity position; enhance operational efficiencies and synergies amongst our portfolio companies, (ii) pursue revenue growth and profit diversification by undertaking large-scale strategic investment opportunities and private equity investments in growth sectors and markets, (iii) support our portfolio companies to build fee-based income streams, and, (iv) become an impactful player in the areas of ESG (Environmental, Social and Corporate

Governance). In addition, I am pleased to update you that despite the ongoing health and economic challenges, OMINVEST and its subsidiaries and associate companies are focused on ensuring the safety of their staff and serving the needs of their customers and stakeholders with greater efficiencies.

Below, I would like to present the financial performance of OMINVEST Group and our major portfolio companies for the Q2 2020:

Parent Company Performance

During the period ended 30 June 2020, total revenues rose by 33% to RO 39.5m and net profit increased by 41% to RO 28.1m, 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 June 2020, total assets of the Parent Company stood at RO 619m 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.

Group Consolidated Performance

During the period ended 30 June 2020, total Group revenues rose by 7% to RO 163.1m and the net profit attributable to OMINVEST's shareholders increased by 50% to RO 24.1m from RO 16.1m, over the same period in 2019. 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) and Oman Real Estate Investment and Services Corporation (ORIS).

Performance of Key Subsidiaries & Associates:

Oman Arab Bank (OAB), our subsidiary in the banking sector, reported a profit of RO 10.4m for the period ended 30 June 2020 compared to RO 14.7m for the same period in 2019, a decline of 30%. 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 29.1% to RO 2.56bn compared to RO 2.00bn, as



at 31 December 2019. The Shareholders' funds were RO 358m compared to RO 296m, as at 31 December 2019.

National Life & General Insurance Company (NLGIC), our subsidiary in the insurance sector, reported exceptional profit of RO 10.8m for the period ended 30 June 2020 compared to RO 5.1m for the same period in 2019, a growth of 111%. 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 87.2m, of which Oman contributed 50%, UAE 49%, and, Kuwait 1%. NLGIC achieved a net insurance premium of RO 58.2m compared to RO 51.4m for the same period in 2019, an impressive growth of 13%. NLGIC continues to maintain 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), our subsidiary, is focused on making private equity investments in diverse sectors and expanding into new growth markets in Asia. Jabreen reported a net profit of RO 14.6m for the period ended 30 June 2020 compared to RO 13.6m for the same period in 2019, a growth of 8%. The profit growth was mainly attributable to the gain on disposal of partial stake in International General Insurance and dividend income received from Jabreen's public and private equity portfolios. During this period, Jabreen sold 6.74% of treasury shares at a premium of 11% to market price and made new investments in its school platform. At 30 June 2020, Jabreen's total assets stood at RO 324m compared to RO 331m at 31 December 2019. We expect Jabreen to further enhance and diversify its investment income in the years ahead. International General Insurance (IGI), an associate in the insurance sector, got listed on Nasdaq in March 2020.

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 3.9m for the period ended 30 June 2020 compared to a net profit of RO 4.2m for the same period in 2019 – a decline of 6.1%. NFC's revenues grew by 2.5% to RO 22.2m in this period compared with RO 21.6m 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.

Contributions for COVID-19:

As a corporate citizen and in light of our responsibility towards the safety of our community, I am pleased to update you that OMINVEST contributed RO 500,000 to The Endowment Fund to Support Health Services to address the challenges caused by the Corona Virus (COVID-19) pandemic outbreak. In addition, our Subsidiaries and Associate companies combinedly contributed another RO 1,850,000 towards this national noble cause. Accordingly, OMINVEST's share of contribution at the Group Level amounted to RO 1.1 million.

Acknowledgements:

On behalf of the Board, I thank our esteemed Regulators for their continued support and guidance. I also take this opportunity to thank the management teams at OMINVEST and across our Group companies for their dedication and hard work.

We are profoundly thankful to our beloved leader His Majesty Sultan Haitham bin Tarik Al Said for his great vision and initiatives as he continues to lead the Sultanate on the path of development, peace, and enduring prosperity.

Khalid Muhammad AlZubair
Chairman

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

	Notes	Consolidated		Parent Company	
		(Unaudited) 30-Jun-20 (RO'000)	(Audited) 31-Dec-19 (RO'000)	(Unaudited) 30-Jun-20 (RO'000)	(Audited) 31-Dec-19 (RO'000)
Assets					
Balances with banks and money at call	5	59,854	191,505	45,865	4,549
Deposits with banks	6	58,200	80,916	25,022	-
Premium and insurance balance receivable	7	76,288	62,642	-	-
Re-insurance share in insurance funds	17	22,020	19,565	-	-
Investment securities	8	114,310	242,197	3,113	3,215
Investment in associates	9	336,287	239,635	145,855	38,937
Investment in subsidiaries	10	-	-	280,554	432,664
Loans and advances to customers	11	-	2,006,330	-	-
Due from subsidiaries		-	-	112,437	115,876
Other assets		18,837	69,296	2,912	2,322
Investment properties		10,812	10,776	2,100	2,100
Property and equipment		11,008	50,904	1,029	1,102
Intangible assets		17,893	18,377	-	-
Total assets		725,509	2,992,143	618,887	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	5,008	41,350	5,008	19,618
Cumulative changes in fair value reserve		(17,997)	(8,384)	(26,999)	(21,891)
Retained earnings		136,233	64,268	134,599	84,461
Equity attributable to equity holders of the Parent Company		205,333	192,289	253,277	258,707
Perpetual Tier 1 capital bonds		46,055	116,762	60,638	60,638
		251,388	309,051	313,915	319,345
Non-controlling interests		17,885	162,522	-	-
Total equity		269,273	471,573	313,915	319,345
Liabilities					
Due to banks	15	307,379	310,016	298,729	276,551
Deposits from customers	16	-	1,978,832	-	-
Insurance funds	17	101,895	80,108	-	-
Subordinated debt		-	20,000	-	-
Other liabilities		44,101	122,467	5,604	4,730
Taxation		2,861	9,147	639	139
Total liabilities		456,236	2,520,570	304,972	281,420
Total equity and liabilities		725,509	2,992,143	618,887	600,765
Net assets per share (Rial Omani)	28	0.307	0.313	0.314	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.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

	<i>Notes</i>	<i>6 months ended 30-Jun-20 (RO'000)</i>	<i>Consolidated (Unaudited) 6 months ended 30-Jun-19 (RO'000)</i>	<i>3 months ended 30-Jun-20 (RO'000)</i>	<i>3 months ended 30-Jun-19 (RO'000)</i>
Gross premium earned	18	72,534	71,354	35,254	34,615
Interest income	19	61,212	56,508	30,329	29,316
Investment income	21	13,020	2,391	7,183	728
Fee and commission income - net		4,421	4,076	3,789	2,081
Other operating income		2,112	4,781	(804)	2,413
Share of results from associates	9(b)	9,824	12,933	5,132	6,612
Total revenue		163,123	152,043	80,883	75,765
Premium ceded to re-insurers	18	(14,330)	(19,919)	(6,787)	(8,512)
Net claims	17	(36,947)	(37,716)	(14,308)	(19,742)
Interest expense	20	(28,938)	(25,651)	(14,654)	(13,325)
Operating expenses	22	(36,299)	(35,818)	(17,953)	(18,207)
COVID-19 contribution		(1,175)	-	-	-
Allowance for loan impairment, net of recoveries		(9,237)	(4,679)	(5,300)	(2,758)
Total expenses		(126,926)	(123,783)	(59,002)	(62,544)
Profit before tax		36,197	28,260	21,881	13,221
Income tax expense		(4,571)	(3,942)	(2,869)	(2,194)
Profit for the period		31,626	24,318	19,012	11,027
Profit for the period attributable to:					
Equity holders of the Parent Company		24,118	16,076	14,766	6,872
Non-controlling interests		7,508	8,242	4,246	4,155
		31,626	24,318	19,012	11,027
Basic earnings per share attributable to the equity holders of the Parent Company (RO)	27	0.032	0.020	0.018	0.005
Other comprehensive (expense) / income :					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Movement in cash flow hedge		(561)	-	(193)	-
Foreign currency translation reserve		(11)	(1)	(8)	64
		(572)	(1)	(201)	64
<i>Items not to be reclassified subsequently to profit or loss:</i>					
Fair value changes of financial assets fair value through other comprehensive income		(11,484)	(3,651)	(970)	(1,599)
Other comprehensive expense for the period		(12,056)	(3,652)	(1,171)	(1,535)
Total comprehensive income for the period		19,570	20,666	17,841	9,492
Total comprehensive income for the period attributable to:					
Equity holders of the Parent Company		12,542	12,369	13,186	5,399
Non-controlling interests		7,028	8,297	4,655	4,093
		19,570	20,666	17,841	9,492

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 SIX MONTH PERIOD ENDED 30 JUNE 2020**

	<i>Notes</i>	<i>Parent Company (Unaudited)</i>			
		<i>6 months ended 30-Jun-20 (RO '000)</i>	<i>6 months ended 30-Jun-19 (RO '000)</i>	<i>3 months ended 30-Jun-20 (RO '000)</i>	<i>3 months ended 30-Jun-19 (RO '000)</i>
Interest income	19	3,106	5,277	1,460	2,669
Investment income	21	6,414	34	6,490	(6)
Other income		375	175	345	103
Share of results from subsidiaries		28,218	22,779	12,172	9,012
Share of results from associates	9(b)	1,375	1,379	677	698
Total revenue		39,488	29,644	21,144	12,476
Interest expense	20	(7,201)	(5,784)	(3,840)	(3,014)
Operating expenses	22	(3,232)	(3,675)	(1,812)	(2,310)
COVID-19 contribution		(500)	-	-	-
Total expenses		(10,933)	(9,459)	(5,652)	(5,324)
Profit before tax		28,555	20,185	15,492	7,152
Income tax expense		(500)	(250)	(500)	(250)
Profit for the period		28,055	19,935	14,992	6,902
Basic earnings per share attributable to the equity holders of the Parent Company (RO)	27	0.030	0.020	0.014	0.004
Other comprehensive (expense) / income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Movement in cashflow hedge		(561)	-	(193)	-
Foreign currency translation reserve		(11)	(1)	(8)	64
		(572)	(1)	(201)	64
<i>Items not to be reclassified subsequently to profit or loss:</i>					
Fair value changes of financial assets fair value through other comprehensive income		(10,810)	(5,227)	1,306	505
Other comprehensive (expense) / income for the period		(11,382)	(5,228)	1,105	569
Total comprehensive income for the period		16,673	14,707	16,097	7,471

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 SIX MONTH PERIOD ENDED 30 JUNE 2020

		<i>Consolidated</i>		<i>Parent Company</i>	
	Notes	<i>(Unaudited)</i> 30-Jun-20 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Jun-19 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Jun-20 <i>(RO'000)</i>	<i>(Unaudited)</i> 30-Jun-19 <i>(RO'000)</i>
Operating activities					
Profit before tax		36,197	28,260	28,555	20,185
<u>Adjustments for:</u>					
Depreciation on property and equipment	22	3,820	3,503	73	32
Amortization of intangible assets	22	484	482	347	347
Share of results from associates	9(a)	(9,824)	(12,933)	(1,375)	(1,379)
Share of results from subsidiaries		-	-	(28,218)	(22,779)
Allowance for loan impairment net of recoveries		9,237	4,679	-	-
Loss on sale of property and equipment		3	68	-	-
Gains from investment property	21	-	(713)	-	-
Net gains from associates	21	(3,728)	-	-	-
Gains from partial disposal of subsidiary	21	(11,968)	-	(11,968)	-
Provision for investment	21	5,610	-	5,610	-
Change in the fair value of financial assets at fair value through profit or loss	21	129	265	102	-
Profit on sale of investments	21	(50)	(24)	-	-
Income from amortized cost investments		(4,305)	(3,105)	-	-
Operating results before working capital changes		25,605	20,482	(6,874)	(3,594)
Changes in operating assets and liabilities					
Investment securities		(34,731)	(43,879)	-	(969)
Loans and advances to customers		(26,799)	(132,579)	-	-
Due from subsidiaries		-	-	3,439	(11,252)
Other assets		(12,886)	(10,896)	(590)	607
Deposits from customers		29,472	67,479	-	-
Premiums and insurance balances receivables		(13,646)	(34,113)	-	-
Re-insurance share in insurance funds		(2,455)	1,337	-	-
Insurance funds		21,787	24,952	-	-
Other liabilities		(4,968)	5,510	314	444
Cash used in operations		(18,621)	(101,707)	(3,711)	(14,764)
Tax paid		(7,211)	(7,060)	-	(279)
Net cash used in operating activities		(25,832)	(108,767)	(3,711)	(15,043)
Investing activities					
Purchase of associates shares	9(a)	(18,424)	(4,939)	-	-
Purchase of subsidiary		-	(2,490)	-	-
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)	13,883	13,358	2,076	1,434
Dividend received from subsidiaries		-	-	22,417	11,443
Capital expenditure on investment property		(36)	(102)	-	-
Proceeds from partial disposal of an investment property		-	4,012	-	-
Proceeds from disposal of property and equipment		77	511	-	-
Projects work in progress		-	29	-	-
Additions to property and equipment		(4,636)	(3,190)	-	(10)
Net cash (used in) / generated from investing activities		(95,586)	7,189	70,421	12,867
Financing activities					
Bank borrowings		28,828	30,200	22,178	18,300
Non-controlling interest		-	1,171	-	-
Dividends paid		(25,407)	(20,102)	(20,194)	(15,386)
Coupon payments / expenses on perpetual bonds		(4,405)	(4,973)	(2,356)	(2,343)
Net cash (used in) / generated from financing activities		(984)	6,296	(372)	571
Net change in cash and cash equivalents		(122,402)	(95,282)	66,338	(1,605)
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	118,054	223,334	70,887	758

UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

Consolidated	ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF PARENT COMPANY												
	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 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	-	-	-	-	-	-	-	16,076	16,076	-	16,076	8,242	24,318
Other comprehensive expense for the period	-	-	-	-	-	(1)	(3,706)	-	(3,707)	-	(3,707)	55	(3,652)
Total comprehensive (expense) / income for the period	-	-	-	-	-	(1)	(3,706)	16,076	12,369	-	12,369	8,297	20,666
Non-controlling interest addition (note9(a))	-	-	-	-	-	-	-	-	-	-	-	1,171	1,171
Transfer to/ from retained earnings	-	-	-	-	-	770	-	(770)	-	-	-	-	-
Movements related to subsidiaries and FVTOCI investment	-	-	-	-	-	-	-	(340)	(340)	-	(340)	(327)	(667)
Perpetual Bond interest payment	-	-	-	-	-	-	-	(3,612)	(3,612)	-	(3,612)	(1,361)	(4,973)
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 June 2019	80,777	43,838	(81,464)	34,423	13,033	34,092	(12,097)	64,020	176,622	129,641	306,263	153,866	460,129
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	-	-	-	-	-	-	-	24,118	24,118	-	24,118	7,508	31,626
Other comprehensive expense for the period	-	-	-	-	-	(572)	(11,004)	-	(11,576)	-	(11,576)	(480)	(12,056)
Total comprehensive (expense) / income for the period	-	-	-	-	-	(572)	(11,004)	24,118	12,542	-	12,542	7,028	19,570
Transfer to / from retained earnings	-	-	-	-	-	774	-	(774)	-	-	-	-	-
Disposal of subsidiary	-	-	-	(22,817)	(13,033)	(36,544)	1,148	71,246	-	(70,707)	(70,707)	(141,473)	(212,180)
Movements related to subsidiaries and FVTOCI investment	-	-	-	-	-	-	243	(248)	(5)	-	(5)	(199)	(204)
Sale of treasury shares (note 12a)	-	-	22,884	-	-	-	-	(2,558)	20,326	-	20,326	-	20,326
Perpetual bonds interest payment	-	-	-	-	-	-	-	(3,110)	(3,110)	-	(3,110)	(1,295)	(4,405)
Dividend paid relating to 2019 (note 13)	-	-	-	-	-	-	-	(20,194)	(20,194)	-	(20,194)	(8,698)	(28,892)
Treasury shares dividend adjustment (note 13)	-	-	-	-	-	-	-	3,485	3,485	-	3,485	-	3,485
At 30 June 2020	80,777	43,838	(58,580)	16,054	-	5,008	(17,997)	136,233	205,333	46,055	251,388	17,885	269,273

UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

Parent company	Share capital (RO'000)	Share premium (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)	Perpetual Tier I capital bonds (RO'000)	Total (RO'000)
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	-	-	-	-	-	-	19,935	19,935	-	19,935
Other comprehensive expense for the period	-	-	-	-	(1)	(5,227)	-	(5,228)	-	(5,228)
Total comprehensive (expense) / income for the period	-	-	-	-	(1)	(5,227)	19,935	14,707	-	14,707
Transfer to / from retained earnings	-	-	-	-	770	-	(770)	-	-	-
Movements related to subsidiaries and FVTOCI investments	-	-	-	-	-	-	(340)	(340)	-	(340)
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 June 2019	80,777	43,838	34,423	13,033	12,360	(25,679)	84,444	243,196	60,638	303,834
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	-	-	-	-	-	-	28,055	28,055	-	28,055
Other comprehensive expense for the period	-	-	-	-	(572)	(10,810)	-	(11,382)	-	(11,382)
Total comprehensive income / (expense) for the period	-	-	-	-	(572)	(10,810)	28,055	16,673	-	16,673
Transfer to / from retained earnings	-	-	-	-	774	-	(774)	-	-	-
Disposal of subsidiary	-	-	(22,817)	(13,033)	(14,812)	1091	49,571	-	-	-
Movements related to subsidiaries and FVTOCI investment	-	-	-	-	-	4,611	(2,806)	1,805	-	1,805
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 June 2020	80,777	43,838	16,054	-	5,008	(26,999)	134,599	253,277	60,638	313,915

* 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 six-month period ended 30 June 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 have been prepared in accordance with IAS 34, 'Interim financial reporting' and in compliance with the applicable provisions of the Rules and Guidelines on Disclosure by Issuers of Securities and Insider Trading ('R&G') issued by the Capital Market Authority ('CMA') of the Sultanate of Oman and with the Commercial Companies Law of 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 June 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 June 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 June 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 June 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	2,501,575
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	2,140,360
Total Equity	361,215
Tier 1 perpetual bond	(72,553)
Total equity attributable to the equity holders	288,662
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	11,968
Net cashflow on disposal	
Cash consideration received	45,928
Net cash equivalents disposed off	(155,112)
	(109,184)

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	11,968

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)
	<u>71,246</u>	<u>49,571</u>

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>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30-Jun-20</i>	<i>31-Dec-19</i>	<i>30-Jun-20</i>	<i>31-Dec-19</i>
	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>
Balances with banks and money at call	59,854	191,505	45,865	4,549
Deposits with banks (note 6)	58,200	80,916	25,022	-
Due to banks – current accounts (note 15)	-	(31,465)	-	-
Capital deposits (note 6)	-	(500)	-	-
	118,054	240,456	70,887	4,549

Parent company cash balance includes cash of RO 8 million with Ubhar Capital SAOC for acquisition of dissenting minorities shareholders of Alizz Islamic Bank by shareholders of Oman Arab Bank through the Trust mechanism.

6. DEPOSITS WITH BANKS

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30-Jun-20</i>	<i>31-Dec-19</i>	<i>30-Jun-20</i>	<i>31-Dec-19</i>
	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>
Money market placements	-	38,776	-	-
Current accounts	-	12,026	-	-
Capital deposits	-	500	-	-
Deposits	58,200	29,614	25,022	-
	58,200	80,916	25,022	-

7. PREMIUM AND INSURANCE BALANCES RECEIVABLE

	<i>Consolidated (Unaudited)</i>			<i>Consolidated (Audited)</i>		
	<i>30-Jun-20</i>			<i>31-Dec-19</i>		
	<i>Medical/</i>	<i>General</i>	<i>Total</i>	<i>Medical/</i>	<i>General</i>	<i>Total</i>
	<i>life</i>			<i>life</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	60,279	4,439	64,718	41,939	4,150	46,089
Reinsurance balances receivable	13,203	251	13,454	18,038	124	18,162
	73,482	4,690	78,172	59,977	4,274	64,251
Allowance for impaired debts	(1,113)	(771)	(1,884)	(903)	(706)	(1,609)
	72,369	3,919	76,288	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>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30-Jun-20</i>	<i>31-Dec-19</i>	<i>30-Jun-20</i>	<i>31-Dec-19</i>
	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>
Financial assets at fair value through profit or loss (note 8a)	14,610	14,119	1,608	1,711
Financial assets at fair value through other comprehensive income (note 8b)	85,486	67,507	1,505	1,504
Investments at amortized cost (note 8c)	14,214	160,571	-	-
	114,310	242,197	3,113	3,215

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

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30-Jun-20</i>	<i>31-Dec-19</i>	<i>30-Jun-20</i>	<i>31-Dec-19</i>
	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>
Financial sector	574	4,330	-	-
Industrial sector	869	891	484	484
Local quoted investments	1,443	5,221	484	484
Foreign quoted investments	22	190	22	25
Quoted investments	1,465	5,411	506	509
Unquoted local investments	1,617	1,806	867	967
Unquoted foreign investments	11,528	6,902	235	235
Financial assets at fair value through profit or loss	14,610	14,119	1,608	1,711

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

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30-Jun-20</i>	<i>31-Dec-19</i>	<i>30-Jun-20</i>	<i>31-Dec-19</i>
	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>
Local investments				
Quoted investments (cost)	61,937	63,762	-	-
Fair value reserve	(6,972)	(6,770)	-	-
Unquoted investments (cost)	861	1,074	861	861
Fair value reserve	581	537	581	581
Total local investments	56,407	58,603	1,442	1,442
Foreign investments				
Quoted investments (cost)	38,488	8,623	-	-
Fair value reserve	(9,592)	(495)	-	-
Unquoted investments (cost)	1,058	1,651	205	205
Fair value reserve	(875)	(875)	(142)	(143)
Total foreign investments	29,079	8,904	63	62
Total Investments at fair value through other comprehensive income	85,486	67,507	1,505	1,504

8. INVESTMENT SECURITIES (continued)

(c) Investment at amortized cost

	<i>Consolidated</i>		<i>Parent Company</i>	
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30-Jun-20</i>	<i>31-Dec-19</i>	<i>30-Jun-20</i>	<i>31-Dec-19</i>
	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>
Oman Government development bonds & sukus	-	143,994	-	-
Banks and corporate bonds	14,214	16,577	-	-
Total Investments at amortized cost	14,214	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-Jun-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	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	Singapore	43.00	43.00
Al Tarbiyah Al Islamiyah School	Kingdom of Saudi Arabia	11.14	11.14
Parent Company			
	<i>Country of incorporation</i>	<i>30-Jun-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:

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
At beginning of the year	239,635	219,055	38,937	36,982
Add : Purchase	18,424	9,952	-	-
Less : Sale	(2,408)	-	-	-
Add : share of results	9,824	25,699	1,375	3,389
Less : dividends received	(13,883)	(14,182)	(2,076)	(1,434)
Less: derecognition of associate	(22,924)	(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	336,287	239,635	145,855	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.

10. INVESTMENT IN SUBSIDIARIES

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

Parent Company	Country of incorporation	Principal activity	30-Jun-20 (Unaudited) Holding (%)	31-Dec-19 (Audited) Holding (%)
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	Montenegro	Tourism Project	100.00	100.00
OMINVEST International Holdings Limited	UAE	Investment	100.00	-

10. INVESTMENT IN SUBSIDIARIES (continued)

During the period, Company incorporated a 100% subsidiary in Dubai International Financial Center, UAE.

Details regarding movement in investment in subsidiaries is set out below:

	Consolidated		Parent Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
At beginning of the year	-	-	432,664	307,702
Less disposal of part stake in subsidiary	-	-	(45,928)	-
Add: Profit on disposal (note 4A)	-	-	11,968	-
Less: Transfer to Associate (note 4A)	-	-	(113,229)	-
Add : transfer of subordinated loan	-	-	-	100,000
Add : share of results	-	-	28,218	45,239
Less : dividends received	-	-	(22,417)	(14,443)
Less: other movements	-	-	(10,722)	(5,834)
At the end of the period	-	-	280,554	432,664

11. LOANS AND ADVANCES TO CUSTOMERS

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

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

12. SHARE CAPITAL

	<i>(Unaudited)</i> 30-Jun-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	-	-	-	-	-	(1)	-	-	(1)
Other comprehensive expense	-	-	-	-	-	(1)	-	-	(1)
Transfer from retained earnings	-	-	770	-	-	-	-	-	770
At 30 June 2019	21,732	-	4,021	1,996	6,119	(10)	-	234	34,092
At 1 January 2020	21,732	4,656	4,596	1,996	8,160	(24)	-	234	41,350
Net changes in fair values	-	-	-	-	-	(11)	(561)	-	(572)
Other comprehensive expense	-	-	-	-	-	(11)	(561)	-	(572)
Derecognition of subsidiary	(21,732)	(4,656)	-	(1,996)	(8,160)	-	-	-	(36,544)
Transfer from retained earnings	-	-	774	-	-	-	-	-	774
At 30 June 2020	-	-	5,370	-	-	(35)	(561)	234	5,008

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	-	-	-	-	(1)	-	-	(1)
Other comprehensive expense	-	-	-	-	-	-	-	(1)
Transfer from retained earnings	-	770	-	-	-	-	-	770
At 30 June 2019	-	4,021	1,996	6,119	(10)	-	234	12,360
At 1 January 2020	4,656	4,596	1,996	8,160	(24)	-	234	19,618
Net changes in fair values	-	-	-	-	(11)	(561)	-	(572)
Other comprehensive expense	-	-	-	-	(11)	(561)	-	(572)
Derecognition of subsidiary	(4,656)	-	(1,996)	(8,160)	-	-	-	(14,812)
Transfer from retained earnings	-	774	-	-	-	-	-	774
At 30 June 2020	-	5,370	-	-	(35)	(561)	234	5,008

15. DUE TO BANKS

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

	Consolidated		Parent Company	
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Due to banks – current accounts	-	31,465	-	
Terms loans	307,379	278,551	298,729	276,551
	307,379	310,016	298,729	276,551

The maturity profile of terms loans is as follows:

	Consolidated		Parent Company	
	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	(RO'000)	(RO'000)	(RO'000)	(RO'000)
Due within one year	61,200	93,896	52,550	91,896
Due in more than one year	246,179	184,655	246,179	184,655
	307,379	278,551	298,729	276,551

16. DEPOSITS FROM CUSTOMERS

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

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

17. INSURANCE FUNDS

	<i>Consolidated</i>					
	<i>30-Jun-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	64,884	(13,395)	51,489	50,293	(13,292)	37,001
Unexpired risk reserve – general insurance	8,159	(206)	7,953	8,110	(253)	7,857
Closing claims outstanding (including IBNR)	28,852	(8,419)	20,433	21,705	(6,020)	15,685
	101,895	(22,020)	79,875	80,108	(19,565)	60,543

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

	<i>30-Jun-20 (Unaudited)</i>			<i>30-Jun-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>
	<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	49,433	(12,486)	36,947	56,052	(18,336)	37,716
Claims paid during the period	(42,286)	10,087	(32,199)	(48,770)	17,638	(31,132)
Closing claims outstanding (including IBNR)	28,852	(8,419)	20,433	32,330	(10,419)	21,911

18. GROSS PREMIUMS AND PREMIUMS CEDED TO REINSURERS

<i>Consolidated</i>	<i>30-Jun-20 (Unaudited)</i>			<i>30-Jun-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>
	<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	77,650	9,524	87,174	80,552	8,472	89,024
Movement in unearned premiums	(14,590)	(50)	(14,640)	(17,850)	180	(17,670)
Gross premium, earned	63,060	9,474	72,534	62,702	8,652	71,354
Reinsurance premiums ceded	(13,865)	(521)	(14,386)	(17,199)	(685)	(17,884)
Movement in unearned premiums	103	(47)	56	(2,053)	18	(2,035)
Premium ceded to reinsurers	(13,762)	(568)	(14,330)	(19,252)	(667)	(19,919)
Net insurance premium revenue	49,298	8,906	58,204	43,450	7,985	51,435

19. INTEREST INCOME

	Consolidated (Unaudited)			
	6 months ended 30-Jun-20 (RO'000)	6 months ended 30-Jun-19 (RO'000)	3 months ended 30-Jun-20 (RO'000)	3 months ended 30-Jun-19 (RO'000)
Loans and advances to customers	54,479	50,783	26,951	26,127
Placements with banks and other money market placements	1,651	1,660	839	965
Other interest income	5,082	4,065	2,539	2,224
	61,212	56,508	30,329	29,316

	Parent company (Unaudited)			
	6 months ended 30-Jun-20 (RO'000)	6 months ended 30-Jun-19 (RO'000)	3 months ended 30-Jun-20 (RO'000)	3 months ended 30-Jun-19 (RO'000)
Interest income	3,106	5,277	1,460	2,669
	3,106	5,277	1,460	2,669

20. INTEREST EXPENSE

	Consolidated (Unaudited)			
	6 months ended 30-Jun-20 (RO'000)	6 months ended 30-Jun-19 (RO'000)	3 months ended 30-Jun-20 (RO'000)	3 months ended 30-Jun-19 (RO'000)
Time deposits	16,610	15,501	8,108	8,058
Subordinated bonds	548	545	274	274
Call, savings and other accounts	4,402	3,721	2,345	1,891
Bank Borrowings	7,378	5,884	3,927	3,102
	28,938	25,651	14,654	13,325

	Parent Company (Unaudited)			
	6 months ended 30-Jun-20 (RO'000)	6 months ended 30-Jun-19 (RO'000)	3 months ended 30-Jun-20 (RO'000)	3 months ended 30-Jun-19 (RO'000)
Bank Borrowings & others	7,201	5,784	3,840	3,014
	7,201	5,784	3,840	3,014

21. INVESTMENT INCOME

	Consolidated (Unaudited)			
	6 months ended 30-Jun-20 (RO'000)	6 months ended 30-Jun-19 (RO'000)	3 months ended 30-Jun-20 (RO'000)	3 months ended 30-Jun-19 (RO'000)
Dividend from investments	2,600	1,746	500	73
<u>Quoted local investments</u>				
Profit on sale	50	24	8	-
Change in fair value	63	(327)	(64)	(92)
<u>Unquoted local investments</u>				
Change in fair value	(194)	62	135	(30)
<u>Quoted foreign investments</u>				
Change in fair value	2	-	5	(6)
<u>Investment properties</u>				
Gains on investment properties	-	713	-	713
Rental income	413	173	241	70
Net gain from associates	3,728	-	-	-
Unallocated provision for investments	(5,610)	-	(5,610)	-
Gains on partial sale of sub (note 4A)	11,968	-	11,968	-
	13,020	2,391	7,183	728

	Parent Company (Unaudited)			
	6 months ended 30-Jun-20 (RO'000)	6 months ended 30-Jun-19 (RO'000)	3 months ended 30-Jun-20 (RO'000)	3 months ended 30-Jun-18 (RO'000)
Dividend from investments	48	34	-	-
<u>Quoted local investments</u>				
Change in fair value	(104)	(5)	72	(5)
<u>Quoted foreign investments</u>				
Change in fair value	2	5	5	(1)
<u>Investment properties</u>				
Rental income	110	-	55	-
Unallocated provision for investments	(5,610)	-	(5,610)	-
Gains on partial sale of sub (note 4A)	11,968	-	11,968	-
	6,414	34	6,490	(6)

22. OPERATING EXPENSES

	<i>Consolidated (Unaudited)</i>			
	<i>6 months ended 30-Jun-20 (RO'000)</i>	<i>6 months ended 30-Jun-19 (RO'000)</i>	<i>3 months ended 30-Jun-20 (RO'000)</i>	<i>3 months ended 30-Jun-19 (RO'000)</i>
Staff costs	21,356	21,763	12,132	11,221
Other operating expenses	10,246	9,873	3,406	4,938
Amortization of intangible assets	484	482	242	242
Depreciation	3,820	3,503	1,913	1,715
<u>Directors' sitting fees and remuneration:</u>				
Parent Company	100	100	50	50
Subsidiaries and adjustments	293	97	210	41
	36,299	35,818	17,953	18,207

	<i>Parent Company (Unaudited)</i>			
	<i>6 months ended 30-Jun-20 (RO'000)</i>	<i>6 months ended 30-Jun-19 (RO'000)</i>	<i>3 months ended 30-Jun-20 (RO'000)</i>	<i>3 months ended 30-Jun-19 (RO'000)</i>
Staff costs	2,435	2,773	1,406	1,842
Other operating expenses	277	382	146	208
Amortization of intangible assets	347	347	174	174
Depreciation	73	73	36	36
Directors' sitting fees and remuneration	100	100	50	50
	3,232	3,675	1,812	2,310

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>
30 June 2020						
Segment revenues	50,298	77,535	70,670	646	(36,026)	163,123
Segment results	34,581	18,659	10,840	399	(32,853)	31,626
Segment assets	564,161	271,979	208,547	14,578	(333,756)	725,509

30 June 2019						
Segment revenues	35,828	77,593	70,129	975	(32,482)	152,043
Segment results	20,254	25,327	5,143	583	(26,989)	24,318
31 December 2019						
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-June-2020</i>				
Interest and commission income	172	1,192	1,059	26
Interest expense	-	3,585	1	236
Directors' sitting fees and Remuneration	393	-	-	-
Premiums received	-	809	492	-
Claims paid	-	697	418	-
Operating expenses/capex	-	122	62	-
<i>30-June-2019</i>				
Interest and commission income	120	860	827	141
Interest and other expense	40	3,950	209	223
Directors' sitting fees and Remuneration	197	-	-	-
Premiums received	4	199	659	-
Claims paid	-	95	447	-
<u>Statement of financial positions</u>				
<i>30-June-2020</i>				
Sale of treasury shares	-	-	20,326	-
Purchase of investment	-	-	18,401	-
Borrowing arrangements	-	116,250	-	-
Deposits	-	9,334	-	-
Premiums and other receivable	-	475	468	-
Payables	-	421	527	-
<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	-
<u>Off balance sheet</u>				
Letters of credit and guarantees	-	-	4,800	136,786

24. RELATED PARTY TRANSACTIONS (continued)

Parent Company	30-Jun-20 (Unaudited)			30-Jun-19 (Unaudited)		
	Subsidiaries	Associates	Directors/ Others	Subsidiaries	Associates	Directors/ Others
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<u>Statement of comprehensive income</u>						
Directors' sitting fees and remuneration	-	-	100	-	-	100
Operating expenses & CAPEX	56	-	3	56	1	14
Interest and other income	3,162	-	-	5,277	-	-
Interest expenses	82	-	3,082	40	-	3,423
Premiums	121	-	-	102	-	-
Claims	23	-	-	26	-	-
<u>Other transactions</u>						
Dividend from subsidiaries	22,416	-	-	14,443	-	-
Dividend from associates	-	2,076	-	-	1,434	-
	30-Jun-20 (Unaudited)			31-Dec-19 (Audited)		
<u>Statement of financial positions</u>						
Bank borrowings	-	20,000	112,000	-	-	129,000
Bank balances	-	22,706	-	4,264	-	-
Due from subsidiaries (Net)	112,437	-	-	115,876	-	-
Payables	-	-	1	-	-	11
Investment property purchase	-	-	-	2,100	-	-

25. CONTINGENT LIABILITIES

The Contingent liabilities for the Group were as follows:

	<i>(Unaudited)</i> <i>30 June</i> <i>2020</i> <i>(RO'000)</i>	<i>(Audited)</i> <i>31 Dec</i> <i>2019</i> <i>(RO'000)</i>
Letters of credit	-	162,993
Guarantees and other contingent liabilities	255	557,036
	<u>255</u>	<u>720,029</u>

Letters of credit and guarantees amounting to RO NIL (31 Dec 2019 - RO 380,730 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 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>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>30-Jun-20</i>	<i>30-Jun-19</i>	<i>30-Jun-20</i>	<i>30-Jun-19</i>
	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>
Profit for the period attributable to shareholders of the parent (RO'000)	24,118	16,076	28,055	19,935
Less: Perpetual bond interest	(3,110)	(3,612)	(3,714)	(3,758)
Profit for the year attributable to equity holders of the Group / Parent Company after interest on Perpetual bonds	21,008	12,464	24,341	16,177
Weighted average number of shares outstanding during the period	646,821,422	613,906,970	807,772,329	807,772,329
Basic earnings per share (RO)	0.032	0.020	0.030	0.020

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>(Audited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30-Jun-20</i>	<i>31-Dec-19</i>	<i>30-Jun-20</i>	<i>31-Dec-19</i>
	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>	<i>(RO'000)</i>
Equity attributable to shareholders of the parent (RO'000)	205,333	192,289	253,277	258,707
Number of shares outstanding at the end of the period	668,365,426	613,906,972	807,772,329	807,772,329
Net assets per share (RO)	0.307	0.313	0.314	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 13 August 2020.