

BankMuscat  بنك مسقط

**CMA REPORT**  
**PERIOD ENDED SEPTEMBER 30, 2009**

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## Chairman's Report – September 2009

Dear Shareholders,

I am glad to share with you the results achieved by the Bank for the nine-month period ending 30 September 2009. Conforming to the highest international standards in accounting and Corporate Governance, the financial results for the period in question reflect the Bank's success in limiting the fallout of the global financial crisis through strategic initiatives which have helped in boosting performance and recording resilient results.

The Bank achieved a net profit of RO 80.4 million for the nine months ended September 30, 2009 compared to RO 90.1 million reported during the same period in 2008. Net interest income increased by 10% to RO 126.8 million during the 9-month period ended September 30, 2009 from RO 115.2 million reported during the corresponding period in 2008.

Non-interest income has grown by RO 40.9 million to RO 99.8 million in the 9-month period ended September 30, 2009 as compared to RO 58.9 million for the same period in 2008 mainly on account of the gain on sale of HDFC Bank investment. However, non-interest income excluding the gain on HDFC Bank investment and realised losses on Available-for-Sale investment was lower by 9% compared to the same period in 2008.

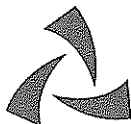
The Bank successfully contained the operating expenses in 2009. Operating expenses for the 9-month period ended September 30, 2009 at RO 64.2 million remained at the same level of operating expenses incurred during 2008. Impairment for credit losses for the 9-month period in 2009 was RO 68.7 million as against RO 18.6 million in 2008, an increase of RO 50.1 million. This includes provisions for Saudi branch exposures and necessary collective provisions.

Share of loss from associates was at RO 5.3 million for the nine months ended September 30, 2009, as compared to RO 2.5 million of share of profit in September 2008.

The Bank's net Loans and Advances of RO 3,727 million as of September 30, 2009 has grown by 7% as compared to the position as at September 30, 2008. Customer deposits, including CDs have seen a growth of 16% from RO 2,849 million as of September 30, 2008 to RO 3,298 million as of September 30, 2009.

During the third quarter 2009, the strategic initiatives by the Bank included the continuing series of Certificate of Deposit (CD) auction. To date, from eight rounds of CD auctions, the Bank has accepted bids totaling RO 134.10 million against the target of RO 250 million within one-year timeframe.

The Bank played a key role in facilitating the signing of USD197.8 million Credit Facilities Agreement for Sohar Port Special Projects, firstly as financial adviser and then as facility agent and account bank. The Bank was the largest participant in these credit facilities with



USD 48.9 million. The transaction for setting up marine infrastructure for Vale's biggest pellet plant outside Brazil was quite significant in the regional project finance market in general and Omani banking market in particular. It was the first transaction in more than a year to achieve financial close on a project finance basis.

Consolidating its dominant position in launching innovative technology products and services which spell convenience to customers, the Bank signed an agreement with the Ministry of Housing to introduce electronic card payment facility for services offered at the ministry's directorates. The launching of e-Purse, which marked the beginning of a new era of cashless society in Oman, was another vital link provided by the Bank to the government's e-Governance initiative.

Coinciding with the Holy Month of Ramadhan, the Bank launched a major social initiative uniting people in a noble cause benefiting less privileged children. Supervised by the Ministry of Social Development, the 'Together for a Happier Eid' campaign was well received, generating a whopping donation exceeding RO 250,000 from individuals, corporates and institutions. It is worth mentioning that the employees of the Bank made the initial contribution worth RO 41,500, and we extend our gratitude to all the employees for their generous contributions. The funds were distributed among 26,561 less privileged children. This initiative was a joint effort with Omantel and other noble partners.

On behalf of the Board of Directors, I would like to take this opportunity to thank the customers and 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, without which the Bank would not be able to continue 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 with a view to strengthening the financial markets in the Sultanate. The Bank's growth would not have been possible without the foresight and market-friendly policies adopted by His Majesty's Government.

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 past 39 glorious years led by His Majesty the Sultan. On the occasion of the 39<sup>th</sup> National Day celebrations, we join the nation in saluting His Majesty Sultan Qaboos bin Said, the architect of modern Oman.

  
**AbdulMalik bin Abdullah Al-Khalili**

**Summary of unaudited results as at 30 Sep 2009**

	<b>30-Sep-09</b>	<b>30-Sep-08</b>
	<b>RO' 000</b>	<b>RO' 000</b>
<b>Loans and advances net of provisions and reserved interest</b>	3,727,331	3,485,391
<b>Customer Deposits and Bonds</b>	3,368,177	3,014,957
<b>Net assets</b>	706,971	741,210
<b>Net assets per share *</b>	0.656	0.688
	<b>9 months ended 30 Sep 2009</b>	<b>9 months ended 30 Sep 2008</b>
<b>Net interest income</b>	126,785	115,220
<b>Net profit before tax for the period</b>	95,301	104,159
<b>Net profit after tax for the period</b>	80,445	90,109
<b>Basic earnings per share (for the period) **</b>	0.075	0.084
<b>Diluted earnings per share (for the period) **</b>	0.075	0.084
<b>Capital adequacy ratio ***</b>	14.92%	12.22%

\* Net assets per share is calculated by dividing net assets owned by ordinary shareholders at 30 Sep 2009 by 1,077 million number of ordinary shares. (2008 : 1,077 million ordinary shares)

\*\* Basic and Diluted earnings per share is calculated as per International Accounting Standard No : 33.

\*\*\* Capital adequacy ratio has been calculated in accordance with the Basle II guidelines.

*Unaudited Profit and loss account  
For the nine months ended 30 Sep 2009*

	Notes	9 months ended 30 Sep 2009	9 months ended 30 Sep 2008	3 months ended 30 Sep 2009	3 months ended 30 Sep 2008
		RO' 000	RO' 000	RO' 000	RO' 000
Interest income	1	208,078	188,777	69,058	65,944
Interest expense	2	(73,130)	(68,397)	(22,092)	(23,678)
		<u>134,948</u>	<u>120,380</u>	<u>46,966</u>	<u>42,266</u>
Interest expense on tier II capital		(8,163)	(5,160)	(3,550)	(1,719)
<b>Net interest income</b>		<u>126,785</u>	<u>115,220</u>	<u>43,416</u>	<u>40,547</u>
Other operating income	3	99,800	58,921	15,043	16,206
<b>OPERATING INCOME</b>		<u>226,585</u>	<u>174,141</u>	<u>58,459</u>	<u>56,753</u>
<b>OPERATING EXPENSES</b>					
Other operating expenses		(59,329)	(60,287)	(19,946)	(19,357)
Depreciation		(4,856)	(4,110)	(1,876)	(1,510)
		<u>(64,185)</u>	<u>(64,397)</u>	<u>(21,822)</u>	<u>(20,867)</u>
Impairment for credit losses	5	(68,733)	(18,630)	(17,256)	(5,549)
Impairment for Investments		(1,343)	-	862	-
Recoveries from impairment for credit losses	5	8,273	9,970	3,402	6,160
Recoveries from impairment for investments		-	583	-	-
Share of (loss) / profit from associates	8a	(5,296)	2,492	(606)	(315)
		<u>(131,284)</u>	<u>(69,982)</u>	<u>(35,420)</u>	<u>(20,571)</u>
<b>PROFIT BEFORE TAXATION</b>		95,301	104,159	23,039	36,182
Tax expense		(14,856)	(14,050)	(3,032)	(3,900)
<b>NET PROFIT FOR THE PERIOD</b>		<u>80,445</u>	<u>90,109</u>	<u>20,007</u>	<u>32,282</u>

*Unaudited Balance sheet  
As at 30 Sep 2009*

	Notes	30-Sep-09 RO' 000	30-Sep-08 RO' 000
<b>ASSETS</b>			
Cash and balances with Central Banks		652,674	430,755
Placements with banks		1,055,864	910,853
Loans and advances	4 & 5	3,727,331	3,485,391
Investments	8b & c	160,534	458,363
Investment in associates	8a	86,750	112,924
Property and equipment		22,393	21,910
Other assets		176,876	143,158
		<u>5,882,422</u>	<u>5,563,354</u>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>			
<b>LIABILITIES</b>			
Deposits from banks		1,318,001	1,417,034
Customers' deposits	6	3,163,624	2,816,829
Certificates of deposit		134,350	31,675
Unsecured bonds		54,803	54,803
Floating rate notes		15,400	111,650
Other liabilities		276,684	253,669
Taxation		24,088	22,984
Subordinated liabilities		188,500	113,500
		<u>5,175,450</u>	<u>4,822,144</u>
<b>SHAREHOLDERS FUNDS</b>			
Share capital		107,713	107,713
Share premium		301,505	301,505
Convertible bonds		32,314	-
General reserve		56,308	56,308
Legal reserve		35,905	35,905
Revaluation reserve		3,957	3,957
Subordinated loan reserve		24,200	2,567
Cumulative changes in fair value	8a&8b	3,758	98,821
Retained profit		141,312	134,434
		<u>706,972</u>	<u>741,210</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<u>5,882,422</u>	<u>5,563,354</u>
<b>Contingent liabilities</b>	11	<u>953,209</u>	<u>1,138,949</u>
<b>Related party information</b>			
Due from related parties	9	51,269	50,018
Due to related parties		37,167	27,102

*Unaudited Statement of cash flow*  
*For the nine months ended 30 Sep 2009*

	<b>9 months ended 30 Sep 2009</b>	9 months ended 30 Sep 2008
	<b>RO' 000</b>	RO' 000
<b>Cash flow from operating activities</b>		
Net profit for the period before taxation	95,301	104,159
Adjustments for :		
Depreciation	4,856	4,110
Investment income	(54,668)	(10,820)
Operating profit before working capital changes	<u>45,489</u>	<u>97,449</u>
Change in operating assets*	72,620	(758,133)
Change in operating liabilities**	(233,390)	715,651
<b>Net cash (used in) / from operating activities</b>	<u>(115,281)</u>	<u>54,967</u>
<b>Net cash from / (used in) financing activities</b>	53,459	(48,857)
<b>Net cash (used in) / from investing activities</b>	116,977	(92,152)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>55,156</u>	<u>(86,042)</u>
Cash and cash equivalents brought forward	410,385	328,177
<b>Cash and cash equivalents carried forward</b>	<u><u>465,541</u></u>	<u><u>242,135</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 Statement of Changes in Equity**  
**Period ended 30 Sep 2009**

	Share capital	Share premium	General reserve	Legal reserve	Revaluation reserve	Subordinated loan reserve	Cumulative changes in fair value	Convertible Bonds	Retained profit	Total
	RO' 000	RO' 000	RO' 000	RO' 000	RO' 000	RO' 000	RO' 000		RO' 000	RO' 000
Balance at 31 December 2007	107,713	301,505	56,308	35,905	3,957	2,567	10,258		109,357	627,570
Loss on transaction of investment in associates									(11,712)	(11,712)
Change in fair value of investments available for sale							59,018			59,018
Net income directly recognised in equity	-	-	-	-	-	-	59,018		(11,712)	47,306
Net profit for the year									93,731	93,731
Total income recognised for 2008	-	-	-	-	-	-	59,018		82,019	141,037
Dividend paid - 2007									(53,857)	(53,857)
Transfer to subordinate loan reserve						21,633			(21,633)	0
<b>Balance at 31 December 2008</b>	<b>107,713</b>	<b>301,505</b>	<b>56,308</b>	<b>35,905</b>	<b>3,957</b>	<b>24,200</b>	<b>69,276</b>		<b>115,886</b>	<b>714,750</b>
Balance at 31 December 2008	107,713	301,505	56,308	35,905	3,957	24,200	69,276	-	115,886	714,750
Net Loss on transaction of investment in associates									(1,163)	(1,163)
Change in fair value of AFS investments *							(65,518)			(65,518)
Net income directly recognised in equity	-	-	-	-	-	-	(65,518)	-	(1,163)	(66,681)
Net profit for the year									80,445	80,445
Total income recognised	-	-	-	-	-	-	(65,518)	-	79,282	13,764
Dividend paid - 2008									(21,543)	(21,543)
Convertible bonds issued - 2008								32,314	(32,314)	-
<b>Balance at 30 Sep 2009</b>	<b>107,713</b>	<b>301,505</b>	<b>56,308</b>	<b>35,905</b>	<b>3,957</b>	<b>24,200</b>	<b>3,758</b>	<b>32,314</b>	<b>141,311</b>	<b>706,971</b>

\* Includes the reversal of mark to market gain of RO 68.8 mn booked on HDFC Bank investments as on Dec 31, 2008. Reversal is on account of sale of entire investment portfolio in HDFC Bank during H1-2009. Actual realised gain of RO 60.6 mn (post tax 53.2 mn) is accounted through the income statement

**Notes to the Financial Statements as at 30 Sep 2009**
**1. Interest Income**

Interest bearing assets earned interest at an overall rate of 5.57% for the nine months ended 30 Sep 2009. (Sep 2008 : 5.86%).

**2. Interest expense**

For the nine months ended 30 Sep 2009 the average overall cost of funds was 2.42%. (Sep 08 : 2.48%).

**3. Other operating income**

	For the nine months ended		For the quarter ended	
	<b>30-Sep-09</b>	30-Sep-08	<b>30-Sep-09</b>	<b>30-Sep-08</b>
	<b>RO' 000</b>	RO' 000	<b>RO' 000</b>	RO' 000
Foreign Exchange	6,932	4,924	2,965	1,905
Commission and fees (net)	38,202	41,537	11,826	13,901
Dividend income	955	2,524	170	17
Profit/(loss) on sale of investment securities	53,407	8,296	82	(64)
Other income	304	1,640	-	447
	<u>99,800</u>	<u>58,921</u>	<u>15,043</u>	<u>16,206</u>

The commission and fees shown above is net off commission and fees paid of RO 516 K. (2008 : RO 439 K.)

**4. Loans and advances**

Loans and advances is analysed as follows:

	<b>30-Sep-09</b>	30-Sep-08
	<b>RO' 000</b>	RO' 000
Corporate and Other Loans	2,371,917	2,174,708
Personal and Housing loans	<u>1,549,590</u>	<u>1,432,845</u>
Gross loans and advances	<u>3,921,507</u>	<u>3,607,553</u>
Less : Provisions and reserved interest	<u>194,176</u>	<u>122,162</u>
Net loans and advances	<u>3,727,331</u>	<u>3,485,391</u>

**Notes to the Financial Statements as at 30 Sep 2009 (continued)**
**4. Loans and advances (continued)**

The maturity of these is analysed as follows:

	<b>30-Sep-09</b>	30-Sep-08
	<b>RO' 000</b>	RO' 000
Less than 1 year	1,007,835	966,873
1 to 3 years	646,079	582,497
3 to 5 years	449,873	466,493
Over 5 years	1,817,720	1,591,690
	<u>3,921,507</u>	<u>3,607,553</u>

The interest rate band of these are as follows:

	<b>30-Sep-09</b>	30-Sep-08
	<b>RO' 000</b>	RO' 000
0-5%	956,425	1,133,468
5-7%	449,999	656,381
7-9%	2,281,979	1,620,673
9-11%	181,536	142,670
11-13%	27,116	32,418
more than 13%	24,452	21,943
	<u>3,921,507</u>	<u>3,607,553</u>

**Notes to the Financial Statements as at 30 Sep 2009 (continued)**
**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 RO' 000	Reserved Interest RO' 000
At 1 January 2009	99,597	25,977
Provided during the period	68,733	
Released/recovered during the period	(7,585)	
Written off during the period	(477)	(619)
Transfer to memorandum account	(12)	
Interest reserved during the period		11,391
Reserved interest recovered		(2,829)
At 30 Sep 2009	<u>160,256</u>	<u>33,920</u>
	Provisions RO' 000	Reserved Interest RO' 000
At 1 January 2008	85,036	23,664
Provided during the period	18,630	-
Released/recovered during the period	(6,476)	-
Written off during the period	(728)	(1,288)
Transferred during the period	-	-
Interest reserved during the period	-	6,661
Reserved interest recovered	-	(3,337)
At 30 Sep 2008	<u>96,462</u>	<u>25,700</u>

Recoveries of RO 8,273 K (Sep 2008: 9,970 K) reported in the income statement includes RO 688 K (2008: 3,494 K) recovered from loans written off earlier.

Interest is reserved on loans and advances which are impaired.

At 30 Sep 2009 loans and advances on which interest had been reserved amounted to RO 196.53 Million (2008 : RO. 72.39 Million). This includes off balance sheet exposure.

\* *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 Financial Statements as at 30 Sep 2009 (continued)

6. Deposits

Deposits are analysed as follows:

	<b>30-Sep-09</b>	30-Sep-08
	<b>RO' 000</b>	RO' 000
Current accounts	760,690	749,465
Call accounts	216,894	190,416
Savings accounts	715,725	745,893
Time deposits	1,451,770	1,117,088
Other	18,545	13,967
<b>Customer Deposits</b>	<u>3,163,624</u>	<u>2,816,829</u>
CD's / Unsecured Bonds / FRN's	204,553	198,128
<b>Total Deposits</b>	<u><u>3,368,177</u></u>	<u><u>3,014,957</u></u>

The maturities of deposits are as follows

	<b>30-Sep-09</b>	30-Sep-08
	<b>RO' 000</b>	RO' 000
Less than 1 year	1,920,341	1,739,152
1 to 3 years	520,727	400,244
3 to 5 years	395,392	362,959
Over 5 years	531,717	512,602
	<u><u>3,368,177</u></u>	<u><u>3,014,957</u></u>

The interest rate bands of deposits are as follows:

	<b>30-Sep-09</b>	30-Sep-08
	<b>RO' 000</b>	RO' 000
0%	1,216,686	1,258,736
0-2%	814,783	452,042
2-4%	369,636	749,411
4-6%	890,600	488,748
more than 6%	76,472	66,020
	<u><u>3,368,177</u></u>	<u><u>3,014,957</u></u>

7. Asset liability mismatch

The asset liability mismatch is analysed as follows:

<i>Maturities</i>	<b>30-Sep-09</b>			30-Sep-08		
	<b>Assets</b>	<b>Liabilities</b>	<b>Mismatch</b>	Assets	Liabilities	Mismatch
	<b>RO' 000</b>	<b>RO' 000</b>	<b>RO' 000</b>	RO' 000	RO' 000	RO' 000
Less than 1 year	2,670,210	3,191,563	(521,353)	2,562,740	3,116,146	(553,406)
1 to 3 years	742,663	744,771	(2,108)	716,475	598,470	118,005
3 to 5 years	487,916	456,640	31,276	533,672	477,484	56,188
Over 5 years	1,981,633	1,489,448	492,185	1,750,467	1,371,254	379,213
	<u><u>5,882,422</u></u>	<u><u>5,882,422</u></u>	<u><u>-</u></u>	<u><u>5,563,354</u></u>	<u><u>5,563,354</u></u>	<u><u>-</u></u>

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

**Notes to the Financial Statements as at 30 Sep 2009 (continued)**
**8. Non Trading Investments**
**8.a. Investment in associates**
**1 Investment in Centurion Bank of Punjab Limited (CBoP), India**

As at Sep 30, 2009 the carrying value of the investment in CBoP / HDFC Bank was as follows:

	<b>30-Sep-09</b>	<b>30-Sep-08</b>
	<b>RO. 000's</b>	<b>RO. 000's</b>
Carrying value of the investment at December 31		21,832
Share of profit for the period Oct07 to Dec07		803
Profit / (loss) on translation of foreign currency investments		(1,086)
Carrying value as on May 31, 2008 trfd to investment securities		(21,549)
Carrying value of the Investment at Sep 30	<u><u>          </u></u>	<u><u>          </u></u>
		-

In the year 2008, CBoP merged with HDFC Bank which diluted BankMuscats strategic stake of 17.33% in CBoP to 2.67% in the merged entity. Post merger the investment in associate was accounted as 'Available for sale securities' and was marked to market.

During 2009, the Bank fully sold off its investment in HDFC Bank and booked a post tax gain on sale of investments of RO 53,224 K in the income statement.

**2 Investment in Bank Muscat International (BMI), Bahrain**

As at Sep 30, 2009 the carrying value of the investment in BMI was as follows:

	<b>30-Sep-09</b>	<b>30-Sep-08</b>
	<b>RO. 000's</b>	<b>RO. 000's</b>
Carrying value of the investment at December 31	65,668	67,124
Share of profit for the period Jan 09 to Sep 09	(2,328)	1,839
Carrying value of the Investment at Sep 30	<u><u>63,340</u></u>	<u><u>68,963</u></u>

**3 Investment in Mangal Keshav Holdings Private Limited (MKH), India**

As at Sep 30, 2009 the carrying value of the investment in MKH was as follows:

	<b>30-Sep-09</b>	<b>30-Sep-08</b>
	<b>RO. 000's</b>	<b>RO. 000's</b>
Carrying value of the Investment at Jan 1	9,355	10,745
Share of profit for the period Oct07 to Mar 08		759
Share of profit for the period Oct08 to June 09	14	-
Profit / (loss) on translation of foreign currency investments	79	(1806)
Carrying value of the Investment at Sep 30	<u><u>9448</u></u>	<u><u>9,698</u></u>

**4 Investment in SaudiPak Commercial Bank Limited (SPCB), Pakistan**

As at Sep 30, 2009 the carrying value of the investment in SPCB was as follows:

	<b>30-Sep-09</b>	<b>30-Sep-08</b>
	<b>RO. 000's</b>	<b>RO. 000's</b>
Total consideration paid	17,880	43,458
Share of profit for the period Jan to Sep	(2980)	(909)
Profit / (loss) on translation of foreign currency investments	(938)	(8286)
Carrying value of the Investment at Sep 30	<u><u>13,962</u></u>	<u><u>34,263</u></u>

**Notes to the Financial Statements as at 30 Sep 2009 (continued)**
**8. Non Trading Investments (continued)**
**8.b. Available For Sale**

	<b>Fair Value 30-Sep-09 RO' 000</b>	Fair Value 30-Sep-08 RO' 000
<i>Quoted Investments</i>		
Industrial sector	2,987	10,766
Financial services sector	13,792	9,838
Other services sector	8,651	33,826
Foreign securities*	19,076	133,515
Corporate Bonds	7,416	7,412
Government bonds	45,608	51,200
Total	<u>97,530</u>	<u>246,557</u>
<i>Unquoted investments</i>		
Unquoted local securities	6,376	5,969
Unquoted foreign securities	8,306	7,177
Investment fund units	50	769
Total	<u>14,732</u>	<u>13,915</u>
Impairment losses	(4,390)	(2,236)
Total available for sale	<u><b>107,872</b></u>	<u><b>258,236</b></u>
<b>8.c. Held To Maturity</b>		
Treasury Bills	51,360	179,760
Government Bonds	1,302	20,367
	<u><b>52,662</b></u>	<u><b>200,127</b></u>

\* Includes RO Nil (2008: 92,441 K) relating to investment in HDFC Bank.

**Notes to the Financial Statements as at 30 Sep 2009 (continued)**
**9. Related Party Transactions**

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

	<b>30-Sep-09</b>	30-Sep-08
	<b>RO' 000</b>	RO' 000
Loans and advances	51,269	50,018
Current, deposit and other accounts	37,167	27,102
Customers' liabilities under documentary credits, guarantees and other commitments	4,862	3,175

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

	<b>9 months</b>	9 months
	<b>ended 30 Sep</b>	ended 30
	<b>2009</b>	Sep 2008
	<b>RO' 000</b>	RO' 000
Interest income	737	1,210
Interest expenditure	251	565
Commission and other income	11	44

**10. Shareholders**

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

	<b>30-Sep-09</b>	30-Sep-08
	<b>RO' 000</b>	RO' 000
Royal Court Affairs	26,754	26,754
Dubai Financial Group LLC	16,157	16,157
	<b><u>42,911</u></b>	<b><u>42,911</u></b>

**11. Contingent liabilities**

Letters of Credit	278,770	574,158
Guarantees	674,440	564,791
	<b><u>953,209</u></b>	<b><u>1,138,949</u></b>

**12. Forwards and options**
**Forwards**

- Sales	1,901,020	5,026,541
- Purchases	1,914,470	5,005,754

**Options**

- Sales	28,211	33,117
- Purchases	33,522	40,420

**13. Comparative Figures**

The corresponding figures for 2008 included for comparative purposes have been reclassified to conform with the presentation in the current year.