

Directors' Report

On behalf of the Board of Directors, I take pleasure in placing before you the results of the Company for the six month period ended 30 June 2016.

Economic environment

The local economic environment has seen some softening as a result of the low oil prices. While confidence in the local financial system remains comfortable, domestic liquidity has remained tighter and the borrowing rates have increased. Tight liquidity combined with a decline in new project investments will result in a more difficult economic environment going forward.

Over the medium term, while still having substantial reliance on oil revenues, the fundamental positive aspects of a young population, improving inflation, education and geographical location of Oman will enable growth of the economy in the non-oil segments. We expect continued growth during this transformation which will last several years.

Operating performance

The Company continues to adopt a conservative approach to credit approvals as a result of a perception of heightened credit risk over the last few years. Within this policy, our approach has been to target customers who satisfy our credit risk appetite. We anticipate moderate growth in our credit off take in the medium term with a need to balance growth against decreased margins and higher focus on collections.

Your company continues to follow a prudent provisioning policy based on its assessment of the risks inherent in its portfolio and is in full compliance with provisioning norms prescribed by the Central Bank of Oman and the International Financial Reporting Standards. The company added credit provisions of Rials 993K in H1, 2016 (Rials 897K in H1, 2015).

As a result of our business acquisition efforts, net investment in financing activities increased to Rials 190.23M as on 30 June 2016 (Rials 185.50M as on 31 December 2015). Overall, the Company's net profit was Rials 2.78M for the six months ended 30 June 2016 and flat compared to last year's corresponding profit of Rials 2.77M.

While the low global and regional growth forecast for the medium term combined with the sustained drop in oil prices is expected to create stress on the liquidity and funding costs, the company is well positioned to deal with the changing business environment as a result of its strong financial position, well established processes, well trained personnel and long experience in this business.

Other Matters

Your Company remains committed to upgrading the skills of its employees through training and development. As of 30 June 2016 the Omanisation level stood at 83.4% which continued to be higher than the minimum prescribed for finance and leasing companies. The company continues to remain committed to providing increased exposure and training to Omani staff to prepare them for higher responsibilities.

Hani Muhammad Al Zubair
Deputy Chairman

NATIONAL FINANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

	Note	Quarter ended 30 June 2016 Rials '000	Six months ended 30 June 2016 Rials '000	Quarter ended 30 June 2015 Rials '000	Six months ended 30 June 2015 Rials '000
Finance income		4,180	8,362	3,887	7,727
Interest expense		(1,212)	(2,263)	(920)	(1,849)
Net finance income		2,968	6,099	2,967	5,878
Other income	8	247	535	227	440
Net operating income		3,215	6,634	3,194	6,318
Expenses					
General and administrative expenses	9	(1,151)	(2,307)	(1,100)	(2,204)
Depreciation	15	(40)	(78)	(33)	(60)
Profit before impairment		2,024	4,249	2,061	4,054
Impairment of financing receivables - net	13(b)	(441)	(993)	(466)	(897)
Bad debts written back / (off)		7	22	(3)	-
Profit before taxation		1,590	3,278	1,592	3,157
Taxation	10	(241)	(497)	(192)	(380)
Profit for the period		1,349	2,781	1,400	2,777
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain on revaluation of building – net of tax		-	-	-	264
Incremental depreciation – net of tax		7	13	7	9
Revaluation of land and buildings		7	13	7	273
Total comprehensive income for the period		1,356	2,794	1,407	3,050
Earnings per share (Rials)	11	0.006	0.012	0.005	0.010

The notes on pages 6 to 13 form an integral part of this unaudited condensed interim financial information.

The review report is set forth on page 1.

NATIONAL FINANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	30 June 2016 Rials '000 Unaudited	30 June 2015 Rials '000 Unaudited	31 December 2015 Rials '000 Audited
Assets				
Cash and bank balances		3,470	1,747	806
Statutory deposit	12	210	170	210
Net investment in financing activities	13	190,233	170,263	185,503
Deferred tax asset – net	10	648	564	623
Advances and prepayments		1,813	1,758	1,604
Property pending sale	14	-	96	84
Property and equipment	15	1,477	1,450	1,481
Total assets		197,851	176,048	190,311
Equity and Liabilities				
Equity				
Share capital	16	27,113	26,323	26,323
Revaluation reserve		880	906	893
Legal reserve		4,158	3,556	4,158
Retained earnings		9,936	8,435	11,090
Total equity		42,087	39,220	42,464
Liabilities				
Creditors and accruals	17	5,584	6,055	5,618
Staff terminal benefits		609	544	583
Current tax liability	10	625	422	907
Bank borrowings	18	134,230	112,583	126,877
Fixed deposits	20	14,716	17,224	13,862
Total liabilities		155,764	136,828	147,847
Total equity and liabilities		197,851	176,048	190,311
Net assets per share		0.155	0.149	0.161

This unaudited condensed interim financial information from page 2 to 13 were approved and authorised for issue in accordance with a resolution of the Board of Directors on 20th July 2016 and signed on their behalf by:

HANI MUHAMMAD AL ZUBAIR
DEPUTY CHAIRMAN

ROBERT PANCRAS
CHIEF EXECUTIVE OFFICER

The notes and other explanatory information on pages 6 to 13 form an integral part of this unaudited condensed interim financial information.

Review report is set forth on page 1.

NATIONAL FINANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

	Share capital Rials '000	Revaluation reserve Rials '000	Legal reserve Rials '000	Retained earnings Rials '000	Total Rials '000
1 January 2016	26,323	893	4,158	11,090	42,464
Comprehensive income:					
Profit for the period	-	-	-	2,781	2,781
Other comprehensive income:					
Incremental depreciation – net of tax	-	(13)	-	13	-
Transactions with owners:					
Dividend paid	-	-	-	(3,158)	(3,158)
Stock dividend	790	-	-	(790)	-
30 June 2016 (Unaudited)	27,113	880	4,158	9,936	42,087
1 January 2015	25,681	651	3,556	8,859	38,747
Comprehensive income:					
Profit for the period	-	-	-	2,777	2,777
Other comprehensive income:					
Transfer to retained earnings – net of tax	-	(9)	-	9	-
Gain on revaluation of buildings - net of tax	-	264	-	-	264
Transactions with owners:					
Cash dividend paid	-	-	-	(2,568)	(2,568)
Stock dividend	642	-	-	(642)	-
30 June 2015 (Unaudited)	26,323	906	3,556	8,435	39,220
1 January 2015	25,681	651	3,556	8,859	38,747
Comprehensive income:					
Profit for the year	-	-	-	6,021	6,021
Other comprehensive income:					
Transfer to retained earnings - net of tax	-	(22)	-	22	-
Gain on revaluation of buildings - net of tax	-	264	-	-	264
Transactions with owners:					
Transfer to legal reserve	-	-	602	(602)	-
Stock dividend	642	-	-	(642)	-
Cash dividend paid	-	-	-	(2,568)	(2,568)
31 December 2015 (Audited)	26,323	893	4,158	11,090	42,464

The notes on pages 6 to 13 form an integral part of this unaudited condensed interim financial information.

The review report is set forth on page 1.

NATIONAL FINANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016

	Six months ended 30 June 2016 Rials '000	Six months ended 30 June 2015 Rials '000
Operating activities		
Profit before taxation	3,278	3,157
Adjustments for:		
Depreciation	78	60
Provision for end of service benefits	70	74
Impairment of lease receivables – net	993	897
(Profit)/Loss on sale of property pending sale	(24)	(10)
Bad Debts written off / (back)	(22)	-
Interest expense	2,263	1,849
Operating cash flows before end of service benefits paid and changes in operating assets and liabilities	6,636	6,047
End of service benefits paid	(44)	(72)
Changes in operating assets and liabilities		
Net investment in financing activities	(5,701)	(10,921)
Advances and prepayments	(209)	(110)
Creditors and accruals	(34)	1,450
Interest paid	(2,057)	(1,798)
Income tax paid	(804)	(879)
Net cash used in operating activities	(2,213)	(5,653)
Cash flows from investing activities		
Proceeds from sale of property pending sale	108	25
Purchase of property and equipment	(74)	(56)
Net cash from investing activities	34	(31)
Cash flows from financing activities		
Bank borrowings	7,751	11,443
Fixed deposits repaid	778	(2,387)
Dividend paid	(3,158)	(2,568)
Net cash generated from financing activities	5,371	6,488
Net change in cash and cash equivalents during the period	3,192	804
Cash and cash equivalents at the beginning of the period	(247)	848
Cash and cash equivalents at the end of the period (note 19)	2,945	1,652

The notes on pages 6 to 13 form an integral part of this unaudited condensed interim financial information.

The review report is set forth on page 1.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016****1 Legal status and principal activities**

National Finance Company SAOG (the Company) is an Omani joint stock company registered under the Commercial Companies Law of the Sultanate of Oman and has a primary listing on the Muscat Security Market. The principal activity of the Company is leasing business.

2 Summary of significant accounting policies

This unaudited condensed interim financial information (interim financial information) as at and for the six months period ended 30 June 2016 has been prepared in accordance with IAS 34, 'Interim financial reporting' and in compliance with the applicable provisions of the Rules and Guidelines on Disclosure by Issuers of Securities and Insider Trading ('R&G') issued by the Capital Market Authority ('CMA') of the Sultanate of Oman and the Commercial Companies Law of 1974, as amended. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards ('IFRSs').

3 Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

(a) Standards, amendments and interpretation effective in 2016

For the period ended 30 June 2016, the Company has adopted all of 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 to its operations and effective for periods beginning on 1 January 2016.

The adoption of those standards and interpretations has not resulted in changes to the Company's accounting policies and has not affected the amounts reported for the current period.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing this unaudited condensed interim financial information. None of these is expected to have a significant effect on the unaudited condensed interim financial information of the Company, except the following set out below:

- IFRS 9, 'Financial instruments' (effective on or after 1 January 2018), addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39; and
- IFRS 15, 'Revenues from contracts with customers', effective for annual periods beginning on or after 1 January 2018.
- IFRS 16, Leases specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019.

The Company is in the process of assessing the potential impact of these standards on the financial statements

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016 (continued)**

4 Accounting estimates

The preparation of condensed interim financial information 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 this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

5 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The condensed interim financial information does not include all financial 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 2015. There have been no changes in the risk management policies since year end.

6 Operating segment information

The Company has only one reportable segment namely, leasing activities, all of which are carried out in the Sultanate of Oman. Although the Company has individual and corporate customers, the entire lease portfolio is managed internally as one operating segment. All the Company's funding and costs are common and are not shared between these two portfolios. All relevant information relating to this reportable segment is disclosed in the unaudited condensed interim statement of financial position, unaudited condensed interim statement of comprehensive income and notes to the interim financial information.

7 Dividends

The shareholders in the Annual General Meeting held on 27 March 2016 approved a cash dividend of 12% amounting to Rials 3.16 million for the year ended 31 December 2015 (2014 - cash dividend of 10% amounting to Rials 2.57 million for FY-2014) which was paid on 3 April 2016 to Muscat Clearing & Depository Company for distribution to the shareholders and bonus shares of 3% amounting to 7,896,855 shares (2014 - 6,420,207 shares).

8 Other income

	Quarter ended 30 June 2016 Rials '000	Six months ended 30 June 2016 Rials '000	Quarter ended 30 June 2015 Rials '000	Six months ended 30 June 2015 Rials '000
Penal charges received	60	123	64	138
Income from pre-closed leases	59	124	51	101
Miscellaneous income	128	288	112	201
	<u>247</u>	<u>535</u>	<u>227</u>	<u>440</u>

9 General and administrative expenses

	Quarter ended 30 June 2016 Rials '000	Six months ended 30 June 2016 Rials '000	Quarter ended 30 June 2015 Rials '000	Six months ended 30 June 2015 Rials '000
Employee related expenses	872	1,765	839	1,680
Occupancy costs	17	33	15	30
Communication costs	27	56	32	56
Professional fees	43	83	21	84
Advertising and sales promotion	17	35	21	41
Directors' sitting fees	11	21	10	20
Directors' remuneration	42	83	48	85
Other office expenses	122	231	114	208
	<u>1,151</u>	<u>2,307</u>	<u>1,100</u>	<u>2,204</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016 (continued)**

10 Taxation

The Company has applied an income tax rate of 15% on the taxable profits even though the proposed amendment in the rates is pending Government approval.(2015 - 12% on taxable profits in excess of Rials30,000). The reconciliation between the tax expense and the profit before taxation is as follows:

	Quarter ended 30 June 2016 Rials '000	Six months ended 30 June 2016 Rials '000	Quarter ended 30 June 2015 Rials '000	Six months ended 30 June 2015 Rials '000
Profit before taxation	1,590	3,278	1,592	3,157
Income tax expense computed at applicable tax rates	239	492	191	375
Others	2	5	1	5
Taxation expense	<u>241</u>	<u>497</u>	<u>192</u>	<u>380</u>

Tax liabilities

	30June 2016 Rials '000	30June 2015 Rials '000	31 December 2015 Rials '000
Deferred tax asset	768	688	745
Deferred tax liability	(120)	(124)	(122)
	<u>648</u>	<u>564</u>	<u>623</u>

Tax assessments up to year 2009 are complete and agreed with the taxation authority. Assessments of the Company for tax years 2010 to 2015 are subject to agreement with the Oman Taxation Authorities. The Directors of are of the opinion that the additional taxes assessed in respect of open tax assessments, if any, would not be material to the Company's financial position as at 30 June 2016.

11 Earnings per share

The calculation of earnings per share is as follows:

	Quarter ended 30 June 2016 Rials '000	Six months ended 30 June 2016 Rials '000	Quarter ended 30 June 2015 Rials '000	Six months ended 30 June 2015 Rials '000
Profit for the period attributable to ordinary shareholders	1,590	3,278	1,400	2,777
Number of shares ('000)	271,125	271,125	271,125	271,125
Earnings per share (Rials)	<u>0.006</u>	<u>0.012</u>	<u>0.005</u>	<u>0.010</u>

Net assets per share and earnings per share at and for the six months period ended 30 June 2016 have been calculated using weighted average shares outstanding for the period. The weighted average shares outstanding for the six months period ended 30 June 2016 are 271,125,365 shares (30 June 2015 were 263,228,510 shares).

12 Statutory deposit

The Company is required to maintain a deposit of Rials210,000 (June2015– Rials 170,000 and December2015– Rials210,000) with the Central Bank of Oman (CBO) in accordance with the applicable licensing requirements. During the period, the deposit earned interest at the rate of 1% per annum (2015–1%).

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016 (continued)**

13 Net investment in financing activities

	30 June 2016 Rials '000	30 June 2015 Rials '000	31 December 2015 Rials '000
Gross investment in finance leases	228,113	205,456	219,549
Working capital finance	7,589	6,281	9,102
Unearned finance income	(32,546)	(29,480)	(31,320)
	203,156	182,257	197,331
Provision for impairment of lease receivable	(11,878)	(10,923)	(10,885)
Unrecognised contractual income	(1,045)	(1,071)	(943)
	190,233	170,263	185,503

(a) *Unearned finance income:*

	30 June 2016 Rials '000	30 June 2015 Rials '000	31 December 2015 Rials '000
Opening balance	31,320	28,377	28,377
Additions during the period/year	9,588	8,830	18,822
Recognised during the period/year	(8,362)	(7,727)	(15,879)
Closing balance	32,546	29,480	31,320

(b) *Provision for impairment of lease receivable:*

	30 June 2016 Rials '000	30 June 2015 Rials '000	31 December 2015 Rials '000
Opening balance	10,885	10,026	10,026
Provided during the period/year	1,555	1,541	2,523
Released during the period/year	(562)	(644)	(847)
Written off during the period/year	-	-	(817)
Closing balance	11,878	10,923	10,885

(c) *Unrecognised contractual income:*

	30 June 2016 Rials '000	30 June 2015 Rials '000	31 December 2015 Rials '000
Opening balance	943	1,006	1,006
Additions during the period/year	236	226	319
Recognised during the period/year	(134)	(161)	(382)
Closing balance	1,045	1,071	943

(d) Contractual income is not recognised by the Company on impaired finance leases to comply with the rules, regulations and guidelines issued by the Central Bank of Oman. As at 30 June 2016, net investment in financing leases where contractual income has not been recognised was Rials 11.44 million (30 June 2015- Rials 11.5 million, 31 December 2015- Rials 9.95 million).

14 Property pending sale

Property pending sale represents land and buildings acquired by the Company in part settlement of amounts due by borrower following the conclusion of all credit recovery procedures available to the Company. These properties are shown at the lower of cost and net realisable value.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016 (continued)

15 Property and equipment

	Freehold land Rials '000	Buildings Rials '000	Furniture, fixtures and equipment Rials '000	Motor vehicles Rials '000	Total Rials '000
At 30 June 2016					
Cost or valuation					
At 1 January 2016	955	600	1,419	145	3,119
Additions	-	-	74	-	74
At 30 June 2016	955	600	1,493	145	3,193
Accumulated depreciation					
At 1 January 2016	-	323	1,171	144	1,638
Charge for the period	-	15	63	-	78
At 30 June 2016	-	338	1,234	144	1,716
Net book value					
At 30 June 2016	955	262	259	1	1,477
At 30 June 2015					
Cost or valuation					
At 1 January 2015	955	300	1,271	145	2,671
Additions	-	-	56	-	56
Gain on revaluation	-	300	-	-	300
At 30 June 2015	955	600	1,327	145	3,027
Accumulated depreciation					
At 1 January 2015	-	298	1,075	144	1,517
Charge for the period	-	10	50	-	60
At 30 June 2015	-	308	1,125	144	1,577
Net book value					
At 30 June 2015	955	292	202	1	1,450
At 31 December 2015					
Cost or valuation					
At 1 January 2015	955	300	1,271	145	2,671
Additions	-	-	154	-	154
Disposals	-	-	(6)	-	(6)
Revaluation	-	300	-	-	300
At 31 December 2015	955	600	1,419	145	3,119
Accumulated depreciation					
At 1 January 2015	-	298	1,075	144	1,517
Charge for the year	-	25	102	-	127
Disposals	-	-	(6)	-	(6)
At 31 December 2015	-	323	1,171	144	1,638
Net book value					
At 31 December 2015	955	277	248	1	1,481

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016 (continued)**

16 Share capital

The authorised share capital of the Company comprises 300,000,000 ordinary shares of baizas 100 each (30 June and 31 December 2015 - 300,000,000 ordinary shares of baizas 100 each). The Company's issued and fully paid-up share capital amounts to 271,125,365 ordinary shares of baizas 100 each (30 June and 31 December 2015 - 263,228,510 ordinary shares of baizas 100 each).

17 Creditors and accruals

	30 June 2016 Rials '000	30 June 2015 Rials '000	31 December 2015 Rials '000
Creditors	4,537	5,188	4,205
Accruals and other liabilities	1,047	867	1,413
	5,584	6,055	5,618

18 Bank borrowings

	30 June 2016 Rials '000	30 June 2015 Rials '000	31 December 2015 Rials '000
Overdrafts	525	95	1,053
Short-term loans	49,125	44,014	46,104
Current portion of long-term loans	36,030	28,763	25,809
Long-term loans	48,550	39,711	53,911
	134,230	112,583	126,877

19 Cash and cash equivalents

	30 June 2016 Rials '000	30 June 2015 Rials '000	31 December 2015 Rials '000
Cash and bank balances	3,470	1,747	806
Bank overdrafts	(525)	(95)	(1,053)
	2,945	1,652	(247)

20 Fixed deposits

The Company has fixed deposits from corporate entities based in Oman amounting to Rials 14.7 million, (30 June 2015-Rials 17.2 million and 31 December 2015-Rials 13.9 million) with tenures ranging from 1 to 5 years, as per guidelines issued by the Central Bank of Oman. These deposits carry interest rates between 2.3% to 5.2% (30 June 2015-2.1% to 4.35% and 31 December 2015-2.1% and 4.25%) per annum. The carrying amount includes interest accrued till the end of the reporting period.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016 (continued)**

21 Related parties

The Company entered into transactions with entities over which certain directors are able to exert significant influence. Such transactions are at mutually agreed terms. Significant related party transactions during the period were as follows:

	Sixmonths ended 30 June 2016 Rials '000	Sixmonths ended 30 June 2015 Rials '000
General and administration overheads	1	1
Sales Incentive paid	98	130
Payments to directors (note 9)		
Sitting fees	21	20
Remuneration	83	85
	104	105
Period end balances		
Net investment in financing activities	5	18
Remuneration to key members of management during the period		
Salaries and other benefits (top 5 employees)	447	376
Advances and net investment in leases	32	34

22 Maturity analysis of significant assets and liabilities

At 30 JUNE 2016	Up to 1 month Rials '000	> 1 month to 1 year Rials '000	> 1 year Rials '000	Non-fixed maturity Rials '000	Total Rials '000
Assets					
Cash and bank balances	3,470	-	-	-	3,470
Statutory deposit	-	-	-	210	210
Net investment in financing activities	5,570	66,676	117,987	-	190,233
Advances and prepayments	-	1,813	-	-	1,813
Property pending sale	-	-	-	-	-
Tax asset	-	-	-	648	648
Property and equipment	-	-	-	1,477	1,477
Total assets	9,040	68,489	117,987	2,335	197,851
Equity					
Equity	-	-	-	42,087	42,087
Liabilities					
Bank borrowings and fixed deposits	21,580	73,218	54,148	-	148,946
Creditors and accruals	5,584	-	-	-	5,584
Tax Liabilities	-	-	-	625	625
Staff terminal benefits	-	-	-	609	609
Total equity and liabilities	27,164	73,218	54,148	43,321	197,851
Liquidity gap	(18,124)	(4,729)	63,839	(40,986)	
Cumulative liquidity gap	(18,124)	(22,853)	40,986		

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2016 (continued)**

22 Maturity analysis of significant assets and liabilities(continued)

At 30 June 2015	Up to 1 month Rials '000	> 1 month to 1 year Rials '000	> 1 year Rials '000	Non-fixed maturity Rials '000	Total Rials '000
Assets					
Cash and bank balances	1,747	-	-	-	1,747
Statutory deposit	-	-	-	170	170
Net investment in financing activities	5,413	54,122	110,728	-	170,263
Tax Asset - Net	-	1,758	-	-	1,758
Advances and prepayments	-	96	-	-	96
Property pending sale	-	142	-	-	142
Property and equipment	-	-	-	1,450	1,450
Total assets	7,160	56,118	110,728	1,620	175,626
Equity					
Equity	-	-	-	39,220	39,220
Liabilities					
Bank borrowings and fixed deposits	23,340	60,718	45,749	-	129,807
Creditors and accruals	6,055	-	-	544	6,599
Tax liability	-	-	-	-	-
Total equity and liabilities	29,395	60,718	45,749	39,764	175,626
Liquidity gap	(22,235)	(4,600)	64,979	(38,144)	
Cumulative liquidity gap	(22,235)	(26,835)	38,144	-	

At 31 December 2015	Up to 1 month Rials '000	> 1 month to 1 year Rials '000	> 1 year Rials '000	Non-fixed maturity Rials '000	Total Rials '000
Assets					
Cash and bank balances	806	-	-	-	806
Statutory deposit	-	-	-	210	210
Net investment in financing activities	5,430	67,877	112,196	-	185,503
Advances and prepayments	-	1,604	-	-	1,604
Tax Asset - Net	-	-	-	623	623
Property pending sale	-	84	-	-	84
Property and equipment	-	-	-	1,481	1,481
Total assets	6,236	69,565	112,196	2,314	190,311
Equity and Liabilities					
Equity	-	-	-	42,464	42,464
Liabilities					
Bank borrowings and fixed deposit	29,433	54,484	56,822	-	140,739
Creditors and accruals	5,618	-	-	-	5,618
Staff terminal benefits	-	261	-	322	583
Tax liabilities	-	907	-	-	907
Total equity and liabilities	35,051	55,652	56,822	42,163	190,311
Liquidity gap	(28,815)	13,913	55,374	(40,472)	
Cumulative liquidity gap	(28,815)	(14,902)	40,472	-	