

DIRECTORS' REPORT

On behalf of the Board of Directors, I take pleasure in placing before you the results of the Company for the nine months period ended 30 September 2010.

Economy and Business Environment

Oman expects to run a comfortable budget surplus as a result of favourable oil price realisations. Project commitments continue to be announced by the Government in infrastructure, tourism, oil and services. It is expected that mobilizations of these projects over the next several months will cause an improvement in confidence in both the consumption and business sectors.

Operating performance

Net investment in finance leases increased to Rials 76.7 million as on 30 September 2010 (Rials 69.5 million as on 31 December 2009). This was due to increased disbursements in both the Retail and SME segments.

Overall, the Company achieved a net profit of Rials 1,512K for the nine months ended 30 September 2010 (Rials 1,876K for the same period in 2009, which includes post tax profit of Rials 428K towards sale of property held for sale).

Future outlook

We have seen some pick up in business during the holy month of Ramadhan in the retail automobile segment. However, the overall business environment continues to remain challenging with moderate market growth and considerable competition. SME customers continue to face challenges arising out of a tepid business cycle. On a positive note, the financial system is quite liquid and we do expect our banking partners to retain sufficient liquidity.

Your company is equipped to face these challenges and is taking appropriate actions to manage the risk arising therefrom. The well-defined policies and procedures, strong channels of communication and customer relationships, experienced and result oriented management and staff will enable the company to deal with the challenges of a rapidly changing global and local economy.

Other Matters

The company continued its training efforts for its personnel. As of 30 September 2010 the Omanisation level stood at 68% 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.

Taya Bin Jandal Bin Ali
Chairman

27 October 2010

NATIONAL FINANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

| | Note | Quarter ended 30 September 2010 Rials '000 | Nine Months ended 30 September 2010 Rials '000 | Quarter ended 30 September 2009 Rials '000 | Nine Months ended 30 September 2009 Rials '000 |
|---|------|---|--|---|--|
| Revenue | | | | | |
| Income from financing activities | | 1,999 | 5,855 | 1,923 | 6,057 |
| Interest expense | | (758) | (2,287) | (953) | (2,908) |
| Net Finance Income | | 1,241 | 3,568 | 970 | 3,149 |
| Other income | 3 | 130 | 445 | 130 | 409 |
| Operating Income | | 1,371 | 4,013 | 1,100 | 3,558 |
| Income from sale of fixed asset | | - | - | - | 486 |
| Net Operating Income | | 1,371 | 4,013 | 1,100 | 4,044 |
| Expenses | | | | | |
| General and administrative expenses | 4 | (482) | (1,571) | (419) | (1,450) |
| Depreciation on property and equipment | 11 | (30) | (92) | (31) | (90) |
| Profit before provisions | | 859 | 2,350 | 650 | 2,504 |
| Provision for impairment of lease receivables – net | 9 | (277) | (748) | (148) | (358) |
| Bad debts written (off) / back | | 98 | 115 | (1) | (9) |
| Profit before taxation | | 680 | 1,717 | 501 | 2,137 |
| Taxation | 5 | (81) | (205) | (62) | (261) |
| Profit for the period | | 599 | 1,512 | 439 | 1,876 |
| Revaluation of land & building | | 6 | 20 | 6 | 20 |
| Total Comprehensive income for the period | | 605 | 1,532 | 445 | 1,896 |
| Earnings per share (Rials) | 6 | 0.004 | 0.010 | 0.003 | 0.012 |

The notes on pages 6 to 12 form an integral part of these condensed interim financial statements.

The review report is set forth on page 1.

NATIONAL FINANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT

| | | 30 September 2010 | 30 September 2009 | 31 December 2009 |
|-------------------------------------|-------------|------------------------------|----------------------|---------------------|
| | Note | Rials'000 | Rials'000 | Rials'000 |
| Assets | | | | |
| Cash and bank balances | | 491 | 560 | 292 |
| Statutory deposit | 8 | 50 | 50 | 50 |
| Net investment in finance leases | 9 | 76,656 | 69,810 | 69,172 |
| Working capital finance | | 206 | - | - |
| Advances and prepayments | | 928 | 1,214 | 924 |
| Property pending sale | 10 | 124 | 28 | 28 |
| Deferred tax asset | | 573 | 748 | 484 |
| Property and equipment | 11 | 1,138 | 1,194 | 1,200 |
| Total assets | | 80,166 | 73,604 | 72,150 |
| Equity | | | | |
| Share capital | 12 | 15,133 | 12,611 | 12,611 |
| Revaluation reserve | | 741 | 767 | 761 |
| Legal reserve | | 1,558 | 1,326 | 1,558 |
| Foreign currency reserve | | 153 | 153 | 153 |
| Retained earnings | | 2,711 | 3,482 | 3,701 |
| Total equity | | 20,296 | 18,339 | 18,784 |
| Liabilities | | | | |
| Creditors and accruals | 13 | 6,656 | 2,554 | 3,076 |
| Staff terminal benefits | | 316 | 240 | 257 |
| Provision for income tax | | 502 | 434 | 240 |
| Bank borrowings | 14 | 38,597 | 44,625 | 42,380 |
| Fixed deposits | 15 | 13,616 | 7,220 | 7,229 |
| Deferred tax liability | | 183 | 192 | 184 |
| Total liabilities | | 59,870 | 55,265 | 53,366 |
| Total equity and liabilities | | 80,166 | 73,604 | 72,150 |
| Net Assets per share | | 0.134 | 0.121 | 0.124 |

These unaudited condensed interim financial statements were approved and authorised for issue in accordance with a resolution of the Directors on 27 October 2010 and signed on their behalf by:

TAYA BIN JANDAL BIN ALI
CHAIRMAN

ROBERT PANCRAS
CHIEF EXECUTIVE OFFICER

The notes on pages 6 to 12 form an integral part of these condensed interim financial statements.

The review report is set forth on page 1.

NATIONAL FINANCE COMPANY SAOG
UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2010

| | Share capital Rials'000 | Share Premium Rials'000 | Revaluation reserve Rials'000 | Legal reserve Rials'000 | Foreign currency reserve Rials'000 | Retained earnings Rials'000 | Total Rials'000 |
|--|-------------------------------|-------------------------------|-------------------------------------|-------------------------------|---|-----------------------------------|--------------------|
| January 1, 2010 | 12,611 | - | 761 | 1,558 | 153 | 3,701 | 18,784 |
| <i>Total comprehensive income for the period</i> | | | | | | | |
| Profit for the period | - | - | - | - | - | 1,512 | 1,512 |
| Transfer to retained earnings | - | - | (20) | - | - | 20 | - |
| <i>Transaction with shareholders recorded directly in equity</i> | | | | | | | |
| Issue of Bonus Shares | 2,522 | - | - | - | - | (2,522) | - |
| September 30, 2010 | 15,133 | - | 741 | 1,558 | 153 | 2,711 | 20,296 |
| | | | | | | | |
| January 1, 2009 | 11,465 | 937 | 787 | 1,326 | 153 | 2,942 | 17,610 |
| <i>Total comprehensive income for the period</i> | | | | | | | |
| Profit for the period | - | - | - | - | - | 1,876 | 1,876 |
| Transfer to retained earnings | - | - | (20) | - | - | 20 | - |
| <i>Transaction with shareholders recorded directly in equity</i> | | | | | | | |
| Dividend paid | - | - | - | - | - | (1,147) | (1,147) |
| Issue of Bonus Shares | 1,146 | (937) | - | - | - | (209) | - |
| September 30, 2009 | 12,611 | - | 767 | 1,326 | 153 | 3,482 | 18,339 |
| | | | | | | | |
| January 1, 2009 | 11,465 | 937 | 787 | 1,326 | 153 | 2,942 | 17,610 |
| <i>Total comprehensive income for the period</i> | | | | | | | |
| Profit for the period | - | - | - | - | - | 2,321 | 2,321 |
| Transfer to retained earnings | - | - | (26) | - | - | 26 | - |
| <i>Transaction with shareholders recorded directly in equity</i> | | | | | | | |
| Dividend paid | - | - | - | - | - | (1,147) | (1,147) |
| Issue of Bonus Shares | 1,146 | (937) | - | - | - | (209) | - |
| Transfer to legal reserve | - | - | - | 232 | - | (232) | - |
| December 31, 2009 | 12,611 | - | 761 | 1,558 | 153 | 3,701 | 18,784 |

The notes on pages 6 to 12 form an integral part of these condensed interim financial statements.
The review report is set forth on page 1.

NATIONAL FINANCE COMPANY SAOG

UNAUDITED CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED

| | Nine Months ended 30 September 2010 Rials '000 | Nine Months ending 30 September 2009 Rials '000 |
|---|--|---|
| Operating activities | | |
| Profit before taxation | 1,717 | 2,137 |
| Adjustments for: | | |
| Depreciation | 92 | 90 |
| Provision for end of service benefits | 79 | 77 |
| Profit on sale of property pending sale | - | (486) |
| Provision for impairment of lease receivables | 979 | 333 |
| Bad debts written off /(back) | (115) | 9 |
| Interest expense | 2,287 | 2,908 |
| Operating profit before working capital changes and payment of end of service benefits | 5,039 | 5,068 |
| End of service benefits paid | (20) | (19) |
| Changes in operating assets and liabilities | | |
| Investment in finance leases | (8,347) | 6,015 |
| Working capital finance | (206) | |
| Advances and prepayments | (3) | 760 |
| Creditors and accruals | 3,580 | (828) |
| Interest paid | (2,287) | (2,908) |
| Income tax paid | (35) | (441) |
| Net cash flow (used in)/from operating activities | (2,279) | 7,647 |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (30) | (42) |
| Purchase of collateral asset | (96) | (28) |
| Sale of property | - | 463 |
| Net cash flow (used in) / from investing activities | (126) | 393 |
| Cash flows from financing activities | | |
| Bank borrowings (net) | (3,697) | (3,839) |
| Fixed deposits (net) | 6,387 | (2,985) |
| Dividend paid | - | (1,146) |
| Net cash flow from / used in financing activities | 2,690 | (7,970) |
| Net change in cash and cash equivalents | 285 | 70 |
| Cash and cash equivalents at the beginning of the period | (268) | (90) |
| Cash and cash equivalents at the end of the period | 17 | (20) |

The notes on pages 6 to 12 form an integral part of these condensed interim financial statements.

The review report is set forth on page 1.

NATIONAL FINANCE COMPANY SAOG

Notes

(forming part of the financial statements)

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. The Company derives all of its income from leasing operations within the Sultanate of Oman.

2 Summary of significant accounting policies

The principal accounting policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

These unaudited condensed interim financial statements are prepared on the historical cost basis, as modified by the revaluation of land and buildings and in accordance with International Financial Reporting Standards (IFRS) and comply with the disclosure requirements set out in the "Rules and Guidelines on Disclosure by issuer of Securities and Insider Trading" issued by the Capital Market Authority (CMA) of the Sultanate of Oman.

These unaudited condensed interim financial statements do not include all the information required for full annual financial statements, and should be read in conjunction with the full audited financial statements of the Company as at and for the year ended 31 December 2009.

The accounting policies applied by the Company in these condensed interim financial statements are consistent with those applied by the Company in its audited financial statements for the year ended 31 December 2009.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

3 Other income

| | Quarter ended 30 September 2010 Rials '000 | Nine Months ended 30 September 2010 Rials '000 | Quarter ended 30 September 2009 Rials '000 | Nine Months ended 30 September 2009 Rials '000 |
|-------------------------------|---|---|---|---|
| Penal Interest | 23 | 107 | 12 | 102 |
| Income from pre-closed leases | 56 | 202 | 64 | 198 |
| Miscellaneous income | 51 | 136 | 54 | 109 |
| | 130 | 445 | 130 | 409 |

NATIONAL FINANCE COMPANY SAOG**Notes***(forming part of the financial statements)***4 General and administrative expenses**

| | Quarter ended 30 September 2010 Rials '000 | Nine Months ended 30 September 2010 Rials '000 | Quarter ended 30 September 2009 Rials '000 | Nine Months ended 30 September 2009 Rials '000 |
|---------------------------------|---|---|---|---|
| Employee related expenses | 370 | 1,177 | 333 | 1,072 |
| Occupancy costs | 12 | 34 | 7 | 27 |
| Communication costs | 14 | 43 | 20 | 43 |
| Professional fees | 19 | 44 | - | 40 |
| Advertising and sales promotion | (10) | 27 | (11) | 48 |
| Directors' sitting fees | 4 | 12 | 4 | 12 |
| Directors' remuneration | 14 | 43 | - | 23 |
| Other office expenses | 59 | 191 | 66 | 185 |
| | <u>482</u> | <u>1,571</u> | <u>419</u> | <u>1,450</u> |

5 Income tax**Components of taxation for the period**

The Company is liable to income tax in accordance with the income tax law of the Sultanate of Oman at the tax rate of 12% on the taxable profits in excess of Rials 30,000. The reconciliation between the tax expense and the profit before taxation is as follows:

| | Quarter ended September 2010 Rials '000 | Nine months ended 30 September 2010 Rials '000 | Quarter ended 30 September 2009 Rials '000 | Nine Months ended 30 September 2009 Rials '000 |
|---------------------------------------|--|---|---|---|
| Profit before taxation | 681 | 1,717 | 502 | 2,137 |
| <i>Current tax</i> | | | | |
| - current period | 114 | 295 | 88 | 317 |
| <i>Deferred tax asset</i> | | | | |
| - current period | (33) | (90) | (18) | (43) |
| <i>Deferred tax liability</i> | | | | |
| - current period | - | - | (8) | (13) |
| Taxation charge for the period | <u>81</u> | <u>205</u> | <u>62</u> | <u>261</u> |

NATIONAL FINANCE COMPANY SAOG

Notes

(forming part of the financial statements)

6 Earnings per share

The calculation of earnings per share is as follows:

| | Quarter ended 30 September 2010 | Nine Months ended 30 September 2010 | Quarter ended 30 September 2009 | Nine Months ended 30 September 2009 |
|---|--|--|--|--|
| Earnings per share | | | | |
| Profit for the period attributable to ordinary shareholders (Rials'000) | 599 | 1,512 | 439 | 1,876 |
| Number of shares (Nos '000) | 151,331 | 151,331 | 151,331 | 151,331 |
| Earnings per share (Rial) | 0.004 | 0.010 | 0.003 | 0.012 |

Net assets per share and earnings per share at and for the quarter ended 30 September 2010 have been calculated using weighted average shares outstanding for the period. The weighted average shares outstanding for the quarter ended 30 September 2010 and 30 September 2009 were 151,331,626 shares and these include 25,221,938 bonus shares issued for nil consideration during March 2010.

7 Cash and cash equivalents

| | Nine months ended 30 September 2010 Rials'000 | Nine months ended 30 September 2009 Rials'000 | Year ended 31 December 2009 Rials'000 |
|-----------------------|--|---|--|
| Cash and bank balance | 491 | 560 | 292 |
| Overdraft | (474) | (580) | (560) |
| | <u>17</u> | <u>(20)</u> | <u>(268)</u> |

8 Statutory deposit

The Company is required to maintain a deposit of RO 50,000 (2009 – RO 50,000) 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 2% per annum (2009 – 2%).

9 Net investment in finance leases

| | Nine Months ended 30 September 2010 Rials'000 | Nine Months ended 30 September 2009 Rials'000 | Year ended 31 December 2009 Rials'000 |
|--|---|---|--|
| Net investment in finance leases | | | |
| Gross investment in finance leases | 95,482 | 89,110 | 85,811 |
| Unearned lease income | (13,589) | (12,452) | (12,266) |
| | <u>81,893</u> | <u>76,658</u> | <u>73,545</u> |
| Provision for impairment of lease receivable | (4,685) | (5,982) | (3,949) |
| Unrecognised contractual income | (552) | (866) | (424) |
| Net investment in finance leases | 76,656 | 69,810 | 69,172 |

NATIONAL FINANCE COMPANY SAOG**Notes***(forming part of the financial statements)***9 Net investment in finance leases (continued)**

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 September 2010, investment in leases where contractual income has not been recognised was Rials 6.37 M (30-09-2009 Rials 7.54M, 31-12-2009: Rials 5.09M).

(a) Unearned lease income

| | Nine months ended 30 September 2010 Rials '000 | Nine months ended 30 September 2009 Rials '000 | Year Ended 31 December 2009 Rials '000 |
|------------------------------|---|--|---|
| Opening balance | 12,266 | 15,024 | 15,024 |
| Additions during the period | 7,178 | 3,486 | 5,216 |
| Recognised during the period | (5,855) | (6,058) | (7,974) |
| Closing balance | <u>13,589</u> | <u>12,452</u> | <u>12,266</u> |

(b) Provision for impairment of lease receivables

| | Nine months ended 30 September 2010 Rials'000 | Nine months ended 30 September 2009 Rials'000 | Year Ended 31 December 2009 Rials'000 |
|------------------------------|--|---|--|
| Opening balance | 3,949 | 5,789 | 5,789 |
| Provided during the period | 1,106 | 783 | 950 |
| Released during the period | (358) | (425) | (430) |
| Write offs during the period | (12) | (165) | (2,360) |
| Closing balance | <u>4,685</u> | <u>5,982</u> | <u>3,949</u> |

(c) Unrecognised contractual income

| | Nine months ended 30 September 2010 Rials'000 | Nine months ended 30 September 2009 Rials'000 | Year Ended 31 December 2009 Rials'000 |
|--------------------------------|--|---|--|
| Opening balance | 424 | 717 | 717 |
| Unrecognised during the period | 194 | 222 | 214 |
| Recognised during the period | (66) | (73) | (507) |
| Closing balance | <u>552</u> | <u>866</u> | <u>424</u> |

NATIONAL FINANCE COMPANY SAOG**Notes***(forming part of the financial statements)***10 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. The property pending sale is shown at lower of cost and net realisable value.

11 Property and Equipment

| <i>At 30 September 2010</i> | Freehold land Rials'000 | Buildings Rials'000 | Furniture, fixtures and equipment Rials'000 | Motor vehicles Rials'000 | Total Rials'000 |
|---|------------------------------------|--------------------------------|--|---|----------------------------|
| Cost or valuation | | | | | |
| 01 January 2010 | 800 | 395 | 528 | 25 | 1,748 |
| Additions | - | - | 30 | - | 30 |
| Released on disposals | - | - | (7) | - | (7) |
| 30 September 2010 | 800 | 395 | 551 | 25 | 1,771 |
| Accumulated depreciation | | | | | |
| 01 January 2010 | - | 112 | 434 | 2 | 548 |
| Charge for the period | - | 42 | 44 | 6 | 92 |
| Released on disposals | - | - | (7) | - | (7) |
| 30 September 2010 | - | 154 | 470 | 8 | 633 |
| Net book value 30 September 2010 | 800 | 241 | 81 | 17 | 1,138 |
| <i>At 30 September 2009</i> | | | | | |
| 01-Jan-09 | 800 | 395 | 481 | 14 | 1690 |
| Revaluation Surplus | - | - | - | - | - |
| Additions | - | - | 42 | - | 42 |
| Released on disposals | - | - | - | - | - |
| 30-Sep-09 | 800 | 395 | 523 | 14 | 1,732 |
| Accumulated depreciation | | | | | |
| 01-Jan-09 | - | 56 | 378 | 14 | 448 |
| Charge for the period | - | 50 | 40 | - | 90 |
| 30-Sep-09 | - | 106 | 418 | 14 | 538 |
| Net book value 30-September-09 | 800 | 289 | 105 | - | 1,194 |
| <i>At 31 December 2009</i> | | | | | |
| Cost or valuation | | | | | |
| 01 January 2009 | 800 | 395 | 481 | 14 | 1690 |
| Additions | - | - | 47 | 25 | 72 |
| Released on disposals | - | - | - | (14) | (14) |
| 31 December 2009 | 800 | 395 | 528 | 25 | 1,748 |
| Accumulated depreciation | | | | | |
| 01 January 2009 | - | 56 | 378 | 14 | 448 |
| Charge for the year | - | 56 | 56 | 2 | 114 |
| Released on disposals | - | - | - | (14) | (14) |
| 31 December 2009 | - | 112 | 434 | 2 | 548 |
| Net book value 31 December 2009 | 800 | 283 | 94 | 23 | 1,200 |

NATIONAL FINANCE COMPANY SAOG**Notes***(forming part of the financial statements)***12 Share capital**

The authorised share capital of the Company comprises 300,000,000 (2009: 300,000,000) ordinary shares of 100 baizas each. The Company's issued and fully paid-up share capital amounts to 151,331,626 ordinary shares of 100 baizas per share (31 December 2009: 126,109,688 ordinary shares of 100 baizas each). During March 2010, as per resolution passed in the annual general meeting held on March 9, 2010, the issued and paid up capital was increased to Rials 15,133,162 by issue of 25,221,938 bonus shares.

13 Creditors and accruals

| | Nine months ended 30 September 2010 Rials'000 | Nine months ended 30 September 2009 Rials'000 | Year Ended 31 December 2009 Rials'000 |
|--------------------------------|--|---|--|
| Creditors | 6,088 | 2,177 | 2,097 |
| Accruals and other liabilities | 568 | 377 | 979 |
| | <u>6,656</u> | <u>2,554</u> | <u>3,076</u> |

14 Bank borrowings

| | Nine months ended 30 September 2010 Rials'000 | Nine months ended 30 September 2009 Rials'000 | Year Ended 31 December 2009 Rials'000 |
|------------------|--|---|--|
| Overdrafts | 474 | 580 | 560 |
| Short-term loans | 28,267 | 30,984 | 27,334 |
| Long-term loans | 9,856 | 13,061 | 14,486 |
| | <u>38,597</u> | <u>44,625</u> | <u>42,380</u> |

15 Fixed deposits

The Company has fixed deposits from corporate entities based in Oman in the amount of RO 13.6 million, with tenures ranging from 1 to 2 years, as per guidelines issued by the Central Bank of Oman. These deposits carry interest rates between 5.25% and 7.0% per annum. The carrying amount includes interest accrued till the end of the reporting period.

16 Related party transactions

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 nine months ended 30 September 2010 were as follows:

| | Nine months ended 30 September 2010 Rials'000 | Nine months ended 30 September 2009 Rials'000 |
|--|--|---|
| General and administrative expenses | 2 | 1 |
| Lease rentals paid for vehicles taken on operating lease | 21 | 27 |

NATIONAL FINANCE COMPANY SAOG

Notes

(forming part of the financial statements)

16 Related party transactions (continued)

| | Nine months ended 30 September 2010 Rials'000 | Nine months ended 30 September 2009 Rials'000 |
|--|---|---|
| <i>Payments to Directors</i> | | |
| Sitting fees | 12 | 12 |
| Proposed remuneration | 42 | 31 |
| Directors remuneration for previous year paid in current period | 60 | 41 |
| <i>Period end balances</i> | | |
| Net investment in finance lease | 157 | 225 |
| <i>Remuneration to key members of management during the period</i> | | |
| Salaries and other benefits (Top 5) | 307 | 278 |
| Advances & net investment in leases | 28 | 31 |

17 Maturity analysis of significant assets and liabilities

| At 30 September 2010 | Up to 1 month Rials'000 | > 1 month to 1 year Rials'000 | > 1 year to 5 years Rials'000 | Non-fixed maturity Rials'000 | Total Rials'000 |
|-------------------------------------|-------------------------------|-------------------------------------|-------------------------------------|------------------------------------|--------------------|
| Assets | | | | | |
| Cash and bank balances | 491 | - | - | - | 491 |
| Statutory deposit | - | - | - | 50 | 50 |
| Net investment in finance leases | 2,464 | 26,217 | 47,975 | - | 76,656 |
| Working Capital Finance | 206 | - | - | - | 206 |
| Advances and prepayments | 928 | - | - | - | 928 |
| Property pending sale | - | 124 | - | - | 124 |
| Deferred tax asset | - | - | - | 573 | 573 |
| Property and equipment | - | - | - | 1,138 | 1,138 |
| Total assets | <u>4,088</u> | <u>26,341</u> | <u>47,975</u> | <u>1,762</u> | <u>80,166</u> |
| Equity | | | | | |
| Equity | - | - | - | 20,296 | 20,296 |
| Liabilities | | | | | |
| Bank borrowings and fixed deposit | 6,762 | 34,592 | 10,859 | - | 52,213 |
| Creditors and accruals | 6,972 | - | - | - | 6,972 |
| Provision for income tax | - | 502 | - | - | 502 |
| Deferred tax liability | - | - | - | 183 | 183 |
| Total equity and liabilities | <u>13,734</u> | <u>35,094</u> | <u>10,859</u> | <u>20,479</u> | <u>80,166</u> |
| Liquidity gap | <u>(9,646)</u> | <u>(8,753)</u> | <u>37,116</u> | <u>(18,717)</u> | |
| Cumulative liquidity gap | <u>(9,646)</u> | <u>(18,399)</u> | <u>18,717</u> | | |

NATIONAL FINANCE COMPANY SAOG**Notes***(forming part of the financial statements)***17 Maturity analysis of significant assets and liabilities**

| At 31 December 2009 | Up to 1 month Rials'000 | > 1 month to 1 year Rials'000 | > 1 year to 5 years Rials'000 | Non-fixed maturity Rials'000 | Total Rials'000 |
|--------------------------------------|-------------------------------|-------------------------------------|-------------------------------------|------------------------------------|--------------------|
| Assets | | | | | |
| Cash and bank balances | 292 | - | - | - | 292 |
| Statutory deposit | - | - | - | 50 | 50 |
| Net investment in finance leases | 1,807 | 23,602 | 43,763 | - | 69,172 |
| Advances and prepayments | 924 | - | - | - | 924 |
| Property pending sale | - | 28 | - | - | 28 |
| Deferred tax asset | - | - | - | 484 | 484 |
| Property and equipment | - | - | - | <u>1,200</u> | <u>1,200</u> |
| Total assets | <u>3,023</u> | <u>23,630</u> | <u>43,763</u> | <u>1,734</u> | <u>72,150</u> |
| Equity | | | | | |
| Equity | - | - | - | 18,784 | 18,784 |
| Liabilities | | | | | |
| Bank borrowings and fixed deposit | 11,133 | 22,991 | 15,485 | - | 49,609 |
| Creditors and accruals | 3,076 | - | - | 257 | 3,333 |
| Provision for income tax | - | 240 | - | - | 240 |
| Deferred tax liability | - | - | - | <u>184</u> | <u>184</u> |
| Total equity and liabilities | <u>14,209</u> | <u>23,231</u> | <u>15,485</u> | <u>19,225</u> | <u>72,150</u> |
| Liquidity gap | <u>(11,186)</u> | <u>399</u> | <u>28,278</u> | <u>(17,491)</u> | |
| Cumulative liquidity gap | <u>(11,186)</u> | <u>(10,787)</u> | <u>17,491</u> | | |