

**bank muscat announces unaudited preliminary results for the year ended 31st December
2017**

YTD Net Profit at RO 176.82 million

MUSCAT, 15 January, 2018: bank muscat, the flagship financial institution in the Sultanate of Oman, announced its unaudited preliminary results for the year ended 31st December 2017. The financial results are subject to approval of External Auditors, Board of Directors, Central Bank of Oman and Shareholders of the Bank.

The Bank posted net profit of RO 176.82 million for the period compared to RO 176.56 million reported during the same period in 2016, an increase of 0.1 per cent.

The key highlights of the results for the period are as follows:

- 1) Net Interest Income from Conventional Banking and Income from Islamic Financing stood at RO 281.34 million for the year 2017 compared to RO 274.15 million for the same period in 2016, an increase of 2.6 per cent.
- 2) Non-interest income at RO 154.62 million was higher by 8.9 per cent compared to RO 142.03 million for the year ended 31st December 2016. This includes one-off investment gain of RO 12.8 million on sale of certain investments.
- 3) Operating expenses for the year ended 31st December 2017 at RO 184.08 million was higher by 5.7 per cent as compared to RO 174.08 million for the same period in 2016.
- 4) Impairment for credit losses for the year was RO 63.15 million as against RO 70.29 million for the same period in 2016. Recoveries from impairment for credit loss was RO 41.17 million for the year as against RO 36.24 million for the same period in 2016.
- 5) Share of income from an associate for the year was RO 2.44 million against RO 1.73 million for the same period in 2016.
- 6) In December 2017, the investment in Al Salam Bank has been reclassified from an Equity Associate governed under International Accounting Standards (IAS) 28 to Available-for-Sale investment under IAS 39 due to change in significant influence. Unrealised loss at

the time of reclassification from equity associate to available-for-sale investment of RO 17.54 million has been accounted in the Income Statement.

- 7) Net Loans and advances including Islamic financing receivables increased by 4.7 per cent to RO 8,329 million as against RO 7,957 million as at 31st December 2016.
- 8) Customer deposits including Islamic Customer deposits decreased by 0.5 per cent to RO 7,419 million as against RO 7,458 million as at 31st December 2016.

Key Highlights of unaudited preliminary results

Particulars (RO millions) For the year ended 31 December	2017	2016	Change (%)
Total net interest income and income from Islamic financing	281.34	274.15	2.6%
Other operating income	154.62	142.03	8.9%
Operating expenses	184.08	174.08	5.7%
Operating profit	251.88	242.10	4.0%
Net profit	176.82	176.56	0.1%
Particulars (RO millions) As at 31 December	2017	2016	Change (%)
Net loans and Islamic financing	8,329	7,957	4.7%
- Conventional loans and advances	7,359	7,102	3.6%
- Islamic financing receivables	970	855	13.5%
Customer deposits and Islamic deposits	7,419	7,458	-0.5%
- Conventional customer deposits	6,459	6,695	-3.5%
- Islamic customer deposits	960	763	25.8%

The full results for the year ended 31st December 2017 along with complete set of financial statements will be released post approval of the Board of directors of the Bank at its meeting scheduled later during January 2018.

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