



AHLI BANK SAOG

**Interim condensed financial statements
FOR THE THREE MONTH PERIOD ENDED
31 March 2021**

AHLI BANK SAOG

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AT 31 March 2021

Audited 31-Dec-20 US\$ '000	Unaudited 31-Mar-20 US\$ '000	Unaudited 31-Mar-21 US\$ '000		Note	Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000	Audited 31-Dec-20 RO '000
ASSETS							
			Cash and balances with				
205,247	175,265	161,656	Central Bank of Oman		62,237	67,477	79,020
119,932	117,977	153,840	Due from banks		59,228	45,421	46,174
			Loans & advances and				
5,763,369	5,519,990	5,906,994	Financing, net	5	2,274,193	2,125,196	2,218,897
795,761	598,719	925,041	Investment securities	6	356,141	230,507	306,368
75,724	66,862	117,869	Other assets		45,379	25,742	29,154
59,387	55,608	62,719	Property and equipment		24,147	21,409	22,864
7,019,420	6,534,421	7,328,119	TOTAL ASSETS		2,821,325	2,515,752	2,702,477
LIABILITIES							
			Due to banks		175,808	124,655	135,244
4,999,101	4,469,649	5,059,259	Customers' deposits	7	1,947,814	1,720,815	1,924,654
415,000	490,000	415,000	Borrowed funds		159,775	188,650	159,775
743	229	797	Deferred tax liability		307	88	286
213,423	263,605	291,715	Other liabilities		112,310	101,488	82,168
31,169	44,156	31,169	Subordinated liabilities		12,000	17,000	12,000
6,010,719	5,591,418	6,254,584	TOTAL LIABILITIES		2,408,014	2,152,696	2,314,127
EQUITY							
428,482	408,078	506,405	Share capital	9	194,966	157,110	164,966
88,385	82,161	88,384	Legal reserve		34,028	31,632	34,028
29,611	38,164	30,000	Subordinated debt reserve		11,550	14,693	11,400
(10,561)	(56,332)	(14,822)	Fair value reserve		(5,707)	(21,688)	(4,066)
2,592	4,917	2,592	Special reserve		998	1,893	998
26,303	26,945	26,303	Impairment reserve		10,127	10,374	10,127
121,811	116,992	112,595	Retained earnings		43,349	45,042	46,897
686,623	620,925	751,457	TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE BANK		289,311	239,056	264,350
322,078	322,078	322,078	Tier 1 Perpetual subordinated bonds		124,000	124,000	124,000
1,008,701	943,003	1,073,535	TOTAL EQUITY		413,311	363,056	388,350
7,019,420	6,534,421	7,328,119	TOTAL LIABILITIES AND EQUITY		2,821,325	2,515,752	2,702,477
42	40	39	Net assets value per share (US cents / baizas)	14	148	152	160
622,696	732,424	611,906	Contingent liabilities and commitments	18	235,584	281,983	239,738

The interim condensed financial statements were approved by the Board of Directors on 28 April 2021 and signed on their behalf by:



Hamdan Ali Nasser Al Hinai
Chairman



Said Abdullah Al Hatmi
Chief Executive Officer

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.

AHLI BANK SAOG
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**

	Share capital	Legal reserve	Subordinated debt reserve	Fair value reserve	Special reserve	Impairment reserve	Retained earnings	Total	Tier 1 Perpetual subordinated bond	Total Equity
	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
Balance at 1 January 2021	164,966	34,028	11,400	(4,066)	998	10,127	46,897	264,350	124,000	388,350
Profit for the period	-	-	-	-	-	-	6,351	6,351	-	6,351
Other comprehensive expense, net of tax	-	-	-	(1,641)	-	-	-	(1,641)	-	(1,641)
Transfer to subordinated debt reserve	-	-	150	-	-	-	(150)	-	-	-
Transactions with owners recognised directly in equity										
Rights issue of shares	30,000	-	-	-	-	-	-	30,000	-	30,000
Cash dividends paid	-	-	-	-	-	-	(9,749)	(9,749)	-	(9,749)
Balance at 31 March 2021 RO (unaudited)	194,966	34,028	11,550	(5,707)	998	10,127	43,349	289,311	124,000	413,311
Balance at 31 March 2021 (US\$ '000) (unaudited)	506,405	88,384	30,000	(14,822)	2,592	26,303	112,595	751,457	322,078	1,073,535

	Share capital	Legal reserve	Subordinated debt reserve	Fair value reserve	Special reserve	Impairment reserve	Retained earnings	Total	Tier 1 Perpetual subordinated bond	Total Equity
	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
<i>Balance at 1 January 2020</i>	<i>157,110</i>	<i>31,632</i>	<i>14,000</i>	<i>(4,233)</i>	<i>1,893</i>	<i>9,334</i>	<i>55,459</i>	<i>265,195</i>	<i>124,000</i>	<i>389,195</i>
Profit for the period	-	-	-	-	-	-	7,013	7,013	-	7,013
Other comprehensive expense, net of tax	-	-	-	(17,441)	-	-	-	(17,441)	-	(17,441)
Transfer to subordinated debt reserve	-	-	693	-	-	-	(693)	-	-	-
Transfer to impairment reserve	-	-	-	-	-	1,040	(1,040)	-	-	-
Gain on sale of equity investments at FVOCI	-	-	-	(14)	-	-	14	-	-	-
Transactions with owners recognised directly in equity	-	-	-	-	-	-	(15,711)	(15,711)	-	(15,711)
Cash dividends paid	-	-	-	-	-	-	-	-	-	-
<i>Balance at 31 March 2020 RO (unaudited)</i>	<i>157,110</i>	<i>31,632</i>	<i>14,693</i>	<i>(21,688)</i>	<i>1,893</i>	<i>10,374</i>	<i>45,042</i>	<i>239,056</i>	<i>124,000</i>	<i>363,056</i>
<i>Balance at 31 March 2020 (US\$ '000) (unaudited)</i>	<i>408,078</i>	<i>82,161</i>	<i>38,164</i>	<i>(56,332)</i>	<i>4,917</i>	<i>26,945</i>	<i>116,992</i>	<i>620,925</i>	<i>322,078</i>	<i>943,003</i>
<i>Balance at 1 April 2020</i>	<i>157,110</i>	<i>31,632</i>	<i>14,693</i>	<i>(21,688)</i>	<i>1,893</i>	<i>10,374</i>	<i>45,042</i>	<i>239,056</i>	<i>124,000</i>	<i>363,056</i>
Profit for the period	-	-	-	-	-	-	16,955	16,955	-	16,955
Other comprehensive income, net of tax	-	-	-	17,639	-	-	-	17,639	-	17,639
Transfer to legal reserve	-	2,396	-	-	-	-	(2,396)	-	-	-
Transfer to impairment reserve	-	-	-	-	-	(247)	247	-	-	-
Transfer to special reserve	-	-	-	-	(895)	-	895	-	-	-
Gain on sale of equity investments at FVOCI	-	-	-	(17)	-	-	17	-	-	-
Interest paid on Tier 1 perpetual subordinated bond	-	-	-	-	-	-	(9,300)	(9,300)	-	(9,300)
Transfer from subordinated debt reserve	-	-	(3,293)	-	-	-	3,293	-	-	-
Transactions with owners recognised directly in equity	-	-	-	-	-	-	(7,856)	-	-	-
<i>Issue of bonus shares</i>	<i>7,856</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(7,856)</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Balance at 31 December 2020 RO</i>	<i>164,966</i>	<i>34,028</i>	<i>11,400</i>	<i>(4,066)</i>	<i>998</i>	<i>10,127</i>	<i>46,897</i>	<i>264,350</i>	<i>124,000</i>	<i>388,350</i>
<i>Balance at 31 December 2020 (US\$ '000)</i>	<i>428,482</i>	<i>88,385</i>	<i>29,611</i>	<i>(10,561)</i>	<i>2,592</i>	<i>26,303</i>	<i>121,811</i>	<i>686,623</i>	<i>322,078</i>	<i>1,008,701</i>

Appropriation to legal reserve is made on an annual basis.

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.

AHLI BANK SAOG
**INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**

Unaudited 31-Mar-20 US\$ '000	Unaudited 31-Mar-21 US\$ '000		Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000
CASH FLOWS FROM OPERATING ACTIVITIES				
21,330	19,467	Profit before taxation	7,496	8,212
Adjustments for:				
1,584	1,779	Depreciation	685	610
6,213	10,392	Net impairment on financial assets	4,001	2,392
68	78	End of service benefits provision	30	26
(468)	(275)	Unrealised gains on investment securities	(106)	(180)
-	(6,747)	Gain on sale of investment securities	(2,598)	-
28,727	24,694	Operating profit before working capital changes	9,508	11,060
-	(90,000)	Increase in due from banks	(34,650)	-
(188,577)	(154,018)	Increase in loans & advances and financing	(59,297)	(72,602)
(571)	34	Net movement in FVTPL investment securities	13	(220)
(55,112)	53,151	Increase/(Decrease) in due to banks	20,463	(21,218)
(808)	(42,143)	Increase in other assets	(16,225)	(311)
23,609	60,157	Increase in customers' deposits	23,160	9,089
32,418	75,345	Increase in other liabilities	29,008	12,481
(75)	(52)	End of service benefits paid	(20)	(29)
(160,389)	(72,832)	Cash used in from operations	(28,040)	(61,750)
(9,514)	-	Tax paid	-	(3,663)
(169,903)	(72,832)	Net cash used in from operating activities	(28,040)	(65,413)
CASH FLOWS FROM INVESTING ACTIVITIES				
(42,429)	16,301	Increase/(Decrease) in investment, net (excluding FVTPL investment)	6,276	(16,335)
(2,144)	(5,112)	Purchase of property and equipment	(1,968)	(825)
(44,573)	11,189	Net cash generated/ (used in) investing activities	4,308	(17,160)
CASH FLOWS FROM FINANCING ACTIVITIES				
-	(25,321)	Dividends paid	(9,749)	-
-	77,922	Proceeds from rights issue	30,000	-
160,000	-	Increase in borrowed funds	-	61,600
160,000	52,601	Net cash generated from financing activities	20,251	61,600
(54,476)	(9,042)	Net change in cash and cash equivalents	(3,481)	(20,973)
169,523	210,661	Cash and cash equivalents at 1 January	81,105	65,266
115,047	201,619	Cash and cash equivalents at 31 March	77,624	44,293

Cash and cash equivalent comprises of the following:

31-Mar-20 US\$ '000	31-Mar-21 US\$ '000		31-Mar-21 RO '000	31-Mar-20 RO '000
173,901	160,291	Cash and current balances with Central Bank of Oman	61,712	66,952
117,977	63,839	Due from banks	24,578	45,421
60,000	337,661	Treasury bills with three months maturity	130,000	23,100
(236,831)	(360,172)	Due to banks	(138,666)	(91,180)
115,047	201,619		77,624	44,293

Reconciliation of liabilities arising from financing activities

31-Mar-20 US\$ '000	31-Mar-21 US\$ '000		31-Mar-21 RO '000	31-Mar-20 RO '000
330,000	415,000	Borrowed funds		
160,000	-	Balance at beginning of the period	159,775	127,050
490,000	415,000	Cash flows	-	61,600
		Balance at end of the period	159,775	188,650

The accompanying notes 1 to 21 form an integral part of these interim condensed financial statements.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Ahli Bank SAOG (the Bank) is a joint stock company incorporated in the Sultanate of Oman and is engaged in the commercial banking activities through a network of 33 branches (20 conventional and 13 Islamic branches). The registered address of the Bank is PO Box 545, Mina Al Fahal, Postal Code 116, Sultanate of Oman.

The Bank employed 762 employees as at 31 March 2021 compared to 671 employees as at 31 March 2020 and 730 employees as at 31 December 2020.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited interim condensed financial statements for the three month period ended 31 March 2021 of the Bank are prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', applicable regulations of the Central Bank of Oman (CBO) and the disclosure requirements set out in the Rules and Disclosure and Proformas issued by the Capital Market Authority (CMA).

The unaudited interim condensed financial statements does not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the three month period ended 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year 2021.

The accounting policies applied in these interim condensed financial statements are the same as those applied in the annual financial statements for the year ended 31 December 2020.

The unaudited interim condensed financial statements are prepared under the historical cost convention as modified for the measurement at fair value of derivatives and investment securities other than those measured at amortised cost.

The functional currency of the Bank is the Rial Omani (RO). These unaudited interim condensed financial statements of the Bank are prepared in RO. Certain figures are also presented in US dollars (US\$) for information purposes only, using the exchange rate of RO 0.385 = US\$ 1.00.

3. CHANGES IN ACCOUNTING POLICIES
Interest rate benchmark reform - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The United Kingdom's Financial Conduct Authority ('FCA'), which regulates the London Interbank Offered Rate ('LIBOR'), had announced that the interest benchmark would cease after 2021. While an alternative risk-free rate, "SOFR" has been announced, there is uncertainty as to the method and timing of transition and implications on the participants in the financial markets.

Interbank Offered Rate (IBOR) Reform- Phase 1 Amendments

The Bank had adopted Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7 (IBOR reform Phase 1) with effect from 1 January 2020. Banks will cease rate submissions for the calculation of the London Interbank Offered Rates (LIBOR), for all currencies and tenors (other than certain tenors of USD LIBOR), after December 31, 2021. For 1 month, 3 month and 6 month tenors of USD, rate submission is expected to cease after June 30, 2023. IBOR reform Phase 1 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective. IBOR reform Phase 1 provides reliefs which require the Bank to assume that hedging relationships are unaffected by the uncertainties caused by IBOR reform. This includes assuming that hedged cash flows are not altered because of IBOR reform. In addition, the reliefs allow the Bank to not discontinue hedging relationships because of retrospective or prospective ineffectiveness. IBOR Reform Phase 1 also requires additional disclosures in relation to those hedging relationships to which the reliefs are applied.

In order to manage the transition from LIBOR to alternative rates, the Bank's treasury and risk department is evaluating potential changes to market infrastructures on our risk framework, models, systems and processes, and reviewing legal documents to ensure that the Bank is prepared prior to the cessation of LIBOR.

Interest rate benchmark reform - Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16' (IBOR reform Phase 2) is effective for annual periods beginning on or after 1 January 2021 with earlier adoption permitted. IBOR reform Phase 2 includes a number of reliefs and additional disclosures. These reliefs relate to modifications of financial instruments, lease contracts or hedging relationships when a benchmark interest rate in a contract is replaced with a new alternative benchmark rate. The reliefs apply upon the transition of a financial instrument from a LIBOR to a risk-free-rate (RFR). Moreover, the Phase 2 amendments provide a series of reliefs from certain hedge accounting requirements when a change required by interest rate benchmark reform occurs to a hedged item and/or hedging instrument and consequently the hedge relationship can be continued without any interruption.

The amendments made to IFRS provide relief from the potential effects of the uncertainty caused by the reform. These amendments are effective from periods beginning on or after 1 January 2021 with earlier application being permitted. The Bank is currently assessing the impact of these reforms and next steps to ensure a smooth transition to the new benchmark.

ahlibank has following instruments which are exposed to the impact of USD LIBOR:

- Financial Assets RO 416.1 million equivalent to US\$ 1,080.9 million.
- Financial Liabilities RO 159.8 million equivalent to US\$ 415 million.

In addition, the Bank's exposure to Interest rate swaps in hedging relationships may also be impacted by LIBOR replacement. The notional value of these swaps is RO 267.1 million equivalent to US\$ 693.7 million as of 31 March 2021.

The Bank believes that, when the LIBOR ceases to exist, its contracts with interest rates based on LIBOR would adequately provide for alternate calculations of interest in the event that LIBOR is unavailable. As of now, the Bank does not anticipate any material adverse impact on its financial statements of the change based on an understanding that the replacement rate, along with relevant spreads, will be based on prevailing fair values.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

In preparing these interim condensed financial statements, management has made 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. The significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Coronavirus (Covid-19) outbreak and its impact

The Covid-19 pandemic has caused an unprecedented human and health crisis. The measures necessary to contain the virus have triggered an economic downturn which has continued in the first quarter of 2021. In light of the rapid spread of COVID-19 across the globe, various economies and sectors have faced significant disruptions and uncertainty and governments and authorities have instigated a host of measures to contain the spread of the virus which includes ramping up their vaccination efforts.

The Covid-19 pandemic has been accompanied by a low oil price, a major driver of the economy of the Sultanate. Loss of oil revenues, tourism revenues and disruption to supply chains has resulted in a weakening outlook for the macro-economic environment. The Central Bank of Oman ('CBO') have initiated a series of measures, in conjunction with other Government programmes, to support the ability of banks to supply credit to businesses and households through this period of economic disruption. Accordingly, the Bank continue to support the customers in this challenging environment to reduce the financial hardship caused by Covid-19 by providing payment deferrals and lending facilities for businesses to overcome this situation.

International Accounting Standard Board (IASB) had issued a guidance note on 27 March 2020 in regard to accounting for expected credit losses by applying IFRS 9- Financial Instruments in the light of current uncertainty resulting from the Covid-19 pandemic. It provides a guidance on the assessment of significant increase in credit risk (SICR) and the measurement of expected credit loss allowance (ECL) which are required to be based on reasonable and supportable information that is available without undue cost or effort. In assessing macro economic scenarios, consideration should be given both to the effects of covid-19 and the significant government support measures being undertaken in respect of Covid-19 pandemic.

In line with other global regulators, the Central Bank of Oman (CBO) has taken several measures to overcome the prevailing economic conditions such as accepting deferment of loan instalments / interest / profit for affected borrowers particularly SMEs. Initially, the CBO granted deferrals till September 30, 2020 which was extended till March 31, 2021. The CBO vide its circular BDD/CBS/CB/FLCs/2021/1436 dated March 15, 2021 further extended the deferrals till September 30, 2021 without impacting the IFRS 9 risk classification of such loans, deferring the risk classification of loans pertaining to government projects for a period of 6 months etc., Additionally, CBO seeks to facilitate additional lending and liquidity capacity of banks, through the relief of existing capital and liquidity buffers. The CBO vide its circular BSD/CB & FLCs/2021/002 dated March 18, 2021 has also suspended the two-track approach for the computation of additional provisions as per CBO norms and Significant Increase in Credit Risk (SICR) criteria assessment as per CBO circular BM 1149, the suspension of this approach is for the financial year 2021 only. As a result, there will be no change to impairment reserve during FY2021

I. Credit risk management

The Bank's existing credit risk management practices are disclosed in note 37.1 to the financial statements for the year ended 31 December 2020. There are no changes as compared to last year.

I(a). Covid-19 impact on measurement of ECL

A key element in determining the ECL is the assessment of whether a SICR has occurred or not, and accordingly a lifetime Probability of Default (PD) or a 12-month PD is applied. Based on CBO circular in respect of IFRS 9 application, deferment period relating to Covid-19 outbreak will be excluded from the counting of days past due (DPD) for determining the default. Accordingly, the deferment of loan repayment may not be a sole deciding factor for exposure considered to have a SICR or credit impaired, until & unless other supportable evidence exists for deterioration in the credit quality of borrowers.

The main industries such as airline / transportation, hospitality, tourism, oil & gas and automotive sectors will have a significant impact on account of covid-19. Finance companies may also face impacts of this situation due to their exposure towards SME and Retail business impacted by COVID-19. The identification of impacted sectors were based on market assessment, financial information of the borrowers, customer requests for deferments etc.

I(b). Measurement/Impact on ECL

IFRS 9 framework requires the estimation of Expected Credit Loss (ECL) based on current and forecast economic conditions. In order to assess ECL under forecast economic conditions, the Bank utilizes a range of economic scenarios of varying severity, and with appropriate weightings, to ensure that ECL estimates are representative of a range of possible economic outcomes. As per CBO circular BSD/CB/2020/005 dated 03 June 2020, CBO has cautioned the banks in making changes to ECL model on the impact due to covid-19 distress since this will subject to high levels of uncertainty and miscalculation as reasonable and supportable forward looking information may not be currently available to substantiate those changes.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (Continued)
I. Credit risk management (Continued)
I(b). Measurement/Impact on ECL (Continued)

The Bank continues to assess borrowers for other indicators of unlikelihood to pay, taking into consideration the underlying cause of any financial difficulty and whether it is likely to be temporary as a result of Covid-19 or of long term in nature. During the year 2020, the Bank has initiated payment relief to support its impacted customers by deferring interest/principal due for a period of six months to one year in accordance with CBO guidelines. These were extended till September 30, 2021 by CBO circular issued in March 2021. These payment reliefs are considered as short-term liquidity to address the borrower cash flow issues which does not automatically trigger SICR criteria. The Bank has considered the accounting impact for modification of such loans granted to borrowers in accordance with IFRS 9 and has concluded that the impact is not material on these interim condensed financial statements.

The Bank has reviewed the potential impact of COVID-19 outbreak on the inputs and assumptions used in IFRS 9 ECL model in light of available information. The Bank has conducted multi-pronged assessment which will help in establishing overlays in accordance with the circular as mentioned above. Accordingly, detailed analysis was carried out by incorporating changes to weights of economic scenarios, reduction in oil prices and a decline in GDP growth. The results of these scenarios vary widely depending on the severity of downturn and as such the Bank has incorporated an overlay which is included in the net impairment charge.

For computation of ECL, the Bank revised the scenario weightages and incorporated in the ECL model i.e., Good, bad and base with weightage of 25%, 25% and 50% respectively.

The overall impact of the Covid-19 revised scenarios and other related judgmental overlays on the ECL is shown below:

31-Mar-21			31-Mar-21	
ECL with overlays	ECL without Overlays		ECL without overlays	ECL with Overlays
US\$ '000	US\$ '000		RO'000	RO'000
49,182	46,909	Retail	18,060	18,935
115,642	106,836	Corporate	41,132	44,522
4,774	4,179	Others	1,609	1,838
169,598	157,924	Total	60,801	65,295

Sensitivity analysis- ECL:

The following table shows a comparison of the Bank's allowances for credit losses on non-impaired financial assets (Stages 1 and 2) under IFRS 9 based on the probability weightings of three scenarios with allowances for credit losses resulting from simulations of each scenario weighted at 100%.

31-Mar-21		Particulars	31-Mar-21	
Impact on ECL	ECL		ECL	Impact on ECL
US\$ '000	US\$ '000		RO'000	RO'000
	79,177	ECL on non impaired financial assets under IFRS 9	30,483	
(28,650)	50,527	Good scenario - 100% weighted	19,453	(11,030)
4,822	83,999	Base scenario - 100% weighted	32,339	1,856
21,032	100,209	Bad scenario - 100% weighted	38,581	8,097
31-Dec-20		Particulars	31-Dec-20	
Impact on ECL	ECL		ECL	Impact on ECL
US\$ '000	US\$ '000		RO'000	RO'000
	73,790	ECL on non impaired financial assets under IFRS 9	28,409	
(24,040)	49,749	Good scenario - 100% weighted	19,154	(9,255)
3,384	77,174	Base scenario - 100% weighted	29,712	1,303
17,222	91,011	Bad scenario - 100% weighted	35,039	6,630
31-Mar-20		Particulars	31-Mar-20	
Impact on ECL	ECL		ECL	Impact on ECL
US\$ '000	US\$ '000		RO'000	RO'000
	59,115	ECL on non impaired financial assets under IFRS 9	22,759	
(22,567)	36,548	Good scenario - 100% weighted	14,071	(8,688)
3,367	62,482	Base scenario - 100% weighted	24,056	1,296
13,894	73,009	Bad scenario - 100% weighted	28,108	5,349

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
5. LOANS & ADVANCES AND FINANCING, NET

Audited 31-Dec-20 US\$ '000	Unaudited 31-Mar-20 US\$ '000	Unaudited 31-Mar-21 US\$ '000		Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000	Audited 31-Dec-20 RO '000
			Conventional Banking			
3,415,312	3,204,447	3,534,389	Corporate lending	1,360,740	1,233,712	1,314,895
1,573,065	1,538,803	1,581,896	Retail lending	609,030	592,439	605,630
4,988,377	4,743,250	5,116,285	Loans & advances, gross	1,969,770	1,826,151	1,920,525
			Islamic Banking			
553,543	530,678	579,800	Corporate financing	223,223	204,311	213,114
373,657	361,280	375,745	Retail financing	144,662	139,093	143,858
927,200	891,958	955,545	Financing, gross	367,885	343,404	356,972
			Loans & advances and financing, gross	2,337,655	2,169,555	2,277,497
			Loans and financing impairment (including reserve interest and profit)*	(63,462)	(44,359)	(58,600)
(152,208)	(115,218)	(164,836)				
5,763,369	5,519,990	5,906,994		2,274,193	2,125,196	2,218,897

The interest rate bands of gross loans & advances and financing are as follows:

Audited 31-Dec-20 US\$ '000	Unaudited 31-Mar-20 US\$ '000	Unaudited 31-Mar-21 US\$ '000		Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000	Audited 31-Dec-20 RO '000
1,063,081	1,054,226	1,085,449	0-5%	417,898	405,877	409,286
4,496,984	4,209,205	4,636,730	5-7%	1,785,141	1,620,544	1,731,339
345,460	354,969	332,975	7-10%	128,195	136,663	133,002
10,053	16,808	16,678	More than 10%	6,421	6,471	3,870
5,915,578	5,635,208	6,071,832		2,337,655	2,169,555	2,277,497

The analysis of loans & advances and financing based on the residual maturity date is as below:

Audited 31-Dec-20 US\$ '000	Unaudited 31-Mar-20 US\$ '000	Unaudited 31-Mar-21 US\$ '000		Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000	Audited 31-Dec-20 RO '000
1,756,167	1,546,519	1,862,254	0-1 year	716,968	595,410	676,124
660,223	646,252	653,195	1-3 years	251,480	248,807	254,186
502,226	527,614	557,218	3-5 years	214,529	203,131	193,357
2,844,753	2,799,605	2,834,327	More than 5 years	1,091,216	1,077,848	1,095,230
5,763,369	5,519,990	5,906,994		2,274,193	2,125,196	2,218,897

* Reserve interest forms part of specific provision for the purpose of IFRS

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
5. LOANS & ADVANCES AND FINANCING, NET (CONTINUED)
5.1 ECL Exposure/Impairment allowance of financial assets and off balance sheet

The following tables contain an analysis of stage wise risk exposure/reconciliation of loss allowance from the opening to the closing balance of financial assets and off balance sheet items by class of financial instruments.

a) Exposure subject to ECL

	31-Mar-21					31-Mar-20					31-Dec-20				
	Stage 1	Stage 2	Stage 3	Total	Total	Stage 1	Stage 2	Stage 3	Total	Total	Stage 1	Stage 2	Stage 3	Total	Total
	RO '000	RO '000	RO '000	RO '000	US\$ '000	RO '000	RO '000	RO '000	RO '000	US\$ '000	RO '000	RO '000	RO '000	RO '000	US\$ '000
Due from banks	107,318	-	-	107,318	278,748	45,421	-	-	45,421	117,977	105,318	-	-	105,318	273,553
Loans & advances and financing	1,798,285	468,620	70,749	2,337,654	6,071,829	1,686,987	437,298	45,270	2,169,555	5,635,208	1,769,171	441,924	66,402	2,277,497	5,915,577
Investment securities	358,122	-	-	358,122	930,188	225,334	-	-	225,334	585,283	301,162	-	-	301,162	782,239
Other assets	22,953	12,301	-	35,254	91,569	10,055	6,903	-	16,958	44,047	19,046	1,709	-	20,755	53,908
Loan commitments and financial guarantees	179,574	48,914	-	228,488	593,475	217,911	63,430	-	281,341	730,756	185,532	52,521	-	238,053	618,319

b) Movement in Impairment allowance and provision

	31-Mar-21					31-Mar-20					31-Dec-20				
	Stage 1	Stage 2	Stage 3	Total	Total	Stage 1	Stage 2	Stage 3	Total	Total	Stage 1	Stage 2	Stage 3	Total	Total
	RO '000	RO '000	RO '000	RO '000	US\$ '000	RO '000	RO '000	RO '000	RO '000	US\$ '000	RO '000	RO '000	RO '000	RO '000	US\$ '000
Opening balance															
Due from banks	124	-	-	124	322	3	-	-	3	8	3	-	-	3	8
Loans & advances and financing	8,315	18,491	31,794	58,600	152,208	6,116	14,599	20,814	41,529	107,868	6,116	14,599	20,814	41,529	107,868
Investment securities	52	-	-	52	135	27	-	-	27	70	27	-	-	27	70
Other assets	34	5	-	39	101	2	9	-	11	29	2	9	-	11	29
Loan commitments and financial guarantees	374	1,014	-	1,388	3,605	238	858	-	1,096	2,847	238	858	-	1,096	2,847
Net transfer between stages															
Due from banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & advances and financing	1,089	(1,351)	262	-	-	1,613	(1,493)	(120)	-	-	3,423	(4,318)	895	-	-
Investment securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	6	(6)	-	-	-
Loan commitments and financial guarantees	-	-	-	-	-	(14)	14	-	-	-	(7)	7	-	-	-

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
5. LOANS & ADVANCES AND FINANCING, NET (CONTINUED)
5.1 ECL Exposure/Impairment allowance of financial assets and off balance sheet (Continued)
b) Movement in Impairment allowance and provision (continued)

	31-Mar-21					31-Mar-20					31-Dec-20				
	Stage 1	Stage 2	Stage 3	Total	Total	Stage 1	Stage 2	Stage 3	Total	Total	Stage 1	Stage 2	Stage 3	Total	Total
	RO '000	RO '000	RO '000	RO '000	US\$ '000	RO '000	RO '000	RO '000	RO '000	US\$ '000	RO '000	RO '000	RO '000	RO '000	US\$ '000
Charge for the Period (net)															
Due from banks	73	-	-	73	190	(2)	-	-	(2)	(5)	121	-	-	121	314
Loans & advances and financing	(1,009)	3,115	2,756	4,862	12,628	(2,268)	3,017	2,081	2,830	7,351	(1,224)	8,210	10,085	17,071	44,340
Investment securities	(15)	-	-	(15)	(39)	14	-	-	14	36	25	-	-	25	65
Other assets	(18)	5	-	(13)	(34)	7	(3)	-	4	10	26	2	-	28	73
Loan commitments and financial guarantees	36	150	-	186	483	(3)	20	-	17	44	143	149	-	292	758
Closing balance															
Due from banks	197	-	-	197	512	1	-	-	1	3	124	-	-	124	322
Loans & advances and financing	8,395	20,255	34,812	63,462	164,836	5,461	16,123	22,775	44,359	115,218	8,315	18,491	31,794	58,600	152,208
Investment securities	37	-	-	37	96	41	-	-	41	106	52	-	-	52	135
Other assets	16	10	-	26	68	9	6	-	15	39	34	5	-	39	101
Loan commitments and financial guarantees	410	1,164	-	1,574	4,088	221	892	-	1,113	2,891	374	1,014	-	1,388	3,605

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
5. LOANS & ADVANCES AND FINANCING, NET (CONTINUED)
5.2 Comparison of provision held as per IFRS 9 and required as per CBO norms

In accordance with CBO circular BM 1149 Banks should continue to maintain and update the risk classification (i.e. standard, special mention, substandard, etc.) of accounts as per the extant CBO norms, including those on restructuring of loans accounts for regulatory reporting purposes.

Disclosure requirements containing the risk classification-wise gross and net amount outstanding, provision required as per CBO norms, allowance made as per IFRS 9, interest recognised as per IFRS 9 and reserve interest required as per CBO are given below based on CBO circular BM 1149.

Asset classification as per CBO norms	Asset classification as per IFRS 9	Gross amount	Provision required as per CBO norms***	Provision held as per IFRS 9	Difference between CBO provision required and provision held**	Net amount as per CBO norms*	Net amount as per IFRS 9	Interest recognised in P&L as per IFRS 9	Reserve interest as per CBO norms
					RO '000				
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)-(10)	(8) = (3)-(5)	(9)	(10)
Standard	Stage 1	1,798,285	25,935	8,395	17,540	1,772,350	1,789,890	-	-
	Stage 2	317,804	-	8,288	(8,288)	317,804	309,516	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		2,116,089	25,935	16,683	9,252	2,090,154	2,099,406	-	-
Special Mention	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	150,816	-	11,967	(11,967)	150,816	138,849	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		150,816	-	11,967	(11,967)	150,816	138,849	-	-
Substandard	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	1,120	214	536	(322)	890	584	-	16
Subtotal		1,120	214	536	(322)	890	584	-	16
Doubtful	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	13,834	10,104	6,078	4,026	2,970	7,756	-	760
Subtotal		13,834	10,104	6,078	4,026	2,970	7,756	-	760
Loss	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	55,795	35,864	28,198	7,666	15,439	27,597	-	4,492
Subtotal		55,795	35,864	28,198	7,666	15,439	27,597	-	4,492
Other items not covered under CBO circular BM 977 and related instructions*	Stage 1	667,966	-	656	(656)	667,966	667,310	-	-
	Stage 2	61,215	-	1,178	(1,178)	61,215	60,037	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		729,181	-	1,834	(1,834)	729,181	727,347	-	-
Total	Stage 1	2,466,251	25,935	9,051	16,884	2,440,317	2,457,200	-	-
	Stage 2	529,835	-	21,433	(21,433)	529,835	508,402	-	-
	Stage 3	70,749	46,182	34,812	11,370	19,299	35,937	-	5,268
	Total in RO	3,066,835	72,117	65,296	6,821	2,989,451	3,001,540	-	5,268
	Total in US\$ '000	7,965,806	187,316	169,600	17,717	7,764,807	7,796,207	-	13,683

*** As per CBO circular BSD/CB & FLCs/2021/002 dated March 18, 2021, the Bank is not required to calculate additional provisions as per CBO norms for the year 2021. Accordingly, provisions required as per CBO norms is same as at 31 December 2020 and there will be no change in Impairment Reserve during the year 2021

* Other items disclosed above includes exposure outstanding and respective provisions held against due from banks, investments, other assets, loan commitments and financial guarantees.

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
5. LOANS & ADVANCES AND FINANCING, NET (CONTINUED)
5.2 Comparison of provision held as per IFRS 9 and required as per CBO norms (CONTINUED)
Restructured Loans

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net Carrying Amount as per CBO norms*	Net Carrying Amount as per IFRS 9	Interest recognised in P&L as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	RO '000 (3)	RO '000 (4)	RO '000 (5)	RO '000 (6) = (4)-(5)	RO '000 (7)=(3)-(4)-(10)	RO '000 (8) = (3)-(5)	RO '000 (9)	RO '000 (10)
Classified as performing	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	43,957	998	1,399	(401)	42,959	42,558	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		43,957	998	1,399	(401)	42,959	42,558	-	-
Classified as non-performing	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	26,630	13,379	6,174	7,205	11,766	20,456	-	1,485
Sub total		26,630	13,379	6,174	7,205	11,766	20,456	-	1,485
Total	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	43,957	998	1,399	(401)	42,959	42,558	-	-
	Stage 3	26,630	13,379	6,174	7,205	11,766	20,456	-	1,485
	Total in RO	70,587	14,377	7,573	6,804	54,725	63,014	-	1,485
	Total in US\$ '000	183,343	37,343	19,670	17,673	142,143	163,673	-	3,857

*Net of provisions and reserve interest as per CBO norms

**The difference between CBO provision along with reserve interest and IFRS 9 provision is appropriated from the retained earnings net of tax.

5.3 Impairment charge and provisions held

	As per CBO Norms	As per IFRS 9	Difference
Impairment loss charged to profit and loss account	-	4,001	-
Provisions required as per CBO norms/ held as per IFRS 9*	72,117	65,296	6,821
Gross NPL ratio (percentage)	3.03%	3.03%	-
Net NPL ratio (percentage)	0.83%	1.54%	-0.71%

*In accordance with CBO requirements, where the aggregate provision on portfolio & specific basis computed as per CBO norms is higher than the impairment allowance computed under IFRS 9, the difference, net of the impact of taxation, is transferred to an impairment reserve as an appropriation from the retained earnings. However as per CBO circular BSD/CB & FLCs/2021/002 dated March 18, 2021, the Bank is not required to calculate additional provisions as per CBO norms for the year 2021. Accordingly, provisions required as per CBO norms is same as at 31 December 2020 and there will be no change in Impairment Reserve during the year 2021

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
5. LOANS & ADVANCES AND FINANCING, NET (CONTINUED)
5.4 Modification of loans

In line with the CBO circular, the Bank has accepted request for deferments and waivers during 2020 and current period. In case of Corporate customers, the Bank has accrued the interest during the deferral period to the principal outstanding and either extended the original maturity period of the loan and/or increased the installments at the end of the deferral period. In case of Retail customers, the Bank has extended the maturity of the loan without changing installments.

As per Bank assessment there is no de-recognition of the loans happened based on the deferral granted as the deferral is for a short term period and revised terms are not substantially different from the original terms.

The following table contains an analysis of the deferred amount of principal outstanding and accrued interest / profit pertinent to loans & advances and financings of the customers, who have been provided with such benefits, and the related ECL:

Unaudited
31-Mar-21

	Stage 1	Stage 2	Total	Total
	RO '000	RO '000	RO '000	US\$ '000
Total Exposure	646,419	311,166	957,585	2,487,233
Of Which:				
Deferred amount			79,200	205,715
Total ECL			16,150	41,947

Audited
31-Dec-20

	Stage 1	Stage 2	Total	Total
	RO '000	RO '000	RO '000	US\$ '000
Total Exposure	770,810	374,919	1,145,729	2,975,919
Of Which:				
Deferred amount			82,995	215,572
Total ECL			14,044	36,478

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
6. INVESTMENT SECURITIES

Audited 31-Dec-20	Unaudited 31-Mar-20	Unaudited 31-Mar-21		Unaudited 31-Mar-21	Unaudited 31-Mar-20	Audited 31-Dec-20
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
1,810	1,792	1,844	Equity investments:	710	690	697
11,712	11,644	11,475	Measured at FVTPL	4,418	4,483	4,509
13,522	13,436	13,319	Designated at FVOCI	5,128	5,173	5,206
			Total Equity investments			
			Debt investments:			
782,239	585,283	911,722	Designated at FVOCI	351,013	225,334	301,162
795,761	598,719	925,041	Total investment securities	356,141	230,507	306,368

The table below summarises the concentration of investments by various sectors.

Audited 31-Dec-20	Unaudited 31-Mar-20	Unaudited 31-Mar-21		Unaudited 31-Mar-21	Unaudited 31-Mar-20	Audited 31-Dec-20
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
			Equity investments:			
			A. Designated at FVTPL			
			Quoted investments - Oman			
400	400	177	Banking and investment sector	68	154	154
405	387		- Service sector	-	149	156
112	81		- Manufacturing sector	-	31	43
			Quoted investments - Foreign			
125	291	134	Banking and investment sector	51	112	48
47	140	56	Manufacturing	22	54	18
327	117	323	Construction	124	45	126
394	376	1,154	Service sector	445	145	152
1,810	1,792	1,844	Total	710	690	697
			B. Designated at FVOCI			
			Quoted investments - Oman			
1,881	1,662	1,866	Manufacturing	718	640	724
2,855	2,556	1,483	Banking and investment sector	571	984	1,099
5,216	4,836	5,103	Service sector	1,965	1,862	2,008
			Quoted investments - Foreign			
229	408	1,199	Manufacturing	462	157	88
491	855	492	Banking and investment sector	189	329	189
816	1,130	1,118	Service sector	430	435	314
224	197	214	Construction	83	76	87
11,712	11,644	11,475	Total	4,418	4,483	4,509

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
6. INVESTMENT SECURITIES (continued)

Audited 31-Dec-20 US\$ '000	Unaudited 31-Mar-20 US\$ '000	Unaudited 31-Mar-21 US\$ '000		Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000	Audited 31-Dec-20 RO '000
			Debt investments: Designated at FVOCI			
			Quoted investments - Oman			
361,745	353,548	361,276	Government development bonds	139,092	136,116	139,272
79,055	51,584	49,801	Government bonds	19,173	19,860	30,436
78,821	78,304	78,774	Government sukuks	30,328	30,147	30,346
33,940	15,797	50,616	Services	19,487	6,082	13,067
13,036	31	13,037	Banking and investment	5,019	12	5,019
194,805	-	337,662	Treasury bills	130,000	-	75,000
			Quoted investments - Foreign			
2,140	1,974	2,110	Government bonds	812	760	824
-	7,699	-	Services	-	2,964	-
-	60,000	-	US treasury bills	-	23,100	-
18,697	16,346	18,446	Banking and investment	7,102	6,293	7,198
782,239	585,283	911,722	Total debt investments	351,013	225,334	301,162
			Total investments	356,141	230,507	306,368
795,761	598,719	925,041				

7. CUSTOMERS' DEPOSITS

Customers' deposits can be analysed as follows:

Audited 31-Dec-20 US\$ '000	Unaudited 31-Mar-20 US\$ '000	Unaudited 31-Mar-21 US\$ '000		Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000	Audited 31-Dec-20 RO '000
			Conventional Banking			
2,941,766	2,415,769	2,992,006	Time deposits	1,151,922	930,071	1,132,580
909,384	1,198,816	836,823	Demand deposits	322,177	461,544	350,113
406,483	346,023	420,588	Savings deposits	161,926	133,219	156,496
4,257,633	3,960,608	4,249,417		1,636,025	1,524,834	1,639,189
			Islamic Banking			
360,077	222,686	396,908	Time deposits	152,810	85,734	138,630
126,081	122,330	136,154	Demand deposits	52,419	47,097	48,541
255,310	164,025	276,780	Savings deposits	106,560	63,150	98,294
741,468	509,041	809,842		311,789	195,981	285,465
4,999,101	4,469,649	5,059,259		1,947,814	1,720,815	1,924,654

The analysis of customer deposits based on the contractual maturity date is as below:

2,119,813	1,869,343	2,055,485	0-6 Months	791,361	719,697	816,128
975,483	158,694	315,683	6-12 months	121,538	61,097	375,561
1,395,223	1,662,270	1,827,791	1-3 years	703,699	639,974	537,160
508,582	779,342	860,300	3 years and above	331,216	300,047	195,804
4,999,101	4,469,649	5,059,259		1,947,814	1,720,815	1,924,654

Interest rate bands of deposits is as follows:

1,243,651	986,745	1,060,109	0-2%	408,142	379,897	478,806
1,207,862	1,461,870	1,064,734	2-4%	409,923	562,820	465,027
2,526,809	2,021,034	2,913,637	4-6%	1,121,749	778,098	972,821
20,779	-	20,779	6-7%	8,000	-	8,000
4,999,101	4,469,649	5,059,259		1,947,814	1,720,815	1,924,654

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
8. RELATED PARTY TRANSACTIONS

The Bank enters into transactions with major shareholders, directors, senior management and their related entities in the ordinary course of business at mutually agreed terms and conditions.

The balances in respect of related parties included in the statement of financial position are as follows:

Audited 31-Dec-20 US\$ '000	Unaudited 31-Mar-20 US\$ '000	Unaudited 31-Mar-21 US\$ '000		Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000	Audited 31-Dec-20 RO '000
Directors and senior management						
2,436	2,358	2,306	Loans & advances and financing, net	888	908	938
3,268	1,652	4,252	Customers' deposits	1,637	636	1,258
-	-	-	- Prepaid expenses	-	-	-
Major shareholders and others						
4,086	3,639	4,016	Due from banks	1,546	1,401	1,573
499	738	371	Investment securities	143	284	192
-	-	-	Other assets	-	-	-
579	662	192	- Fair value of forward contracts	74	255	223
-	-	-	- Fair value of swaps	-	-	-
11,909	11,655	27,699	Due to banks	10,664	4,487	4,585
68	83	68	Customers' deposits	26	32	26
-	-	-	Other liabilities	-	-	-
-	-	-	- Accrued expenses	-	-	-
-	-	-	- Other payables	-	-	-
8,701	10,826	6,083	- Fair value of swaps	2,342	4,168	3,350
3	-	-	- Fair value of forward contracts	-	-	1
888	922	888	Contingent liabilities and commitments	342	355	342

The income and expenses in respect of related parties included in the statement of comprehensive income are as follows:

Audited 31-Dec-20 US\$ '000	Unaudited 31-Mar-20 US\$ '000	Unaudited 31-Mar-21 US\$ '000		Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000	Audited 31-Dec-20 RO '000
Directors and senior management						
109	21	23	Interest and profit income	9	8	42
60	10	31	Interest and profit expense	12	4	23
384	-	-	- Board remuneration proposed	-	-	148
135	23	23	Board sitting fees	9	9	52
86	23	18	Shariah supervisory board expenses	7	9	33
-	-	-	- Other operating expenses	-	-	-
Major shareholders and others						
121	59	32	Interest and profit expense	12	23	47
-	-	2,618	Gain on fair value of interest rate swaps	1,008	-	-
-	-	-	Loss on fair value of interest rate swaps	-	-	-
4,132	6,257	-	- swaps	-	2,409	1,591
-	-	-	Gain on foreign exchange forward contracts	-	-	-
579	662	192	contracts	74	255	223
-	-	-	- Other operating expenses	-	-	-

As at 31 March 31, 2021, guarantees were issued to beneficiaries on behalf of related party amounting to RO 3.073 million equivalent to US\$ 7.982 million (31 March 2020: RO 3.056 million equivalent to US\$ 7.937 million).

Compensation of the key management personnel for the three month period ended 31 March 2021 was RO 0.490 million equivalent to US\$ 1.273 million (31 March 2020: RO 0.534 million equivalent to US\$ 1.387 million).

9. SHARE CAPITAL

The authorised share capital of the Bank is 2,500,000,000 shares of 100 baizas each (31 March 2020 and 31 December 2020: 2,500,000,000 shares of 100 baizas each) out of which 1,949,657,466 (31 March 2020 and 31 December 2020: 1,496,287,951 shares) are issued and fully paid up. The Bank raised share capital of RO 30 million through a rights issue which was completed in March 2021.

Ahli United Bank BSC (AUB) is the only shareholder owning 10% or more of the Bank's shares. On 31 March 2021 shareholding of AUB was 682,380,099 shares equivalent to 35% (31 March 2020: 549,885,812 shares equivalent to 35% and and 31 December 2020: 577,380,102 shares equivalent to 35%).

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
10. INTEREST INCOME

Interest bearing assets earned interest at an overall annualised rate of 5.54% for three months period ended 31 March 2021 (31 March 2020 - 5.43%)

Unaudited 31-Mar-20	Unaudited 31-Mar-21		Unaudited 31-Mar-21	Unaudited 31-Mar-20
US\$ '000	US\$ '000		RO '000	RO '000
62,426	66,466	Loans and advances	25,590	24,034
5,930	6,722	Investments	2,588	2,283
3,862	1,629	Due from banks	627	1,487
<u>72,218</u>	<u>74,817</u>		<u>28,805</u>	<u>27,804</u>

11. INTEREST EXPENSE

The average annualised cost of funds for three months period ended 31 March 2021 is 3.42% (31 March 2020 - 3.44%)

Unaudited 31-Mar-20	Unaudited 31-Mar-21		Unaudited 31-Mar-21	Unaudited 31-Mar-20
27,551	32,245	Time deposits	12,414	10,607
7,210	5,704	Demand and saving deposits	2,196	2,776
4,200	2,631	Borrowings	1,013	1,617
2,681	2,325	Inter-bank deposits	895	1,032
<u>41,642</u>	<u>42,905</u>		<u>16,518</u>	<u>16,032</u>

12. OTHER OPERATING INCOME

Unaudited 31-Mar-20	Unaudited 31-Mar-21		Unaudited 31-Mar-21	Unaudited 31-Mar-20
6,590	3,608	Fees and commission, net (refer note 12.1)	1,389	2,537
(468)	6,747	Gain/(loss) on sale of investments, net	2,598	(180)
2,571	1,917	Foreign exchange gain, net	738	990
650	5	Dividend income	2	250
-	275	Unrealized gains on investments	106	-
<u>9,343</u>	<u>12,552</u>		<u>4,833</u>	<u>3,597</u>

12.1. DISAGGREGATION OF FEE AND COMMISSION INCOME

IFRS 15 requires the disclosure of disaggregated revenue earned from contracts with customers for major products / service lines. The below table provides disaggregation of fees and other income & commission with the Bank's reportable segments:

Particulars	31-Mar-21			31-Mar-20		
	Retail banking RO '000	Wholesale banking, treasury and investment banking RO '000	Total RO '000	Retail banking RO '000	Wholesale banking, treasury and investment banking RO '000	Total RO '000
Disaggregated income						
Service charges	163	109	272	186	108	294
Fees income	247	615	862	289	1,711	2,000
Commission income	23	409	432	6	341	347
Total fee and commission income	433	1,133	1,566	481	2,160	2,641
Fee expense	(169)	(8)	(177)	(103)	(1)	(104)
Fee and commission, net	264	1,125	1,389	378	2,159	2,537

Particulars	31-Mar-21			31-Mar-20		
	Retail banking US\$'000	Wholesale banking, treasury and investment banking US\$'000	Total US\$'000	Retail banking US\$'000	Wholesale banking, treasury and investment banking US\$'000	Total US\$'000
Disaggregated income						
Service charges	423	283	706	483	281	764
Fees income	641	1,598	2,239	751	4,444	5,195
Commission	60	1,063	1,123	16	886	902
Total fee and commission income	1,124	2,944	4,068	1,250	5,611	6,861
Fee expense	(440)	(20)	(460)	(268)	(3)	(271)
Fee and commission, net	684	2,924	3,608	982	5,608	6,590

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
13. NET IMPAIRMENT ON FINANCIAL ASSETS

Unaudited 31-Mar-20	Unaudited 31-Mar-21		Unaudited 31-Mar-21	Unaudited 31-Mar-20
US\$ '000	US\$ '000		RO '000	RO '000
		Net Impairment charge		
(5)	190	Due from banks	73	(2)
7,352	12,627	Loans & advances and financing	4,862	2,830
36	(39)	Investment securities	(15)	14
10	(34)	Other assets	(13)	4
44	483	Loan commitments and financial guarantees	186	17
(29)	(13)	Loans & advances and financing written back	(5)	(11)
(530)	(734)	Recovery of loans written off earlier	(282)	(204)
6,878	12,482		4,805	2,648
(665)	(2,088)	Less: Interest reserved during the period	(804)	(256)
6,213	10,393		4,001	2,392

14. BASIC AND DILUTED EARNINGS / NET ASSETS VALUE PER SHARE
14.1 BASIC AND DILUTED EARNINGS PER SHARE

Audited 31-Dec-20	Unaudited 31-Mar-20	Unaudited 31-Mar-21		Unaudited 31-Mar-21	Unaudited 31-Mar-20	Audited 31-Dec-20
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
62,254	18,216	16,493	Profit for the period/year	6,351	7,013	23,968
1,649,657	1,571,102	1,650,233	Weighted average number of outstanding shares during the period/year (in 000's)	1,650,233	1,571,102	1,649,657
4	1	1	/baizas)	4	5	15

No figure for diluted earnings per share has been presented as the Bank has not issued any instruments which would have a diluting impact on earnings per share when exercised.

Earnings per share at and for the three months period ended 31 March 2021 and comparative periods have been calculated using the weighted average shares outstanding for the current period. . The weighted average shares outstanding for the three months ended 31 March 2021 were 1,650,232,808 which included rights issue of 30,000,000 shares at par in March 2021

14.2 NET ASSETS VALUE PER SHARE

Audited 31-Dec-20	Unaudited 31-Mar-20	Unaudited 31-Mar-21		Unaudited 31-Mar-21	Unaudited 31-Mar-20	Audited 31-Dec-20
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
686,623	620,925	751,457	Net assets	289,311	239,056	264,350
1,649,657	1,571,102	1,949,657	Issued and paid up shares (in'000)	1,949,657	1,571,102	1,649,657
42	40	39	Net assets value per share (cents/baizas)	148	152	160

15. SEGMENT REPORTING

Segment information is presented in respect of the Bank's operating segments. For management purposes, the Bank is organised into two operating segments based on products and services as follows:

1. Retail banking includes customers' deposits, unrestricted investments accounts, consumer loans, overdrafts, credit card, Islamic financing and fund transfer facilities.
2. Wholesale banking, treasury and investments include deposits including current accounts, term deposits, loans & advances and Islamic financing etc. for corporate and institutional customers, Treasury, Trade Finance and Investment Banking Services.

The Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the profit after tax.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
15. SEGMENT INFORMATION (continued)

Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to business segments based on pool rate, which is approximates the cost of the funds.

Segment information is as follows:

	31-Mar-21			31-Mar-20			31-Dec-20		
	Retail banking RO '000	Wholesale banking, treasury & investment RO '000	Total RO '000	Retail banking RO '000	Wholesale banking, treasury & investment RO '000	Total RO '000	Retail banking RO '000	Wholesale banking, treasury & investment RO '000	Total RO '000
Net interest income	4,259	8,028	12,287	4,542	7,230	11,772	17,551	31,299	48,850
Net income from islamic financing and investments	973	1,529	2,502	866	2,628	3,494	3,419	7,825	11,244
Net interest income and income from islamic financing and investments	5,232	9,557	14,789	5,408	9,858	15,266	20,970	39,124	60,094
Other operating income	496	4,337	4,833	521	3,076	3,597	1,735	9,667	11,402
Net operating income	5,728	13,894	19,622	5,929	12,934	18,863	22,705	48,791	71,496
Net impairment on financial assets & write off	(245)	(3,756)	(4,001)	619	(3,011)	(2,392)	(1,128)	(13,274)	(14,402)
Operating expenses	(4,766)	(3,359)	(8,125)	(4,520)	(3,739)	(8,259)	(17,330)	(12,765)	(30,095)
Profit before taxation	717	6,779	7,496	2,028	6,184	8,212	4,247	22,752	26,999
Tax expense	(109)	(1,036)	(1,145)	(296)	(903)	(1,199)	(477)	(2,554)	(3,031)
Segment profit for the period/year	608	5,743	6,351	1,732	5,281	7,013	3,770	20,198	23,968
Segment assets	741,855	2,079,470	2,821,325	723,077	1,792,675	2,515,752	739,286	1,963,191	2,702,477
Segment liabilities	533,473	1,874,541	2,408,014	313,837	1,838,859	2,152,696	473,527	1,840,600	2,314,127
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Net interest income	11,061	20,851	31,912	11,797	18,779	30,576	45,587	81,296	126,883
Net income from islamic financing and investments	2,528	3,971	6,499	2,249	6,827	9,076	8,881	20,324	29,205
Net interest income and income from islamic financing and investments	13,589	24,822	38,411	14,046	25,606	39,652	54,468	101,620	156,088
Other operating income	1,287	11,265	12,552	1,353	7,990	9,343	4,506	25,109	29,615
Net operating income	14,876	36,087	50,963	15,399	33,596	48,995	58,974	126,729	185,703
Net impairment on financial assets & write off	(636)	(9,756)	(10,392)	1,608	(7,821)	(6,213)	(2,930)	(34,478)	(37,408)
Operating expenses	(12,379)	(8,725)	(21,104)	(11,740)	(9,712)	(21,452)	(45,013)	(33,155)	(78,168)
Profit before taxation	1,861	17,606	19,467	5,267	16,063	21,330	11,031	59,096	70,127
Tax expense	(282)	(2,692)	(2,974)	(769)	(2,345)	(3,114)	(1,239)	(6,634)	(7,873)
Segment profit for the period/year	1,579	14,914	16,493	4,498	13,718	18,216	9,792	52,462	62,254
Segment assets	1,926,897	5,401,222	7,328,119	1,878,122	4,656,299	6,534,421	1,920,223	5,099,197	7,019,420
Segment liabilities	1,385,646	4,868,938	6,254,584	815,161	4,776,257	5,591,418	1,229,940	4,780,779	6,010,719

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities, other than those disclosed in the table below and in note 5, approximate their carrying values.

The bank's primary medium and long-term financial liabilities are the borrowed funds and subordinated liabilities. The fair values of these financial liabilities are not materially different from their carrying values, since these liabilities are repriced at intervals of three or six months, depending on the terms and conditions of the instrument and the resultant applicable margins approximate the current spreads that would apply for borrowings with similar maturities.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 - Quoted prices (unadjusted) in active markets.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table contains analysis of financial instruments measured at fair value at the reporting date:

	31-Mar-21			31-Mar-20			31-Dec-20		
	Level 1 RO '000	Level 2 RO '000	Total RO '000	Level 1 RO '000	Level 2 RO '000	Total RO '000	Level 1 RO '000	Level 2 RO '000	Total RO '000
Financial assets:									
Investments at FVTPL	710	-	710	690	-	690	697	-	697
Investments at FVOCI	355,431	-	355,431	40,454	189,363	229,817	61,053	244,618	305,671
<i>Derivative financial instruments</i>									
Interest rate swaps	-	1,240	1,240	-	-	-	-	849	849
Forward foreign exchange contracts	1,062	-	1,062	1,471	-	1,471	1,813	-	1,813
	357,203	1,240	358,443	42,615	189,363	231,978	63,563	245,467	309,030
Financial liabilities									
<i>Derivative financial instruments</i>									
Interest rate swaps	-	4,791	4,791	-	5,650	5,650	-	5,890	5,890
Forward foreign exchange contracts	79	-	79	71	-	71	98	-	98
	79	4,791	4,870	71	5,650	5,721	98	5,890	5,988
Financial assets:	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Investments at FVTPL	1,844	-	1,844	1,792	-	1,792	1,810	-	1,810
Investments at FVOCI	923,197	-	923,197	105,075	491,852	596,927	158,579	635,372	793,951
<i>Derivative financial instruments</i>									
Interest rate swaps	-	3,221	3,221	-	-	-	-	2,205	2,205
Forward foreign exchange contracts	2,758	-	2,758	3,821	-	3,821	4,709	-	4,709
	927,799	3,221	931,020	110,688	491,852	602,540	165,098	637,577	802,675
Financial liabilities									
<i>Derivative financial instruments</i>									
Interest rate swaps	-	12,443	12,443	-	14,675	14,675	-	15,299	15,299
Forward foreign exchange contracts	205	-	205	184	-	184	255	-	255
	205	12,443	12,648	184	14,675	14,859	255	15,299	15,554

No financial instruments are carried at level 3 fair value as on 31 March 2021 (31 March 2020 and 31 December 2020: nil)

There are no transfers between levels of fair value measurement hierarchy during the period.

17. DERIVATIVES
Derivative product types

Swaps are contractual agreements between two parties to exchange interest based on a specific notional amount. For interest rate swaps, counterparties generally exchange fixed and floating rate interest payments based on a notional value in a single currency.

Forward contracts are contractual agreements to either buy or sell a specified currency, commodity or financial instrument at a specific price and date in the future. Forward contracts are customised contracts transacted over the counter.

Derivatives held for hedging purposes

The Bank enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. As all critical terms matched, there is an economic relationship between hedged item and hedge instrument. There was no recognised ineffectiveness during 2021 and 2020 in relation to interest rate swaps.

Derivatives held for risk management purposes

The Bank has entered into interest rate swaps and forward contracts for risk management purposes which are usually not closed out prior to contractual maturity. The Bank ensures that its exposure is kept to acceptable level by buying and selling of foreign currencies in forward market when necessary to address short term imbalances.

The table below shows the assets and liabilities fair values of derivative financial instruments, together with the notional cash flows analysed by the term of their maturity.

	Assets RO '000	Liabilities RO '000	Notional cash flows RO '000
At 31 March 2021			
Derivatives for hedging:			
Interest rate swaps	1,240	4,791	267,089
Derivatives:			
Forward purchase contracts	-	79	171,592
Forward sales contracts	1,062	-	170,609
	US\$ 000	US\$ 000	US\$ 000
Derivatives for hedging:			
Interest rate swaps	3,221	12,443	693,738
Derivatives:			
Forward purchase contracts	-	205	445,694
Forward sales contracts	2,758	-	443,140
At 31 March 2020	RO '000	RO '000	RO '000
<i>Derivatives for hedging:</i>			
Interest rate swaps	-	5,650	175,368
<i>Derivatives:</i>			
Forward purchase contracts	-	71	214,046
Forward sales contracts	1,471	-	212,646
	US\$ 000	US\$ 000	US\$ 000
<i>Derivatives for hedging:</i>			
Interest rate swaps	-	14,675	455,501
<i>Derivatives:</i>			
Forward purchase contracts	-	184	555,964
Forward sales contracts	3,821	-	552,327
At 31 December 2020	RO '000	RO '000	RO '000
<i>Derivatives for hedging:</i>			
Interest rate swaps	849	5,890	(5,041)
<i>Derivatives:</i>			
Forward purchase contracts	-	98	212,029
Forward sales contracts	1,813	-	213,744
	US\$ 000	US\$ 000	US\$ 000
<i>Derivatives for hedging:</i>			
Interest rate swaps	2,205	15,299	(13,093)
<i>Derivatives:</i>			
Forward purchase contracts	-	255	550,725
Forward sales contracts	4,709	-	555,179

Fair values are included under other assets where positive and other liabilities where negative.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (CONTINUED)
FOR THE THREE MONTH PERIOD ENDED 31 March 2021**
18. CONTINGENT LIABILITIES AND COMMITMENTS

Audited 31-Dec-20 US\$ '000	Unaudited 31-Mar-20 US\$ '000	Unaudited 31-Mar-21 US\$ '000		Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000	Audited 31-Dec-20 RO '000
323,429	440,112	316,964	Financial guarantees	122,031	169,443	124,520
172,345	166,078	140,579	Letters of credit	54,123	63,940	66,353
122,545	124,566	135,971	Loan commitments	52,349	47,958	47,180
4,377	1,668	18,392	Capital commitments	7,081	642	1,685
622,696	732,424	611,906		235,584	281,983	239,738

19. ASSETS AND LIABILITIES MATURITY

As at 31 March 2021	Upto 3 months RO '000	Above 3 months to 12 months RO '000	Above 1 year to 5 years RO '000	More than 5 years RO '000	Total RO '000
Assets	917,664	321,764	466,009	1,144,537	2,849,974
Liabilities and equity	(610,207)	(861,765)	(635,014)	(742,988)	(2,849,974)
Net liquidity gap	307,457	(540,001)	(169,005)	401,549	-
Net liquidity gap in US \$ '000	798,590	(1,402,600)	(438,974)	1,042,984	-

As at 31 March 2020	Upto 3 months RO '000	Above 3 months to 12 months RO '000	Above 1 year to 5 years RO '000	More than 5 years RO '000	Total RO '000
Assets	698,658	229,110	454,155	1,133,830	2,515,753
Liabilities and equity	(487,004)	(693,428)	(683,613)	(651,708)	(2,515,753)
Net liquidity gap	211,654	(464,318)	(229,458)	482,122	-
Net liquidity gap in US \$ '000	549,751	(1,206,021)	(595,995)	1,252,265	-

As at 31 December 2020	Upto 3 months RO '000	Above 3 months to 12 months RO '000	Above 1 year to 5 years RO '000	More than 5 years RO '000	Total RO '000
Assets	807,013	329,302	447,543	1,118,619	2,702,477
Liabilities and equity	(578,260)	(707,592)	(860,217)	(556,408)	(2,702,477)
Net liquidity gap	228,753	(378,290)	(412,674)	562,211	-
Net liquidity gap in US \$ '000	594,163	(982,571)	(1,071,881)	1,460,289	-

20. CAPITAL MANAGEMENT

The risk asset ratio is calculated in accordance with the capital adequacy guidelines of the Basel Committee on Banking Supervision and CBO Circulars BM 1009 'Guidelines on Basel II' and BM 1114 'Regulatory Capital and Composition of Capital Disclosure requirements under Basel III' effective from 31 December 2014. As per CBO circular BSD/CB/2020/001 dated 18 March 2020, capital conversion buffer will be reduced by 50% from 2.5% to 1.25%. Accordingly, the minimum capital adequacy ratio requirement for the year is 12.25% including capital conservation buffer of 1.25% (31 December 2020: 12.25% including capital conservation buffer of 1.25%). The capital adequacy ratio working is as follows:

The following table sets out the capital adequacy position:

	Unaudited 31-Mar-21 RO '000	Unaudited 31-Mar-20 RO '000	Audited 31-Dec-20 RO '000
Common Equity Tier 1 (CET1)	268,466	224,697	239,044
Additional Tier 1	124,000	124,000	124,000
Tier 1	392,466	348,697	363,044
Tier 2	19,002	15,598	22,448
Total regulatory capital	411,468	364,295	385,492
Risk weighted assets			
Credit risk	2,332,130	2,091,200	2,270,314
Market risk	51,760	77,166	72,689
Operational risk	129,573	117,449	117,449
Total risk weighted assets	2,513,463	2,285,815	2,460,452
Capital adequacy ratio			
CET1 capital expressed as a percentage of total risk-weighted assets	10.68%	9.83%	9.72%
Total tier I capital expressed as a percentage of total risk-weighted assets	15.61%	15.25%	14.76%
Tier II capital expressed as a percentage of total risk-weighted assets	0.76%	0.69%	0.91%
Total regulatory capital expressed as a percentage of total risk-weighted assets	16.37%	15.94%	15.67%
	Unaudited 31-Mar-21 US\$ '000	Unaudited 31-Mar-20 US\$ '000	Audited 31-Dec-20 US\$ '000
Common Equity Tier 1 (CET1)	697,314	583,628	620,893
Additional Tier 1	322,078	322,078	322,078
Tier 1	1,019,392	905,706	942,971
Tier 2	49,356	40,514	58,308
Total regulatory capital	1,068,748	946,221	1,001,279
Risk weighted assets			
Credit risk	6,057,481	5,431,689	5,896,920
Market risk	134,441	200,432	188,802
Operational risk	336,552	305,062	305,062
Total risk weighted assets	6,528,475	5,937,183	6,390,784
Capital adequacy ratio			
CET1 capital expressed as a percentage of total risk-weighted assets	10.68%	9.83%	9.72%
Total tier I capital expressed as a percentage of total risk-weighted assets	15.61%	15.25%	14.76%
Tier II capital expressed as a percentage of total risk-weighted assets	0.76%	0.69%	0.91%
Total regulatory capital expressed as a percentage of total risk-weighted assets	16.37%	15.94%	15.67%

21. COMPARATIVE FIGURES

Corresponding figures have been rearranged and reclassified in order to conform with the presentation for the current period for the purpose of comparison and for better presentation.