



- The bank launched al Wathbah Academy, a major initiative for training entrepreneurs in Oman, leading to accredited international certification. The academy marked a milestone, building up on the series of initiatives by the bank to complement government efforts in strengthening the role of SMEs in the economic development of Oman.
- Identifying new business opportunities, bank muscat Oryx Fund widened the objective of the fund to invest in companies listed in the MENA region, in addition to the GCC markets.
- Meethaq Islamic Banking signed a Memorandum of Understanding (MoU) with Islamic Development Bank (IDB) and Islamic Research & Training Institution (IRTI) to support joint business opportunities in the Islamic Banking sector.

Key Developments

- Inculcating a strong savings culture, momentum has started building up for Oman's flagship al Mazyona Savings Scheme, which is all set to reward with the grand year-end bonanza of RO 1.9 million to be shared between 15 customers.
- The bank, as part of its commitment to human resources development, nominated nine senior Omani executives to participate in management and leadership development programmes at leading global business schools.
- Highlighting new horizons in the world of technology contributing to the progress of the banking sector, the bank hosted a conference on 'Technology Evolutions & Banking'.
- Marking the Holy Month of Ramadhan, the bank's Tadamun initiative, in association with the Ministry of Social Development, targeted social welfare families and distributed household goods and appliances to low-income beneficiaries across Oman. The bank also hosted al Wathbah Ramadhan Souq, which promoted a variety of products developed by women entrepreneurs.
- The bank extended lead support to Salalah Tourism Festival 2014, the Sultanate's annual tourism and cultural celebration, as part of efforts to promote tourism in the country.
- Marking the successful third year, the bank significantly enhanced support to the Green Sports initiative aimed at strengthening sports infrastructure in general and greening of football grounds in particular in Oman, benefiting 14 teams in 2014 compared to 10 teams in the previous year.



- Consolidating Islamic Banking services, Meethaq Islamic Banking widened the network with state-of-the-art branches in Al Khuwair and Al Khoud.

Accolades

- The bank topped 38 Omani companies ranked in the Forbes Top 500 Companies in the Arab World 2014. The awards celebrated the region's corporate success.
- For the fourth consecutive year, the bank was ranked the Best Bank in Oman by Business Today magazine. The best performance ranking was based on return on capital, tighter controls on non-performing loans (NPLs) and healthy growth in deposits.
- The bank won straight through processing (STP) excellence awards from Standard Chartered Bank and Deutsche Bank for outstanding performance in dollar and euro denominated fund transfer and commercial payments.

In Conclusion

On behalf of the Board of Directors, I take this opportunity to thank the banking community, both in Oman and overseas, for the confidence reposed in the bank. I would also like to thank the Management Team and all our employees for their dedication and commitment to press ahead amid the challenging situation to reach higher levels of excellence.

The Board of Directors welcomes and supports the measures taken by the Central Bank of Oman and the Capital Market Authority to strengthen the financial market in the Sultanate. The foresight and market-friendly policies adopted by His Majesty's Government have helped the bank to record encouraging results.

The Board of Directors is deeply grateful to His Majesty Sultan Qaboos Bin Said for his vision and guidance, which has helped the country along its path of growth and prosperity during the last 44 years.

Khalid bin Mustahail Al Mashani

Unaudited Consolidated Statement of Comprehensive Income
For the nine months ended 30 September 2014

	Notes	9 months ended 30 Sep 2014 RO' 000	9 months ended 30 Sep 2013 RO' 000	3 months ended 30 Sep 2014 RO' 000	3 months ended 30 Sep 2013 RO' 000
Interest income	1	243,381	236,803	83,244	79,527
Interest expense	2	(73,043)	(73,917)	(25,103)	(24,922)
NET INTEREST INCOME		170,338	162,886	58,141	54,605
Income from Islamic financing		15,000	10,172	5,272	3,870
Distribution to depositor's		(2,589)	(1,088)	(1,077)	(503)
Net income from Islamic financing		12,411	9,084	4,195	3,367
Net interest income and Income from Islamic financing		182,749	171,970	62,336	57,972
Other operating income	3	104,104	78,159	31,210	26,413
OPERATING INCOME		286,853	250,129	93,546	84,385
OPERATING EXPENSES					
Other operating expenses		(109,086)	(99,796)	(36,196)	(32,831)
Depreciation		(8,460)	(8,239)	(2,536)	(2,785)
Exceptional Operational loss	13	-	(14,982)	-	-
		(117,546)	(123,017)	(38,732)	(35,616)
Impairment for credit losses	5	(40,705)	(26,415)	(13,348)	(8,931)
Impairment for due from banks		(706)	(450)	(150)	(150)
Impairment for investments		(2,210)	(2,498)	(1,025)	(1,248)
Recoveries from provision for credit losses	5	19,546	20,612	5,364	7,117
Share of results from associate	8a	896	349	625	139
		(140,725)	(131,419)	(47,266)	(38,689)
PROFIT BEFORE TAXATION		146,128	118,710	46,280	45,696
Tax expense		(19,396)	(16,201)	(5,893)	(6,286)
PROFIT FOR THE PERIOD		126,732	102,509	40,387	39,410
OTHER COMPREHENSIVE INCOME					
Foreign currency translation in associates, before tax		-	(1,237)	-	(478)
Share of other comprehensive income of associates, before tax		184	(1,896)	184	376
Foreign currency translation of investments in associate transferred to income statement on derecognition of associate		3,198	-	-	-
Share of other comprehensive income of associate transferred to income statement on derecognition of associate		1,167	-	-	-
Translation of net investments in foreign operations, before tax		(424)	(134)	(466)	164
Change in fair value of investments available-for-sale, before tax		7,642	6,801	5,370	1,039
Change in fair value of cash flow hedges, before tax		(782)	2,462	251	(34)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		10,985	5,996	5,339	1,066
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		137,717	108,505	45,726	40,476
Total comprehensive income for the period attributable to:					
Equity holders of parent company		137,725	108,515	45,728	40,477
Non-controlling interest		(8)	(10)	(2)	(1)
		137,717	108,505	45,726	40,476
Profit attributable to:					
Equity holders of Parent Company		126,740	102,519	40,389	39,411
Non-controlling interests		(8)	(10)	(2)	(1)
		126,732	102,509	40,387	39,410
Earnings per share:					
- Basic		0.058	0.049		
- Diluted		0.056	0.047		

**Unaudited Consolidated Statement of Financial Position
as at 30 September 2014**

	Notes	30-Sep-14 RO' 000	30-Sep-13 RO' 000
ASSETS			
Cash and balances with Central Banks		1,169,408	706,864
Due from banks		942,878	911,478
Loans and advances	4 & 5	6,042,008	5,740,960
Islamic financing receivables	4 & 5	384,822	246,883
Other assets		250,719	237,992
Investments securities:			
- Available for sale	8b	347,521	307,105
- Held to Maturity	8c	470,359	283,767
Investment in associates	8a	46,809	43,157
Property and equipment		69,360	67,698
		<u>9,723,884</u>	<u>8,545,904</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from banks		938,534	718,376
Customers' deposits	6	6,304,124	5,478,002
Islamic customers' deposits	6	230,640	124,371
Certificates of deposit		47,000	49,100
Unsecured bonds		-	29,803
Euro Medium Term Notes		188,593	188,393
Mandatory Convertible bonds		62,239	46,432
Other liabilities		401,520	478,855
Taxation		30,707	27,203
Subordinated liabilities		240,450	246,867
		<u>8,443,807</u>	<u>7,387,402</u>
EQUITY			
Equity attributable to equity holders of parent:			
Share capital		218,269	215,226
Share premium		464,951	451,837
General reserve		169,808	150,558
Legal reserve		71,735	67,950
Revaluation reserve		5,145	5,145
Subordinated loan reserve		82,317	59,117
Cash flow hedge reserve		(398)	64
Cumulative changes in fair value	8a & 8b	25,150	13,326
Foreign exchange translation reserve		(533)	(4,225)
Retained profit		243,423	199,285
		<u>1,279,867</u>	<u>1,158,283</u>
Non-controlling interest		210	219
TOTAL EQUITY		<u>1,280,077</u>	<u>1,158,502</u>
TOTAL LIABILITIES AND EQUITY		<u>9,723,884</u>	<u>8,545,904</u>
Net assets per share		<u>0.586</u>	<u>0.538</u>
Contingent liabilities	11	<u>2,315,807</u>	<u>1,816,107</u>

*Unaudited Consolidated Statement of Cash Flows
For the nine months ended 30 September 2014*

	9 months ended 30 Sep 2014	9 months ended 30 Sep 2013
	RO' 000	RO' 000
Cash flow from operating activities		
Net profit for the period before taxation	146,128	118,710
Adjustments for :		
Depreciation	8,460	8,239
Investment income	(17,371)	(7,720)
Operating profit before working capital changes	<u>137,217</u>	<u>119,229</u>
Change in operating assets*	(435,337)	(662,512)
Change in operating liabilities**	869,969	471,908
Net cash (used in) / from operating activities	<u>571,849</u>	<u>(71,375)</u>
Net cash (used in) / from financing activities	(60,223)	10,976
Net cash (used in) / from investing activities	(8,351)	3,552
Net increase / (decrease) in cash and cash equivalents	<u>503,275</u>	<u>(56,847)</u>
Cash and cash equivalents brought forward	845,645	1,097,061
Cash and cash equivalents carried forward	<u><u>1,348,920</u></u>	<u><u>1,040,214</u></u>

* Operating assets includes deposits with central banks, bank placements, loans and advances and other assets.

** Operating liabilities includes customer deposits, deposits from banks and other liabilities.

Unaudited Consolidated Statement of Changes in Equity
as at 30 September 2014

	Share capital	Share premium	General reserve	Legal reserve	Revaluation reserve	Subordinated loan reserve	Cash flow hedge reserve	Cumulative changes in fair value	Foreign currency translation reserve	Retained Profit	Subtotal	Non-controlling interest	Total
Balance at 1 January 2013	203,851	388,137	150,558	67,950	5,145	59,117	(2,398)	8,112	(2,544)	178,345	1,056,273	191	1,056,464
Profit for the year	0	0	0	0	0	0	0	0	0	152,204	152,204	(12)	152,192
Share of other comprehensive income of associates	0	0	0	0	0	0	0	(873)	(295)	0	(1,168)	0	(1,168)
Other comprehensive income	0	0	0	0	0	0	2,782	9,201	(750)	0	11,233	0	11,233
Total comprehensive income	0	0	0	0	0	0	2,782	8,328	(1,045)	152,204	162,269	(12)	162,257
Dividends paid	0	0	0	0	0	0	0	0	0	(50,963)	(50,963)	0	(50,963)
Issue of mandatory convertible bonds	0	0	0	0	0	0	0	0	0	(30,275)	(30,275)	0	(30,275)
Issue expenses of mandatory convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to legal reserve	0	0	0	3,785	0	0	0	0	0	(3,785)	0	0	0
Transfer from subordinated loan reserve	0	0	12,834	0	0	(12,834)	0	0	0	0	0	0	0
Transfer to subordinated loan reserve	0	0	0	0	0	42,450	0	0	0	(42,450)	0	0	0
Other Movements	0	0	0	0	0	0	0	0	0	0	0	38	38
Balance at 31 December 2013	215,226	451,837	163,392	71,735	5,145	88,733	384	16,440	(3,589)	202,774	1,212,077	217	1,212,294
Balance at 1 January 2014	215,226	451,837	163,392	71,735	5,145	88,733	384	16,440	(3,589)	202,774	1,212,077	217	1,212,294
Profit for the year	0	0	0	0	0	0	0	0	0	126,740	126,740	(8)	126,732
Transfer to comprehensive income statement on derecognition of associates	0	0	0	0	0	0	0	872	3,493	0	4,365	0	4,365
Other comprehensive income	0	0	0	0	0	0	(782)	7,838	(437)	0	6,619	0	6,619
Total other comprehensive income	0	0	0	0	0	0	(782)	8,710	3,056	126,740	137,724	(8)	137,716
Conversion of convertible bonds	3,043	13,114	0	0	0	0	0	0	0	0	16,157	0	16,157
Dividends paid	0	0	0	0	0	0	0	0	0	(53,807)	(53,807)	0	(53,807)
Issue of mandatory convertible bonds	0	0	0	0	0	0	0	0	0	(31,964)	(31,964)	0	(31,964)
Issue expenses of mandatory convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from subordinated loan reserve	0	0	6,416	0	0	(6,416)	0	0	0	0	0	0	0
Balance at 30 September 2014	218,269	464,951	169,808	71,735	5,145	82,317	(398)	25,150	(533)	243,423	1,279,867	210	1,280,077

Notes to the Consolidated Financial Statements for the period ended 30 September 2014
1. Interest/Profit earned

Interest/profit bearing assets carried at an overall rate of 4.13 % for the period ended 30 Sep 2014. (Sep 2013 : 4.38%).

2. Interest/Profit expense

Interest/profit bearing liabilities incurred an average overall cost of funds of 1.34%. (Sep 2013 : 1.50%).

3. Other operating income

	YTD		For the three months ended	
	30-Sep-14 RO' 000	30-Sep-13 RO' 000	30-Sep-14 RO' 000	30-Sep-13 RO' 000
Foreign Exchange	15,486	9,307	5,731	2,948
Commission and fees (net)	68,597	59,528	22,813	19,925
Dividend income	3,792	1,956	767	162
Profit/(loss) on sale of investment securities	13,579	5,764	959	2,807
Other income	2,650	1,604	940	571
	<u>104,104</u>	<u>78,159</u>	<u>31,210</u>	<u>26,413</u>

The commission and fees shown above is net off commission and fees paid of RO 867 K. (2013 : RO 865 K.)

4. Loans and advances / Islamic banking financing

	30-Sep-14 RO' 000	30-Sep-13 RO' 000
4.a. <u>Loans and advances - Conventional</u>		
Corporate and Other Loans	3,873,887	3,708,091
Personal and Housing loans	2,406,115	2,251,894
Gross loans and advances	<u>6,280,002</u>	<u>5,959,985</u>
Less : Allowances for impairment	237,994	219,025
Net loans and advances	<u>6,042,008</u>	<u>5,740,960</u>
4.b. <u>Islamic financing receivables</u>		
Corporate and Other financing	110,694	60,051
Personal and Housing financing	281,246	191,675
Gross financing receivables	<u>391,940</u>	<u>251,726</u>
Less : Allowances for impairment	7,118	4,843
Net Islamic financing receivables	<u>384,822</u>	<u>246,883</u>
4.c. <u>Total loan & advances/ Islamic financing receivables</u>		
Corporate and Other loans/financing	3,984,581	3,768,142
Personal and Housing loans/financing	2,687,361	2,443,569
Gross loans & advances/financing receivables	<u>6,671,942</u>	<u>6,211,711</u>
Less : Allowances for impairment	245,112	223,868
Net loans & advances/Islamic financing receivables	<u>6,426,830</u>	<u>5,987,843</u>
4.d. The maturity of these is analysed as follows:	30-Sep-14	30-Sep-13
	RO' 000	RO' 000
Less than 1 year	2,565,057	2,732,568
1 to 3 years	657,471	592,451
3 to 5 years	563,178	418,394
Over 5 years	2,886,236	2,468,298
Gross loans & advances/financing receivables	<u>6,671,942</u>	<u>6,211,711</u>

Notes to the Consolidated Financial Statements for the period ended 30 September 2014

4.e. The interest/ profit rate band of these are as follows:	30-Sep-14	30-Sep-13
	RO' 000	RO' 000
0-5%	3,276,349	2,987,237
5-7%	2,592,894	2,039,219
7-9%	661,873	1,039,677
9-11%	39,555	60,191
11-13%	66,391	54,127
more than 13%	34,880	31,260
Gross loans & advances/financing receivables	<u>6,671,942</u>	<u>6,211,711</u>

5. Provisions and reserved interest

The movement on the provision for possible credit losses and reserved interest for the period is analysed as follows:

	Provisions	Reserved Interest
	RO' 000	RO' 000
At 1 January 2014	201,822	15,750
Provided during the period	40,705	-
Released/recovered during the period	(18,575)	-
Written off during the period	(840)	(1,367)
Interest reserved during the period	-	9,763
Reserved interest recovered	-	(4,159)
Transfer from Memorandum portfolio	2,023	54
Translation adjustment of opening balances	(64)	-
At 30 September 2014	<u>225,071</u>	<u>20,041</u>

	Provisions	Reserved Interest
	RO' 000	RO' 000
At 1 January 2013	189,862	20,967
Provided during the period	26,415	-
Released/recovered during the period	(19,020)	-
Written off during the period	(868)	(279)
Interest reserved during the period	-	8,638
Reserved interest recovered	-	(4,960)
Transfer from Memorandum portfolio	2,971	202
Transfer from Classified to Memorandum portfolio	-	(41)
Translation adjustment of opening balances	(19)	-
At 30 September 2013	<u>199,341</u>	<u>24,527</u>

Recoveries of RO 19,546 K (Sep 2013: 20,612 K) reported in the income statement includes RO 971 K (Sep 2013: 1,592 K) recovered from loans written off earlier

Interest is reserved on loans and advances which are impaired.

At 30 September 2014 loans and advances on which contractual interest is not being accrued or has not been recognised amounted to RO 214.13 mn (Sep 2013 : RO 182.2 mn).

Total Impairment above includes impairment for off-balance sheet exposure as well

* *Specific provisions are established after considering security on a case by case basis in respect of specific loans and advances where recovery appears doubtful.*

** *General Provisions are established to meet the credit risks inherent within the loans and advances portfolio.*

Notes to the Consolidated Financial Statements for the period ended 30 September 2014

6. Deposits

	30-Sep-14	30-Sep-13
	RO' 000	RO' 000
6.a. <u>Customer Deposits - Conventional</u>		
Current accounts	1,966,481	1,746,658
Call accounts	317,120	245,166
Savings accounts	1,860,009	1,409,038
Time deposits	2,117,230	2,038,878
Other	43,284	38,262
Customer Deposits	6,304,124	5,478,002
CD's / Unsecured Bonds / FRN's	235,593	267,296
Total	6,539,717	5,745,298
6.b. <u>Islamic customer deposits</u>		
Current accounts	11,454	43,538
Savings accounts	26,303	7,911
Time deposits	192,460	72,917
Other	423	5
Total	230,640	124,371
6.c. <u>Total customer deposits</u>		
Current accounts	1,977,935	1,790,196
Call accounts	317,120	245,166
Savings accounts	1,886,312	1,416,949
Time deposits	2,309,690	2,111,795
Other	43,707	38,267
Customer Deposits	6,534,764	5,602,373
CD's / Unsecured Bonds / FRN's	235,593	267,296
Total	6,770,357	5,869,669
6.d. The maturities of deposits are as follows		
	30-Sep-14	30-Sep-13
	RO' 000	RO' 000
Less than 1 year	2,892,408	2,588,646
1 to 3 years	1,504,708	1,247,026
3 to 5 years	1,197,045	1,076,410
Over 5 years	1,176,196	957,587
Total customer deposits	6,770,357	5,869,669
6.e. The interest/profit rate bands of deposits are as follows:		
	30-Sep-14	30-Sep-13
	RO' 000	RO' 000
0%	2,991,804	2,294,008
0-2%	2,316,146	2,157,477
2-4%	1,197,870	1,088,160
4-6%	255,829	287,115
more than 6%	8,708	42,909
Total customer deposits	6,770,357	5,869,669

Notes to the Consolidated Financial Statements for the period ended 30 September 2014
7. Asset liability mismatch

The asset liability mismatch is analysed as follows:

Maturities	30-Sep-14			30-Sep-13		
	Assets RO' 000	Liabilities RO' 000	Mismatch RO' 000	Assets RO' 000	Liabilities RO' 000	Mismatch RO' 000
Less than 1 year	5,059,941	3,973,599	1,086,342	4,680,689	3,777,603	903,086
1 to 3 years	909,328	1,910,798	(1,001,470)	713,707	1,370,991	(657,284)
3 to 5 years	682,769	1,279,067	(596,298)	501,258	1,094,410	(593,152)
Over 5 years	3,071,846	2,560,420	511,426	2,650,250	2,302,900	347,350
	<u>9,723,884</u>	<u>9,723,884</u>	<u>-</u>	<u>8,545,904</u>	<u>8,545,904</u>	<u>-</u>

Mismatch represents the difference between assets and liabilities for each maturity band. Share capital is included within liabilities.

8. Non Trading Investments
8.a. Investment in associates
1 Investment in BMI Bank, Bahrain

The carrying value of the investment in BMI was as follows:

	30-Sep-14 RO. 000's	30-Sep-13 RO. 000's
Carrying value of the investment at January 1	36,547	36,318
Share of profit for the period	271	442
Share of other comprehensive income	-	(1,896)
Dividend received	(1,465)	-
Derecognised on acquisition by Al Salam Bank, Bahrain ^(note below)	(35,353)	-
Carrying value of the Investment at Sep 30	<u>-</u>	<u>34,864</u>

Note: On 30 March 2014, Al Salam Bank ("ASB"), Bahrain has acquired BMI Bank by issuing 11 shares for 1 share of BMI bank. As per the share swap ratio, bank muscat received 315,494,795 shares in ASB in exchange of 28,681,345 shares of BMI bank giving a stake of 14.74%.

As per the International Financial Reporting Standards (IFRS), we have accounted the investment in Al Salam as an associate at the adjusted fair value and accordingly recorded an investment gain of RO 9.48 million. This gain is included in the second quarter results as part of other operating income in the income statement.

The carrying value of investment in ASB is as reflected below:

	30-Sep-14 RO. 000's	30-Sep-13 RO. 000's
2 Investment in Al Salam Bank ('ASB'), Bahrain		
Carrying value of the Investment at April 1	46,000	-
Share of profit for the period Apr 14 to Jun 14	625	-
Share of other comprehensive income Apr 14 to Jun 14	184	-
Carrying value of the Investment at Sep 30	<u>46,809</u>	<u>-</u>

3 Investment in Mangal Keshav Holdings Limited (MKHL), India

The carrying value of the investment in MKHL was as follows:

	30-Sep-14 RO. 000's	30-Sep-13 RO. 000's
Carrying value of the Investment at January 1	-	9,623
Share of profit for the period Oct 12 to Jun 13	-	(93)
Profit / (loss) on translation of foreign currency investments	-	(1237)
Carrying value of the Investment at Sep 30	<u>-</u>	<u>8,293</u>

Notes to the Consolidated Financial Statements for the period ended 30 September 2014

8. Non Trading Investments (continued)

8.b. Available For Sale	Fair Value 30-Sep-14 RO' 000	Fair Value 30-Sep-13 RO' 000
<i>Quoted investments</i>		
<i>Equity</i>		
Foreign securities	29,273	25,087
Other services sector	33,290	13,460
Investment fund units	10,656	9,896
Financial services sector	9,778	10,107
Industrial sector	3,164	4,304
<i>Debt</i>		
Government bonds	198,210	175,435
Foreign Bonds	25,828	30,638
Local Bonds	-	411
Total Quoted investments	310,199	269,338
<i>Unquoted investments</i>		
<i>Equity</i>		
Foreign securities	13,050	14,738
Local securities	8,028	8,039
Investment fund units	50	50
<i>Debt</i>		
Foreign Bonds	-	-
Local Bonds	23,677	24,200
Total Unquoted investments	44,805	47,027
Total available for sale investments	355,004	316,365
Impairment losses on investments	(7,483)	(9,260)
Available for sale investments (net)	347,521	307,105
8.c. Held To Maturity		
<i>Quoted</i>		
Treasury Bills	439,874	261,427
Bonds	24,585	17,340
Unquoted local Bonds	5,900	5,000
	470,359	283,767

Notes to the Consolidated Financial Statements for the period ended 30 September 2014

9. Related Party Transactions

9.a. The balances of directors and their related concerns were as follows:

	30-Sep-14	30-Sep-13
	RO' 000	RO' 000
Loans and advances (Gross)	50,226	42,079
Provision and reserve interest	(8,264)	(9,074)
Loans and advances (Net)	41,962	33,005
Current, deposit and other accounts	51,291	56,255
Customers' liabilities under documentary credits, guarantees and other commitments	22,352	8,386

On restructuring arrangement of banks exposure to Dubai financial group the suspended interest of RO 1.1 mn during the year from the provisions held was written off.

9.b. The income and expenses in respect of related parties are as follows:

	9 months ended 30	9 months ended 30
	Sep 2014	Sep 2013
	RO' 000	RO' 000
Interest income	1,150	1,378
Interest expenditure	321	238
Commission and other income	6	2

10. Shareholders

Shareholders of the bank who hold 10% or more of the bank's shares are given below:

	30-Sep-14		30-Sep-13	
	% of holding	No. of shares	% of holding	No. of shares
Royal Court Affairs	23.58%	514,733,262	23.56%	507,175,701
Dubai Financial Group LLC	12.33%	269,211,333	12.51%	269,211,333

11. Contingent liabilities

	30-Sep-14	30-Sep-13
	RO' 000	RO' 000
- Letters of Credit	560,586	459,739
- Guarantees	1,755,221	1,356,368
	<u>2,315,807</u>	<u>1,816,107</u>

12. Spot / Forwards and options
Spot and Forwards

- Purchases	1,825,078	1,156,023
- Sales	1,824,759	1,155,791

Options

- Sales	201,814	189,277
- Purchases	201,814	189,277

Notes to the Consolidated Financial Statements for the period ended 30 September 2014
13 SEGMENTAL INFORMATION

The Group reports business segment information by the following segments Corporate, Consumer, Wholesale, Islamic and International. The following table shows the distribution of the Group's operating income, net profit and total assets by business segments:

30 September 2014	Conventional Banking					Islamic Banking RO 000's	Total RO 000's
	Corporate Banking RO 000's	Consumer Banking RO 000's	Wholesale Banking RO 000's	International Banking RO 000's	Total Conventional RO 000's		
Segment revenue							
Net interest income	56,974	79,798	26,526	7,040	170,338	-	170,338
Net income from Islamic financing	-	-	-	-	-	12,411	12,411
Commission, fees and other income (net)	13,246	46,240	32,172	11,371	103,029	1,075	104,104
Operating income	70,220	126,038	58,698	18,411	273,367	13,486	286,853
Segment costs							
Operating expenses (incl. depreciation)	(19,352)	(74,032)	(10,829)	(8,354)	(112,567)	(4,979)	(117,546)
Impairment for credit & other losses (net)	(12,849)	(2,562)	(2,629)	(4,081)	(22,121)	(1,954)	(24,075)
Share of profit from associates	-	-	-	896	896	-	896
Tax expense	(5,145)	(6,714)	(5,696)	(956)	(18,511)	(885)	(19,396)
	(37,346)	(83,308)	(19,154)	(12,495)	(152,303)	(7,818)	(160,121)
Segment profit / (loss) for the year	32,874	42,730	39,544	5,916	121,064	5,668	126,732
Segment assets	3,662,395	2,511,338	2,457,590	672,875	9,304,198	419,686	9,723,884

30 September 2013	Conventional Banking					Islamic Banking RO 000's	Total RO 000's
	Corporate Banking RO 000's	Consumer Banking RO 000's	Wholesale Banking RO 000's	International Banking RO 000's	Total Conventional RO 000's		
Segment revenue							
Net interest income	50,213	82,326	23,152	7,195	162,886	-	162,886
Net income from Islamic financing	-	-	-	-	-	9,084	9,084
Commission, fees and other income (net)	13,263	38,891	20,928	4,873	77,955	204	78,159
Operating income	63,476	121,217	44,080	12,068	240,841	9,288	250,129
Segment costs							
Operating expenses (incl. depreciation)	(17,819)	(67,773)	(10,694)	(8,570)	(104,856)	(3,179)	(108,035)
Impairment for credit & other losses (net)	(4,809)	1,598	(1,948)	(2,229)	(7,388)	(1,363)	(8,751)
Exceptional Operational loss	-	(14,982)	-	-	(14,982)	-	(14,982)
Share of profit from associates	-	-	-	349	349	-	349
Tax expense	(5,370)	(5,435)	(4,133)	(639)	(15,577)	(624)	(16,201)
	(27,998)	(86,592)	(16,775)	(11,089)	(142,454)	(5,166)	(147,620)
Segment profit / (loss) for the year	35,478	34,625	27,305	979	98,387	4,122	102,509
Segment assets	3,509,965	2,300,223	1,607,084	840,743	8,258,015	287,889	8,545,904

14. Comparative Figures

The corresponding figures for 2013 included for comparative purposes have been reclassified to conform with the presentation in the current year.