



**AHLI BANK SAOG**

**Interim condensed financial statements  
For the nine months period ended 30 September 2024**

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## Chairman's Report

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to present ahlibank's unaudited interim financial statements for the period ended 30 September 2024.

We are encouraged by the Sultanate of Oman's positive economic outlook, as highlighted by the World Bank. Oman is actively enhancing its business environment and expediting investments in renewable energy and green hydrogen. By emphasizing economic diversification and promoting innovation across various sectors, the Sultanate is paving the way for a prosperous and sustainable future.

The credit rating Agency Standard & Poor's has upgraded Oman's rating from BB+ to BBB- with a stable outlook, reflecting the improved financial performance of the country. The BBB- rating marks the first tier of investment grade on Standard & Poor's credit rating scale, signifying a secure investment environment. This upgrade reinforces optimism within the Sultanate's economy and in particular the banking sector, underscoring the various opportunities that await the country. Furthermore, it positions the banking sector, especially ahlibank, on a growth trajectory that supports the achievement of the objectives outlined in Oman Vision 2040.

Adding to this positive momentum, the recent Federal Reserve rate cut has had a noteworthy impact on liquidity within local markets. With a reduction in cost of funds, we anticipate a boost in credit demand, which will further stimulate economic activity in Oman. This improved liquidity environment enables Banks to offer more competitive lending rates and innovative financial products, fostering a climate conducive to growth and investment.

### Financial Performance

ahlibank's performance continues to show consistent progress across key financial indicators as below:

	30-Sep-24	30-Sep-23	Growth %
	RO Million		
Net Loans, Advances & Financing	2,892.2	2,666.9	8.4%
Total Assets	3,468.8	3,154.3	10.0%
Customers' Deposits	2,672.1	2,371.4	12.7%
Equity	553.9	516.5	7.2%
Operating Income	77.65	73.67	5.4%
Operating Expenses	33.06	30.12	9.8%
Profit for the Period	30.83	29.29	5.3%

- As of 30 September 2024, the Bank's net loans, advances, and financing grew by 8.4% to reach RO 2,892.2 million, compared to RO 2,666.9 million as of 30 September 2023.
- Total assets increased by 10.0%, from RO 3,154.3 million as of 30 September 2023 to RO 3,468.8 million as of 30 September 2024.
- Customer deposits grew by 12.7% to reach RO 2,672.1 million as of 30 September 2024, compared to RO 2,371.4 million last year.
- Operating income increased by 5.4% to RO 77.65 million for the nine-month period ended 30 September 2024, while operating expenses rose by 9.8% to RO 33.06 million.
- Profit for the nine-month period ended 30 September 2024 increased by 5.3% to RO 30.83 million, compared to RO 29.29 million during the same period last year.

### **Highlights of Achievements**

As we continue our journey navigating the ever-changing banking landscape, I am pleased to highlight some of our most prominent achievements this past quarter.

In order to bring Sharia-compliant banking products and services closer to our growing customer base, ahli islamic opened its newest branch in Al Khoudh 6. The establishment of this branch reinforces ahli islamic's commitment to growth and innovation, built on a solid foundation of trust and reliability, reflecting our enthusiasm for expanding into new horizons.

Adding to its distinguished accolades, ahlibank received top honors at the Alam Al Iktisaad Awards 2024, in which the Bank won two prestigious titles: 'Excellence in Corporate Banking & Innovative solutions', and 'Best Performing Company – Large Cap' – achieving two significant milestones in its successful track record. Additionally, ahli islamic won the prestigious 'Excellence in Retail Islamic Banking led by cutting-edge products & services' award – marking its commendable efforts to provide the latest Sharia-compliant products and services.

Moreover, at the OER Live DX Awards Oman, ahlibank added to its accomplishments the 'Excellence in Digital Banking' award, receiving honors for its contributions and innovation in the digital banking scene.

These milestones showcase ahlibank's unwavering commitment to innovation and excellence, signaling tangible progress in our strategic growth. I look forward to sharing further successes with you as we continue to shape the future of banking in Oman.

## **Corporate Social Responsibility (CSR)**

Corporate Social Responsibility is deeply woven into the values and identity of ahlibank. As we progress on our journey as a socially conscious and responsible entity, we remain committed to bettering the community by enabling positive and sustainable societal changes.

In a heartfelt initiative designed to foster inclusivity and community spirit, ahlibank, through its dedicated CSR team 'ahli Cares,' organized a delightful day for children from the Child Care Center, Seeb. Furthermore, the 'ahli Cares' team has made remarkable progress in providing essential school supplies and uniforms to 2,000 orphaned and underprivileged students across various regions of the Sultanate. In partnership with Al Rahma Association, this initiative aims to support these students as they prepare for the upcoming academic year.

In line with our efforts to empower Omani youth through knowledge-intensive development programs, ahlibank opened its doors for the 10<sup>th</sup> batch of graduates in its HIMAM flagship program. The program focuses on empowering the Omani youth and equipping them with the necessary skills to begin a professional career in the banking sector.

ahlibank's dedication to CSR, talent development, community engagement, and innovation remains resolute as we continue to support and empower talented individuals within our community. Together, we strive to make a meaningful impact on the lives of those we serve.

## **Looking Ahead**

ahlibank is continuously driven to innovate, instilling a culture of development, learning, and overall growth within the banking sector in Oman. The Bank will remain steadfast in investing in human capital and welcoming feedback from its customers and employees, thereby becoming a vibrant center for banking excellence and success.

With a strong framework, ahlibank ensures operational longevity and sustainability, complementing the government's efforts to achieve Oman Vision 2040. With our unique and holistic portfolio, ethos, and culture, ahlibank will continue to grow in this competitive industry.

## **Acknowledgements**

On behalf of the Board of Directors, I would like to acknowledge the unwavering support and trust of ahlibank's shareholders in our initiatives and capabilities to deliver on our commitments. Your steadfast support has empowered the Bank and our team to continually strive for and achieve new milestones and successes.

My deepest appreciation also goes out to the Bank's Executive Management and every member of the ahlibank community, whose relentless efforts to fortify the Bank's foundation are the driving force behind our continued success.

Lastly, we pledge our allegiance to His Majesty Sultan Haitham bin Tarik and reaffirm our commitment to the nation's economic progression as outlined in Oman Vision 2040.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Hamdan', with a long horizontal line extending to the left.

**Hamdan Ali Nasser Al Hinai**

**Chairman**

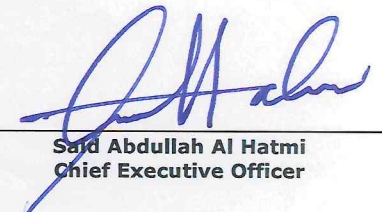
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
As at 30 September 2024

Audited 31-Dec-23 US\$'000	Unaudited 30-Sep-23 US\$'000	Unaudited 30-Sep-24 US\$'000		Note	Unaudited 30-Sep-24 RO'000	Unaudited 30-Sep-23 RO'000	Audited 31-Dec-23 RO'000
<b>ASSETS</b>							
446,585	228,125	<b>304,312</b>	Cash and balances with Central Bank of Oman		<b>117,160</b>	87,828	171,935
229,190	116,706	<b>158,706</b>	Due from banks		<b>61,102</b>	44,932	88,238
787,805	728,172	<b>820,984</b>	Investment securities	6	<b>316,079</b>	280,346	303,305
6,997,818	6,926,961	<b>7,512,251</b>	Loans & advances and financing, net	5	<b>2,892,217</b>	2,666,880	2,694,160
50,847	90,091	<b>89,616</b>	Other assets		<b>34,502</b>	34,685	19,576
106,834	102,805	<b>123,974</b>	Property, equipment and intangibles		<b>47,730</b>	39,580	41,131
<b>8,619,079</b>	<b>8,192,860</b>	<b>9,009,843</b>	<b>TOTAL ASSETS</b>		<b>3,468,790</b>	3,154,251	3,318,345
<b>LIABILITIES AND EQUITY</b>							
482,600	337,825	<b>344,506</b>	Due to banks		<b>132,635</b>	130,062	185,801
6,430,301	6,159,392	<b>6,940,481</b>	Customers' deposits	7	<b>2,672,085</b>	2,371,366	2,475,666
100,000	100,000	<b>50,000</b>	Borrowed funds		<b>19,250</b>	38,500	38,500
33,352	26,709	<b>27,226</b>	Tax liability		<b>10,482</b>	10,283	12,840
218,556	227,384	<b>209,011</b>	Other liabilities		<b>80,470</b>	87,543	84,144
<b>7,264,809</b>	<b>6,851,310</b>	<b>7,571,224</b>	<b>TOTAL LIABILITIES</b>		<b>2,914,922</b>	2,637,754	2,796,951
<b>EQUITY</b>							
636,275	636,275	<b>636,275</b>	Share capital	9	<b>244,966</b>	244,966	244,966
113,917	104,450	<b>113,917</b>	Legal reserve		<b>43,858</b>	40,213	43,858
597	(1,228)	<b>2,977</b>	Fair value reserve		<b>1,146</b>	(473)	230
774	2,592	<b>774</b>	Special reserve		<b>298</b>	998	298
28,226	26,303	<b>55,252</b>	Impairment reserve		<b>21,272</b>	10,127	10,867
187,468	186,145	<b>163,538</b>	Retained earnings		<b>62,962</b>	71,666	72,175
<b>967,257</b>	<b>954,537</b>	<b>972,733</b>	<b>TOTAL NET EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK</b>		<b>374,502</b>	367,497	372,394
387,013	387,013	<b>465,886</b>	Tier 1 Perpetual subordinated bonds		<b>179,366</b>	149,000	149,000
<b>1,354,270</b>	<b>1,341,550</b>	<b>1,438,619</b>	<b>TOTAL EQUITY</b>		<b>553,868</b>	516,497	521,394
<b>8,619,079</b>	<b>8,192,860</b>	<b>9,009,843</b>	<b>TOTAL LIABILITIES AND NET EQUITY</b>		<b>3,468,790</b>	3,154,251	3,318,345
41	41	<b>41</b>	Net assets value per share (US cents/baizas)	15.2	<b>159</b>	156	159
<b>570,413</b>	<b>640,764</b>	<b>664,193</b>	Contingent liabilities and commitments	19	<b>255,714</b>	246,695	219,609

The interim condensed financial statements were approved by the Board of Directors on 24 October 2024 and signed on their behalf by:



**Hamdan Ali Nasser Al Hinai**  
Chairman



**Said Abdullah Al Hatmi**  
Chief Executive Officer

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



**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024

Nine month period ended		Three month period ended			Three month period ended		Nine month period ended		
Unaudited 30-Sep-23	Unaudited 30-Sep-24	Unaudited 30-Sep-23	Unaudited 30-Sep-24		Note	Unaudited 30-Sep-24	Unaudited 30-Sep-23	Unaudited 30-Sep-24	Unaudited 30-Sep-23
US\$'000	US\$'000	US\$'000	US\$'000			RO'000	RO'000	RO'000	RO'000
275,732	<b>298,062</b>	95,447	<b>96,436</b>	Interest income	10	<b>37,128</b>	36,747	<b>114,754</b>	106,157
(154,673)	<b>(184,064)</b>	(55,449)	<b>(60,976)</b>	Interest expense	11	<b>(23,476)</b>	(21,348)	<b>(70,865)</b>	(59,549)
121,059	<b>113,998</b>	39,998	<b>35,460</b>	<b>NET INTEREST INCOME</b>		<b>13,652</b>	15,399	<b>43,889</b>	46,608
61,678	<b>72,008</b>	23,852	<b>24,174</b>	Income from Islamic financing and investments	10	<b>9,307</b>	9,183	<b>27,723</b>	23,746
(32,031)	<b>(47,849)</b>	(12,299)	<b>(17,236)</b>	Unrestricted investment account holders' share of profit and profit expense	11	<b>(6,636)</b>	(4,735)	<b>(18,422)</b>	(12,332)
29,647	<b>24,159</b>	11,553	<b>6,938</b>	<b>NET INCOME FROM ISLAMIC FINANCING AND INVESTMENTS</b>		<b>2,671</b>	4,448	<b>9,301</b>	11,414
150,706	<b>138,157</b>	51,551	<b>42,398</b>	<b>NET INTEREST INCOME AND INCOME FROM ISLAMIC FINANCING AND INVESTMENTS</b>		<b>16,323</b>	19,847	<b>53,190</b>	58,022
32,403	<b>36,865</b>	9,769	<b>11,556</b>	Fees and commission income	13	<b>4,449</b>	3,761	<b>14,193</b>	12,475
(2,130)	<b>(3,930)</b>	(834)	<b>(1,423)</b>	Fees and commission expense	13	<b>(548)</b>	(321)	<b>(1,513)</b>	(820)
30,273	<b>32,935</b>	8,935	<b>10,133</b>	<b>Net fees and commission income</b>		<b>3,901</b>	3,440	<b>12,680</b>	11,655
10,378	<b>30,590</b>	3,452	<b>17,642</b>	Other operating income	12	<b>6,792</b>	1,329	<b>11,777</b>	3,996
191,357	<b>201,682</b>	63,938	<b>70,173</b>	<b>OPERATING INCOME</b>		<b>27,016</b>	24,616	<b>77,647</b>	73,673
(47,556)	<b>(52,136)</b>	(16,732)	<b>(17,760)</b>	Staff expenses		<b>(6,837)</b>	(6,442)	<b>(20,072)</b>	(18,309)
(7,390)	<b>(8,162)</b>	(2,649)	<b>(2,910)</b>	Depreciation and amortisation		<b>(1,121)</b>	(1,020)	<b>(3,143)</b>	(2,845)
(23,278)	<b>(25,566)</b>	(7,992)	<b>(9,436)</b>	Other operating expenses		<b>(3,633)</b>	(3,077)	<b>(9,843)</b>	(8,962)
(78,224)	<b>(85,864)</b>	(27,373)	<b>(30,106)</b>	<b>OPERATING EXPENSES</b>		<b>(11,591)</b>	(10,539)	<b>(33,058)</b>	(30,116)
(25,318)	<b>(23,376)</b>	(7,906)	<b>(8,646)</b>	Net impairment on financial assets	14	<b>(3,329)</b>	(3,044)	<b>(9,000)</b>	(9,747)
87,815	<b>92,442</b>	28,659	<b>31,421</b>	<b>PROFIT BEFORE TAXATION</b>		<b>12,096</b>	11,033	<b>35,589</b>	33,810
(11,743)	<b>(12,365)</b>	(4,296)	<b>(3,804)</b>	Tax expense		<b>(1,464)</b>	(1,654)	<b>(4,760)</b>	(4,521)
76,072	<b>80,077</b>	24,363	<b>27,617</b>	<b>PROFIT FOR THE PERIOD</b>		<b>10,632</b>	9,379	<b>30,829</b>	29,289
				<b>OTHER COMPREHENSIVE INCOME</b>					
				<i>Items that will not be reclassified to profit or loss</i>					
675	<b>(1,680)</b>	1,075	<b>1,740</b>	Equity investments at FVOCI - net changes in fair value		<b>670</b>	414	<b>(647)</b>	260
				<i>Items that may be reclassified to profit or loss</i>					
1,360	<b>(543)</b>	264	<b>(1,143)</b>	Cash flow hedge - net changes in fair value		<b>(440)</b>	102	<b>(209)</b>	524
3,382	<b>4,432</b>	122	<b>4,782</b>	Changes in fair value of FVOCI debt investments		<b>1,841</b>	47	<b>1,706</b>	1,302
5,417	<b>2,209</b>	1,461	<b>5,379</b>	<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,071</b>	563	<b>850</b>	2,086
81,489	<b>82,286</b>	25,824	<b>32,996</b>	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>12,703</b>	9,942	<b>31,679</b>	31,375
2.8	<b>2.5</b>	1.2	<b>1.2</b>	<b>Basic And Diluted Earnings Per Share (US cents/baixas)</b>	15.1	<b>4.5</b>	4.7	<b>9.5</b>	10.6

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

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**

	Share capital	Legal 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
<b>Balance at 1 January 2024</b>	<b>244,966</b>	<b>43,858</b>	<b>230</b>	<b>298</b>	<b>10,867</b>	<b>72,175</b>	<b>372,394</b>	<b>149,000</b>	<b>521,394</b>
Profit for the period	-	-	-	-	-	30,829	30,829	-	30,829
Other comprehensive income, net of tax	-	-	850	-	-	-	850	-	850
<b>Total comprehensive income</b>	-	-	<b>850</b>	-	-	<b>30,829</b>	<b>31,679</b>	-	<b>31,679</b>
Interest paid on Tier 1 perpetual subordinated bond	-	-	-	-	-	(8,423)	(8,423)	-	(8,423)
Loss on sale of equity investments at FVOCI	-	-	66	-	-	(66)	-	-	-
Transfer to impairment reserve	-	-	-	-	10,405	(10,405)	-	-	-
<b>Transactions with owners recognised directly in equity</b>									
Cash dividends paid	-	-	-	-	-	(10,574)	(10,574)	-	(10,574)
Issuance of Mandatory Convertible Bonds (including share issue expenses)	-	-	-	-	-	(10,574)	(10,574)	10,366	(208)
Issue of Tier 1 Perpetual bonds	-	-	-	-	-	-	-	40,000	40,000
Redemption of Tier 1 perpetual bonds	-	-	-	-	-	-	-	(20,000)	(20,000)
<b>Balance at 30 September 2024 (unaudited)</b>	<b>244,966</b>	<b>43,858</b>	<b>1,146</b>	<b>298</b>	<b>21,272</b>	<b>62,962</b>	<b>374,502</b>	<b>179,366</b>	<b>553,868</b>
<b>Balance at 30 September 2024 (US\$'000) (unaudited)</b>	<b>636,275</b>	<b>113,917</b>	<b>2,977</b>	<b>774</b>	<b>55,252</b>	<b>163,538</b>	<b>972,733</b>	<b>465,886</b>	<b>1,438,618</b>

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (Continued)**  
**FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

	Share capital	Legal 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
<b>Balance at 1 January 2023</b>	<b>194,966</b>	<b>40,213</b>	<b>(2,463)</b>	<b>998</b>	<b>10,127</b>	<b>68,098</b>	<b>311,939</b>	<b>149,000</b>	<b>460,939</b>
Profit for the period	-	-	-	-	-	29,289	29,289	-	29,289
Other comprehensive expense, net of tax	-	-	2,086	-	-	-	2,086	-	2,086
<b>Total comprehensive income</b>	-	-	2,086	-	-	29,289	31,375	-	31,375
Rights issue of shares	50,000	-	-	-	-	-	50,000	-	50,000
Interest paid on Tier 1 perpetual subordinated bond	-	-	-	-	-	(8,270)	(8,270)	-	(8,270)
Gain on sale of equity investments at FVOCI	-	-	(96)	-	-	96	-	-	-
<b>Transactions with owners recognised directly in equity</b>									
Cash dividends paid	-	-	-	-	-	(17,547)	(17,547)	-	(17,547)
<b>Balance at 30 September 2023 (unaudited)</b>	<b>244,966</b>	<b>40,213</b>	<b>(473)</b>	<b>998</b>	<b>10,127</b>	<b>71,666</b>	<b>367,497</b>	<b>149,000</b>	<b>516,497</b>
<b>Balance at 30 September 2023 (US\$'000) (unaudited)</b>	<b>636,275</b>	<b>104,450</b>	<b>(1,228)</b>	<b>2,592</b>	<b>26,303</b>	<b>186,145</b>	<b>954,537</b>	<b>387,013</b>	<b>1,341,550</b>
<b>Balance at 1 October 2023</b>	<b>244,966</b>	<b>40,213</b>	<b>(473)</b>	<b>998</b>	<b>10,127</b>	<b>71,666</b>	<b>367,497</b>	<b>149,000</b>	<b>516,497</b>
Profit for the period	-	-	-	-	-	7,163	7,163	-	7,163
Other comprehensive expense, net of tax	-	-	639	-	-	-	639	-	639
<b>Total comprehensive income</b>	-	-	639	-	-	7,163	7,802	-	7,802
Rights issue of shares	-	-	-	-	-	-	-	-	-
Interest paid on Tier 1 perpetual subordinated bond	-	-	-	-	-	(2,905)	(2,905)	-	(2,905)
Loss on sale of equity investments at FVOCI	-	-	64	-	-	(64)	-	-	-
Transfer to legal reserve	-	3,645	-	-	-	(3,645)	-	-	-
Transfer to impairment reserve	-	-	-	-	740	(740)	-	-	-
Transfer from special reserve	-	-	-	(700)	-	700	-	-	-
Issue of Tier 1 Perpetual bonds	-	-	-	-	-	-	-	54,000	54,000
Redemption of Tier 1 perpetual bonds	-	-	-	-	-	-	-	(54,000)	(54,000)
<b>Balance at 31 December 2023</b>	<b>244,966</b>	<b>43,858</b>	<b>230</b>	<b>298</b>	<b>10,867</b>	<b>72,175</b>	<b>372,394</b>	<b>149,000</b>	<b>521,394</b>
<b>Balance at 31 December 2023 (US\$'000)</b>	<b>636,275</b>	<b>113,917</b>	<b>597</b>	<b>774</b>	<b>28,226</b>	<b>187,468</b>	<b>967,257</b>	<b>387,013</b>	<b>1,354,270</b>

Appropriation to legal reserve is made on an annual basis.

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

**INTERIM CONDENSED STATEMENT OF CASH FLOWS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**

Unaudited 30-Sep-23 US\$'000	Unaudited 30-Sep-24 US\$'000		Unaudited 30-Sep-24 RO'000	Unaudited 30-Sep-23 RO'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
87,817	<b>92,442</b>	<b>Profit before taxation</b>	<b>35,589</b>	33,810
		<b>Adjustments for:</b>		
7,390	<b>8,162</b>	Depreciation and amortisation	<b>3,143</b>	2,845
25,317	<b>23,376</b>	Net impairment on financial assets	<b>9,000</b>	9,747
496	<b>1,519</b>	End of service benefits provision	<b>585</b>	191
242	<b>(14,535)</b>	Net (gain)/ loss on investments	<b>(5,596)</b>	93
121,262	<b>110,964</b>	<b>Operating profit before working capital changes</b>	<b>42,721</b>	46,686
(51,948)	<b>79,291</b>	Decrease/(Increase) in due from banks	<b>30,527</b>	(20,000)
(457,642)	<b>(537,809)</b>	Increase in loans & advances and financing	<b>(207,056)</b>	(176,192)
12,260	<b>(38,769)</b>	(Increase)/Decrease in other assets	<b>(14,926)</b>	4,720
(242,313)	<b>(138,094)</b>	Decrease in due to banks	<b>(53,166)</b>	(93,291)
195,156	<b>510,179</b>	Increase in customers' deposits	<b>196,419</b>	75,135
10,505	<b>(9,543)</b>	(Decrease)/Increase in other liabilities	<b>(3,674)</b>	4,044
(412,720)	<b>(23,781)</b>	<b>Cash used in operations</b>	<b>(9,155)</b>	(158,898)
(296)	<b>(86)</b>	End of service benefits paid	<b>(33)</b>	(114)
(9,618)	<b>(18,488)</b>	Tax paid	<b>(7,118)</b>	(3,703)
(422,634)	<b>(42,355)</b>	<b>Net cash used in operating activities</b>	<b>(16,306)</b>	(162,715)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
33,127	<b>(18,608)</b>	(Increase)/Decrease in investment, net	<b>(7,164)</b>	12,754
(19,015)	<b>(25,303)</b>	Purchase of property and equipment	<b>(9,742)</b>	(7,321)
14,112	<b>(43,911)</b>	<b>Net cash (used in)/ generated from investing activities</b>	<b>(16,906)</b>	5,433
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
100,000	<b>(50,000)</b>	(Decrease)/Increase in borrowed funds	<b>(19,250)</b>	38,500
(21,480)	<b>(21,878)</b>	Interest paid on Tier 1 perpetual subordinated bond	<b>(8,423)</b>	(8,270)
-	<b>(51,948)</b>	Call back of AT-1 bonds	<b>(20,000)</b>	-
-	<b>103,896</b>	Issue of AT-1 bonds	<b>40,000</b>	-
(45,577)	<b>(27,465)</b>	Dividends paid	<b>(10,574)</b>	(17,547)
129,870	-	Net Proceeds from rights issue	-	50,000
162,813	<b>(47,395)</b>	<b>Net cash (used in)/ generated from financing activities</b>	<b>(18,247)</b>	62,683
(245,709)	<b>(133,661)</b>	<b>Net change in cash and cash equivalents</b>	<b>(51,459)</b>	(94,599)
537,228	<b>575,611</b>	Cash and cash equivalents at 1 January	<b>221,610</b>	206,833
291,519	<b>441,950</b>	<b>Cash and cash equivalents at 30 September</b>	<b>170,151</b>	112,234
<b>Cash and Cash equivalent comprises of the following:</b>				
226,761	<b>302,948</b>	Cash and current balances with Central Bank of Oman	<b>116,635</b>	87,302
64,758	<b>139,002</b>	Due from banks	<b>53,516</b>	24,932
291,519	<b>441,950</b>		<b>170,151</b>	112,234
<b>Reconciliation of liabilities arising from financing activities:</b>				
<b>Borrowed funds</b>				
-	<b>100,000</b>	Balance at beginning of the period	<b>38,500</b>	-
100,000	-	- Borrowings	-	38,500
-	<b>50,000</b>	Repayments	<b>19,250</b>	-
100,000	<b>50,000</b>	Balance at end of the period	<b>19,250</b>	38,500

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**

**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 48 branches (24 conventional and 24 Islamic branches). The registered address of the Bank is PO Box 545, Mina Al Fahal, Postal Code 116, Sultanate of Oman.

The Bank employed 958 employees as at 30 September 2024 compared to 929 as at 30 September 2023 and 943 as at 31 December 2023.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The unaudited interim condensed financial statements for the nine month period ended 30 September 2024 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 Financial Services Authority (FSA) formerly Capital Market Authority (CMA).

The unaudited interim condensed financial statements do not contain all information and disclosures required for full financial

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 2023.

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 and presentation 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 as a supplementary information only, using the exchange rate of RO 0.385 = US\$ 1.00.

**3. CHANGES IN ACCOUNTING POLICIES**

During the period ended September 30, 2024, there were no changes in accounting policies. The accounting policies have been disclosed in Note 3 of the financial statements for the year ended December 31, 2023.

**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 2023.

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.

**I. Credit risk management**

The Bank's existing credit risk management practices are disclosed in note 35.1 to the financial statements for the year ended 31 December 2023. There are no changes as compared to last year.

For computation of ECL, the Bank is using 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 judgmental overlays on the ECL is shown below:

30-Sep-24			30-Sep-24	
ECL without overlays	ECL with Overlays		ECL without overlays	ECL with Overlays
US\$'000	US\$'000		RO'000	RO'000
41,573	41,573	Retail	16,006	16,006
209,224	245,017	Corporate	80,551	94,331
262	262	Others	101	101
<b>251,059</b>	<b>286,852</b>	<b>Total</b>	<b>96,658</b>	<b>110,438</b>

**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%.

30-Sep-24			30-Sep-24	
Impact on ECL	ECL	Particulars	ECL	Impact on ECL
US\$'000	US\$'000		RO'000	RO'000
	77,873	ECL on non impaired financial assets under IFRS 9	29,981	
(9,358)	68,514	Good scenario - 100% weighted	26,378	(3,603)
377	78,249	Base scenario - 100% weighted	30,126	145
8,610	86,483	Bad scenario - 100% weighted	33,296	3,315

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (continued)**

**Sensitivity analysis - ECL (continued)**

31-Dec-23			31-Dec-23	
Impact on ECL	ECL	Particulars	ECL	Impact on ECL
US\$'000	US\$'000		RO'000	RO'000
	88,772	ECL on non impaired financial assets under IFRS 9	34,176	
(7,952)	80,820	Good scenario - 100% weighted	31,116	(3,061)
(135)	88,637	Base scenario - 100% weighted	34,125	(51)
9,066	97,838	Bad scenario - 100% weighted	37,668	3,491

30-Sep-23			30-Sep-23	
Impact on ECL	ECL	Particulars	ECL	Impact on ECL
US\$'000	US\$'000		RO'000	RO'000
	86,297	ECL on non impaired financial assets under IFRS 9	33,224	
(13,328)	72,967	Good scenario - 100% weighted	28,092	(5,131)
(467)	85,827	Base scenario - 100% weighted	33,043	(180)
14,217	100,511	Bad scenario - 100% weighted	38,697	5,473

**5. LOANS & ADVANCES AND FINANCING, NET**

Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
31-Dec-23	30-Sep-23	30-Sep-24	30-Sep-24	30-Sep-23	31-Dec-23
US\$'000	US\$'000	US\$'000	RO'000	RO'000	RO'000
<b>Conventional Banking</b>					
4,329,940	4,275,861	<b>4,546,225</b>	<b>1,750,297</b>	1,646,207	1,667,027
1,573,208	1,533,369	<b>1,651,399</b>	<b>635,788</b>	590,347	605,685
5,903,148	5,809,230	<b>6,197,624</b>	<b>2,386,085</b>	2,236,554	2,272,712
<b>Islamic Banking</b>					
947,649	970,829	<b>1,123,070</b>	<b>432,382</b>	373,769	364,845
425,855	413,738	<b>474,155</b>	<b>182,550</b>	159,289	163,954
1,373,504	1,384,567	<b>1,597,225</b>	<b>614,932</b>	533,058	528,799
7,276,652	7,193,797	<b>7,794,849</b>	<b>3,001,017</b>	2,769,612	2,801,511
(278,834)	(266,836)	<b>(282,598)</b>	<b>(108,800)</b>	(102,732)	(107,351)
6,997,818	6,926,961	<b>7,512,251</b>	<b>2,892,217</b>	2,666,880	2,694,160

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

Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
31-Dec-23	30-Sep-23	30-Sep-24	30-Sep-24	30-Sep-23	31-Dec-23
US\$'000	US\$'000	US\$'000	RO'000	RO'000	RO'000
1,029,541	1,005,709	<b>1,229,897</b>	<b>473,510</b>	387,198	396,373
4,887,572	4,898,732	<b>5,595,091</b>	<b>2,154,110</b>	1,886,012	1,881,716
1,312,025	1,267,335	<b>926,545</b>	<b>356,720</b>	487,924	505,129
47,514	22,021	<b>43,316</b>	<b>16,677</b>	8,478	18,293
7,276,652	7,193,797	<b>7,794,849</b>	<b>3,001,017</b>	2,769,612	2,801,511

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

Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
31-Dec-23	30-Sep-23	30-Sep-24	30-Sep-24	30-Sep-23	31-Dec-23
US\$'000	US\$'000	US\$'000	RO'000	RO'000	RO'000
1,754,823	2,103,939	<b>1,839,058</b>	<b>708,037</b>	810,016	675,606
278,663	755,038	<b>340,227</b>	<b>130,988</b>	290,690	107,285
558,344	663,651	<b>541,823</b>	<b>208,602</b>	255,506	214,962
4,405,988	3,404,333	<b>4,791,143</b>	<b>1,844,590</b>	1,310,668	1,696,307
6,997,818	6,926,961	<b>7,512,251</b>	<b>2,892,217</b>	2,666,880	2,694,160

**AHLI BANK SAOG**
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**
**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**

	30-Sep-24					30-Sep-23					31-Dec-23				
	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000	Total US\$'000	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000	Total US\$'000	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000	Total US\$'000
Due from banks (including balances with CBO)	160,560	-	-	160,560	417,039	115,299	-	-	115,299	299,478	240,180	-	-	240,180	623,844
Loans & advances and financing	2,375,089	477,556	148,372	3,001,017	7,794,849	2,193,403	470,715	105,494	2,769,612	7,193,798	2,202,738	488,593	110,180	2,801,511	7,276,652
Investment securities (excluding equity investments)	256,491	-	-	256,491	666,210	246,838	-	-	246,838	641,139	251,710	-	-	251,710	653,791
Other assets	9,017	8,568	-	17,585	45,675	12,217	2,072	-	14,289	37,114	5,785	4,786	-	10,571	27,457
Loan commitments and financial guarantees	208,281	43,569	1,050	252,900	656,883	203,415	37,017	164	240,596	624,924	164,245	50,136	164	214,545	557,261

**b) Movement in impairment allowance and provision**

	30-Sep-24					30-Sep-23					31-Dec-23				
	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000	Total US\$'000	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000	Total US\$'000	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000	Total US\$'000
<b>Opening balance</b>															
Due from banks (including balances with CBO)	77	-	-	77	200	11	-	-	11	29	11	-	-	11	29
Loans & advances and financing	6,122	26,192	75,037	107,351	278,834	7,837	22,027	58,766	88,630	230,209	7,837	22,027	58,766	88,630	230,208
Investment securities (excluding equity investments)	76	-	-	76	197	66	-	-	66	171	66	-	-	66	171
Other assets	34	10	-	44	114	46	32	-	78	202	46	32	-	78	203
Loan commitments and financial guarantees	309	1,357	39	1,705	4,429	416	2,013	35	2,464	6,398	416	2,013	35	2,464	6,400
<b>Net transfer between stages</b>															
Due from banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans & advances and financing	1,211	(3,726)	2,515	-	-	906	(1,332)	426	-	-	2,352	(1,554)	(798)	-	-
Investment securities (excluding equity investments)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	2	(2)	-	-	-
Loan commitments and financial guarantees	(273)	273	-	-	-	(386)	386	-	-	-	(294)	294	-	-	-

**AHLI BANK SAOG**
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**
**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)**

	30-Sep-24					30-Sep-23					31-Dec-23				
	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000	Total US\$'000	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000	Total US\$'000	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000	Total US\$'000
<b>Charge for the period (net)</b>															
Due from banks (including balances with CBO)	(57)	-	-	(57)	(148)	5	-	-	5	13	66	-	-	66	171
Loans & advances and financing	(2,646)	1,430	15,618	14,402	37,408	(1,746)	3,800	12,048	14,102	36,629	(4,067)	5,719	17,069	18,721	48,626
Investment securities (excluding equity investments)	-	-	-	-	-	4	-	-	4	10	10	-	-	10	26
Other assets	(27)	53	-	26	68	3	(9)	-	(6)	(16)	(14)	(20)	-	(34)	(89)
Loan commitments and financial guarantees	54	(488)	200	(234)	(608)	324	(1,179)	4	(851)	(2,210)	187	(950)	4	(759)	(1,972)
Written off during the year	-	-	(12,953)	(12,953)	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>															
Due from banks(including balances with CBO)	20	-	-	20	52	16	-	-	16	42	77	-	-	77	200
Loans & advances and financing	4,687	23,896	80,217	108,800	282,597	6,997	24,495	71,240	102,732	266,836	6,122	26,192	75,037	107,351	278,834
Investment securities (excluding equity investments)	76	-	-	76	197	70	-	-	70	182	76	-	-	76	197
Other assets	7	63	-	70	182	49	23	-	72	187	34	10	-	44	114
Loan commitments and financial guarantees	90	1,142	239	1,471	3,821	354	1,220	39	1,613	4,190	309	1,357	39	1,705	4,428

**AHLI BANK SAOG**
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**
**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 CBO norms, including those on restructuring of loan 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**	Reserve interest 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
(1)	(2)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
		(3)	(4)	(5)	(6)	(7) = (4)+(5)-(6)	(8)=(3)-(4)	(9) = (3)-(6)
Standard	Stage 1	2,375,089	26,841	-	4,687	22,154	2,348,248	2,370,402
	Stage 2	239,754	2,710	-	8,255	(5,545)	237,044	231,499
	Stage 3	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>2,614,843</b>	<b>29,551</b>	<b>-</b>	<b>12,942</b>	<b>16,609</b>	<b>2,585,292</b>	<b>2,601,901</b>
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	237,802	2,687	-	15,641	(12,954)	235,115	222,161
	Stage 3	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>237,802</b>	<b>2,687</b>	<b>-</b>	<b>15,641</b>	<b>(12,954)</b>	<b>235,115</b>	<b>222,161</b>
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	11,333	2,986	278	4,862	(1,598)	8,347	6,471
<b>Subtotal</b>		<b>11,333</b>	<b>2,986</b>	<b>278</b>	<b>4,862</b>	<b>(1,598)</b>	<b>8,347</b>	<b>6,471</b>
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	43,960	19,271	1,624	19,124	1,770	24,689	24,836
<b>Subtotal</b>		<b>43,960</b>	<b>19,271</b>	<b>1,624</b>	<b>19,124</b>	<b>1,770</b>	<b>24,689</b>	<b>24,836</b>
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	93,079	63,830	15,236	56,231	22,835	29,249	36,848
<b>Subtotal</b>		<b>93,079</b>	<b>63,830</b>	<b>15,236</b>	<b>56,231</b>	<b>22,835</b>	<b>29,249</b>	<b>36,848</b>
Other items not covered under CBO circular BM 977 and related instructions*	Stage 1	634,349	-	-	193	(193)	634,349	634,156
	Stage 2	52,137	-	-	1,205	(1,205)	52,137	50,932
	Stage 3	1,050	-	-	239	(239)	1,050	811
<b>Subtotal</b>		<b>687,536</b>	<b>-</b>	<b>-</b>	<b>1,637</b>	<b>(1,637)</b>	<b>687,536</b>	<b>685,899</b>
<b>Total</b>	<b>Stage 1</b>	<b>3,009,438</b>	<b>26,841</b>	<b>-</b>	<b>4,880</b>	<b>21,961</b>	<b>2,982,597</b>	<b>3,004,558</b>
	<b>Stage 2</b>	<b>529,693</b>	<b>5,397</b>	<b>-</b>	<b>25,101</b>	<b>(19,704)</b>	<b>524,296</b>	<b>504,592</b>
	<b>Stage 3</b>	<b>149,422</b>	<b>86,087</b>	<b>17,138</b>	<b>80,456</b>	<b>22,768</b>	<b>63,335</b>	<b>68,966</b>
		<b>3,688,553</b>	<b>118,325</b>	<b>17,138</b>	<b>110,437</b>	<b>25,025</b>	<b>3,570,228</b>	<b>3,578,116</b>
	<b>Total in US\$'000</b>	<b>9,580,656</b>	<b>307,337</b>	<b>44,513</b>	<b>286,851</b>	<b>65,000</b>	<b>9,273,319</b>	<b>9,293,805</b>

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

**AHLI BANK SAOG**
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**
**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**	Reserve interest 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
(1)	(2)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
		(3)	(4)	(5)	(6)	(7) = (4)+(5)-(6)	(8)=(3)-(4)	(9) = (3)-(6)
Classified as performing	Stage 1	70,499	705	-	979	(274)	69,794	69,520
	Stage 2	302,278	2,104	-	20,741	(18,637)	300,174	281,537
	Stage 3	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>372,777</b>	<b>2,809</b>	<b>-</b>	<b>21,720</b>	<b>(18,911)</b>	<b>369,968</b>	<b>351,057</b>
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	48,607	7,778	387	22,154	(13,989)	40,829	26,453
<b>Sub total</b>		<b>48,607</b>	<b>7,778</b>	<b>387</b>	<b>22,154</b>	<b>(13,989)</b>	<b>40,829</b>	<b>26,453</b>
<b>Total</b>	<b>Stage 1</b>	<b>70,499</b>	<b>705</b>	<b>-</b>	<b>979</b>	<b>(274)</b>	<b>69,794</b>	<b>69,520</b>
	<b>Stage 2</b>	<b>302,278</b>	<b>2,104</b>	<b>-</b>	<b>20,741</b>	<b>(18,637)</b>	<b>300,174</b>	<b>281,537</b>
	<b>Stage 3</b>	<b>48,607</b>	<b>7,778</b>	<b>387</b>	<b>22,154</b>	<b>(13,989)</b>	<b>40,829</b>	<b>26,453</b>
		<b>421,384</b>	<b>10,587</b>	<b>387</b>	<b>43,874</b>	<b>(32,900)</b>	<b>410,797</b>	<b>377,510</b>
	<b>Total in US\$'000</b>	<b>1,094,505</b>	<b>27,499</b>	<b>1,006</b>	<b>113,958</b>	<b>(85,453)</b>	<b>1,067,006</b>	<b>980,547</b>

\*\*In accordance with CBO requirements, where the aggregate provision on portfolio and 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.

**5.3 Impairment charge and provisions held**

	As per CBO norms	As per IFRS 9	Difference
Impairment loss charged to profit and loss account	9,000	9,000	-
Provisions required as per CBO norms/ held as per IFRS 9	135,462	110,437	25,025
Gross NPL ratio (percentage)	4.94%	4.94%	-
Net NPL ratio (percentage)	2.11%	2.30%	-0.19%

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**
**5 LOANS & ADVANCES AND FINANCING, NET (continued)**

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 loan accounts for the regulatory reporting purposes.

**5.2 Comparison of provision held as per IFRS 9 and required as per CBO norms as at 31 December 2023 (continued)**

Disclosure requirements for the year ended 31 December 2023, 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	Reserve	Provision held as per IFRS 9	Difference between	Net amount as per CBO norms*	Net amount as per IFRS 9
			required as per CBO norms	interest as per CBO norms		CBO provision required and provision held		
(1)	(2)	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
		(3)	(4)	(5)	(6)	(7) = (4)+(5)-(6)	(8)=(3)-(4)	(9) = (3)-(6)
Standard	Stage 1	2,202,738	24,842	-	6,122	18,720	2,177,896	2,196,616
	Stage 2	275,638	3,109	-	10,669	(7,560)	272,529	264,969
	Stage 3	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>2,478,376</b>	<b>27,951</b>	<b>-</b>	<b>16,791</b>	<b>11,160</b>	<b>2,450,425</b>	<b>2,461,585</b>
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	212,955	2,402	-	15,523	(13,121)	210,553	197,432
	Stage 3	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>212,955</b>	<b>2,402</b>	<b>-</b>	<b>15,523</b>	<b>(13,121)</b>	<b>210,553</b>	<b>197,432</b>
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	6,936	1,807	230	2,360	(323)	5,129	4,576
<b>Subtotal</b>		<b>6,936</b>	<b>1,807</b>	<b>230</b>	<b>2,360</b>	<b>(323)</b>	<b>5,129</b>	<b>4,576</b>
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	2,585	1,053	82	1,196	(61)	1,532	1,389
<b>Subtotal</b>		<b>2,585</b>	<b>1,053</b>	<b>82</b>	<b>1,196</b>	<b>(61)</b>	<b>1,532</b>	<b>1,389</b>
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	100,659	72,735	15,780	71,481	17,034	27,924	29,178
<b>Subtotal</b>		<b>100,659</b>	<b>72,735</b>	<b>15,780</b>	<b>71,481</b>	<b>17,034</b>	<b>27,924</b>	<b>29,178</b>
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	661,920	-	-	494	(494)	661,920	661,426
	Stage 2	54,922	-	-	1,369	(1,369)	54,922	53,553
	Stage 3	164	-	-	39	(39)	164	125
<b>Subtotal</b>		<b>717,006</b>	<b>-</b>	<b>-</b>	<b>1,902</b>	<b>(1,902)</b>	<b>717,006</b>	<b>715,104</b>
<b>Total</b>	<b>Stage 1</b>	<b>2,864,658</b>	<b>24,842</b>	<b>-</b>	<b>6,616</b>	<b>18,226</b>	<b>2,839,816</b>	<b>2,858,042</b>
	<b>Stage 2</b>	<b>543,515</b>	<b>5,511</b>	<b>-</b>	<b>27,561</b>	<b>(22,050)</b>	<b>538,004</b>	<b>515,954</b>
	<b>Stage 3</b>	<b>110,344</b>	<b>75,595</b>	<b>16,092</b>	<b>75,076</b>	<b>16,611</b>	<b>34,749</b>	<b>35,268</b>
	<b>Total</b>	<b>3,518,517</b>	<b>105,948</b>	<b>16,092</b>	<b>109,253</b>	<b>12,787</b>	<b>3,412,569</b>	<b>3,409,264</b>
<b>Total (US \$'000)</b>		<b>9,139,005</b>	<b>275,190</b>	<b>41,797</b>	<b>283,773</b>	<b>33,214</b>	<b>8,863,816</b>	<b>8,855,232</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**
**5 LOANS & ADVANCES AND FINANCING, NET (continued)**
**5.2 Restructured loans**

Asset classification as per CBO norms	Asset classification as per IFRS 9	Gross amount	Provision required as per CBO norms	Reserve interest 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
(1)	(2)	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
		(3)	(4)	(5)	(6)	(7) = (4)+(5)-(6)	(8)=(3)-(4)	(9) = (3)-(6)
	Stage 1	102,997	75	-	1,502	(1,427)	102,922	101,495
Classified as performing	Stage 2	308,758	223	-	21,426	(21,203)	308,535	287,332
	Stage 3	-	-	-	-	-	-	-
<b>Subtotal</b>		<b>411,755</b>	<b>298</b>	<b>-</b>	<b>22,928</b>	<b>(22,630)</b>	<b>411,457</b>	<b>388,827</b>
	Stage 1	-	-	-	-	-	-	-
Classified as non-performing	Stage 2	-	-	-	-	-	-	-
	Stage 3	5,380	4,495	202	4,530	167	885	850
<b>Sub total</b>		<b>5,380</b>	<b>4,495</b>	<b>202</b>	<b>4,530</b>	<b>167</b>	<b>885</b>	<b>850</b>
	Stage 1	102,997	75	-	1,502	(1,427)	102,922	101,495
<b>Total</b>	Stage 2	<b>308,758</b>	<b>223</b>	<b>-</b>	<b>21,426</b>	<b>(21,203)</b>	<b>308,535</b>	<b>287,332</b>
	Stage 3	5,380	4,495	202	4,530	167	885	850
	<b>Total</b>	<b>417,135</b>	<b>4,793</b>	<b>202</b>	<b>27,458</b>	<b>(22,463)</b>	<b>412,342</b>	<b>389,677</b>
	<b>Total (US \$'000)</b>	<b>1,083,468</b>	<b>12,450</b>	<b>525</b>	<b>71,319</b>	<b>(58,345)</b>	<b>1,071,018</b>	<b>1,012,148</b>

**5.3 Impairment charge and provisions held**

	As per CBO norms	As per IFRS 9	Difference
Impairment loss charged to SOCI	13,092	13,092	-
Provisions required as per CBO norms/ held as per IFRS 9	122,040	109,253	12,787
Gross NPL ratio (percentage)	3.93%	3.93%	-
Net NPL ratio (percentage)	1.23%	1.25%	-0.02%

**Impairment reserve:**

\*\*In accordance with CBO requirements, where the aggregate provision on portfolio and 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.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**

**6. INVESTMENT SECURITIES**

Audited 31-Dec-23 US\$'000	Unaudited 30-Sep-23 US\$'000	Unaudited 30-Sep-24 US\$'000		Unaudited 30-Sep-24 RO'000	Unaudited 30-Sep-23 RO'000	Audited 31-Dec-23 RO'000
41,244	35,802	<b>41,032</b>	<b>Equity investments:</b>	<b>15,797</b>	13,784	15,879
92,769	51,231	<b>113,742</b>	Measured at FVTPL	<b>43,791</b>	19,724	35,716
134,013	87,033	<b>154,774</b>	Designated at FVOCI	<b>59,588</b>	33,508	51,595
			<b>Total Equity investments</b>			
653,792	641,139	<b>172,283</b>	<b>Debt investments:</b>	<b>66,329</b>	246,838	251,710
-	-	<b>493,928</b>	Designated at FVOCI	<b>190,162</b>	-	-
653,792	641,139	<b>666,211</b>	Measured at FVTPL	<b>256,491</b>	246,838	251,710
			<b>Total Debt investments</b>			
787,805	728,172	<b>820,985</b>	<b>Total investment securities</b>	<b>316,079</b>	280,346	303,305

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

Audited 31-Dec-23 US\$'000	Unaudited 30-Sep-23 US\$'000	Unaudited 30-Sep-24 US\$'000		Unaudited 30-Sep-24 RO'000	Unaudited 30-Sep-23 RO'000	Audited 31-Dec-23 RO'000
4,886	4,703	<b>4,898</b>	<b>Equity investments:</b>			
4,886	4,703	<b>4,898</b>	<b>A. Measured at FVTPL</b>			
			<b>Quoted investments - Oman</b>			
			Banking and investment sector	<b>1,886</b>	1,811	1,881
				<b>1,886</b>	1,811	1,881
			<b>B. Measured at FVTPL</b>			
30,430	26,867	<b>30,203</b>	<b>Quoted investments - Foreign</b>			
290	154	<b>460</b>	Banking and investment sector	<b>11,628</b>	10,344	11,715
5,638	4,078	<b>5,471</b>	Manufacturing	<b>177</b>	59	112
36,358	31,099	<b>36,134</b>	Service sector	<b>2,106</b>	1,570	2,171
				<b>13,911</b>	11,973	13,998
			<b>C. Designated at FVOCI</b>			
27,108	23,488	<b>42,632</b>	<b>Quoted investments - Oman</b>			
27,562	663	<b>27,894</b>	Banking and investment sector	<b>16,414</b>	9,043	10,437
4,025	6,192	<b>4,254</b>	Manufacturing	<b>10,739</b>	255	10,611
58,695	30,343	<b>74,780</b>	Service sector	<b>1,638</b>	2,384	1,550
				<b>28,791</b>	11,682	22,598
			<b>D. Designated at FVOCI</b>			
9,776	11,203	<b>13,033</b>	<b>Quoted investments - Foreign</b>			
2,182	1,262	<b>2,659</b>	Banking and investment sector	<b>5,018</b>	4,313	3,764
8,289	8,423	<b>7,367</b>	Manufacturing	<b>1,024</b>	486	840
1,047	-	<b>1,852</b>	Service sector	<b>2,836</b>	3,243	3,191
21,294	20,888	<b>24,911</b>	Real Estate and Construction	<b>713</b>	-	403
				<b>9,591</b>	8,042	8,198
			<b>E. Designated at FVOCI</b>			
12,780	-	<b>12,780</b>	<b>Unquoted investments - Oman</b>			
-	-	<b>1,271</b>	Manufacturing	<b>4,920</b>	-	4,920
12,780	-	<b>14,051</b>	Service sector	<b>489</b>	-	-
92,769	51,231	<b>113,742</b>	<b>Total</b>	<b>43,791</b>	19,724	35,716

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**

**6. INVESTMENT SECURITIES (continued)**

Audited 31-Dec-23 US\$'000	Unaudited 30-Sep-23 US\$'000	Unaudited 30-Sep-24 US\$'000		Unaudited 30-Sep-24 RO'000	Unaudited 30-Sep-23 RO'000	Audited 31-Dec-23 RO'000
			<b>Debt investments:</b>			
			<b>A. Designated at FVOCI</b>			
			<b>Quoted investments - Oman</b>			
370,377	370,309		- Government development bonds	-	142,569	142,595
72,608	49,025	<b>84,194</b>	Government bonds	<b>32,415</b>	18,874	27,954
132,610	127,213		- Government sukuks	-	48,977	51,055
47,013	66,342	<b>47,535</b>	Services	<b>18,301</b>	25,542	18,100
6,623	6,604	<b>6,818</b>	Manufacturing	<b>2,625</b>	2,543	2,550
7,812	5,222	<b>5,203</b>	Banking and investment	<b>2,003</b>	2,010	3,008
<u>637,043</u>	<u>624,715</u>	<u>143,750</u>		<u>55,344</u>	<u>240,515</u>	<u>245,262</u>
			<b>Quoted investments - Foreign</b>			
16,749	16,424	<b>28,533</b>	Banking and investment	<b>10,985</b>	6,323	6,448
<u>16,749</u>	<u>16,424</u>	<u>28,533</u>	<b>Total</b>	<b>10,985</b>	<b>6,323</b>	<b>6,448</b>
			<b>B. Designated at FVTPL</b>			
-	-	<b>363,424</b>	Government development bonds	<b>139,918</b>	-	-
-	-	<b>130,504</b>	Government sukuks	<b>50,244</b>	-	-
-	-	<b>493,928</b>	<b>Total</b>	<b>190,162</b>	-	-
<u>653,792</u>	<u>641,139</u>	<u>666,211</u>	<b>Total - Debt Investments</b>	<u>256,491</u>	<u>246,838</u>	<u>251,710</u>
<u>787,805</u>	<u>728,172</u>	<u>820,985</u>		<u>316,079</u>	<u>280,346</u>	<u>303,305</u>

**7. CUSTOMERS' DEPOSITS**

Audited 31-Dec-23 US\$'000	Unaudited 30-Sep-23 US\$'000	Unaudited 30-Sep-24 US\$'000		Unaudited 30-Sep-24 RO'000	Unaudited 30-Sep-23 RO'000	Audited 31-Dec-23 RO'000
			<b>Conventional Banking</b>			
2,568,873	2,560,339	<b>2,839,245</b>	Time deposits	<b>1,093,109</b>	985,731	989,016
1,649,888	1,495,753	<b>1,553,462</b>	Demand deposits	<b>598,083</b>	575,865	635,207
648,982	654,964	<b>698,408</b>	Savings deposits	<b>268,887</b>	252,161	249,858
<u>4,867,743</u>	<u>4,711,056</u>	<u>5,091,115</u>		<u>1,960,079</u>	<u>1,813,757</u>	<u>1,874,081</u>
			<b>Islamic Banking</b>			
817,252	688,600	<b>920,343</b>	Time deposits	<b>354,332</b>	265,111	314,642
366,335	370,442	<b>501,023</b>	Demand deposits	<b>192,894</b>	142,620	141,039
378,971	389,294	<b>428,000</b>	Savings deposits	<b>164,780</b>	149,878	145,904
<u>1,562,558</u>	<u>1,448,336</u>	<u>1,849,366</u>		<u>712,006</u>	<u>557,609</u>	<u>601,585</u>
<u>6,430,301</u>	<u>6,159,392</u>	<u>6,940,481</u>		<u>2,672,085</u>	<u>2,371,366</u>	<u>2,475,666</u>

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

3,876,444	2,984,697	<b>4,975,118</b>	0-6 Months	<b>1,915,420</b>	1,149,108	1,492,431
1,279,157	206,164	<b>1,077,647</b>	6-12 months	<b>414,894</b>	79,373	492,475
1,234,640	2,036,360	<b>856,893</b>	1-3 years	<b>329,904</b>	783,999	475,336
40,062	932,171	<b>30,823</b>	3 years and above	<b>11,867</b>	358,886	15,424
<u>6,430,303</u>	<u>6,159,392</u>	<u>6,940,481</u>		<u>2,672,085</u>	<u>2,371,366</u>	<u>2,475,666</u>

Interest rate bands of deposits is as follows:

1,400,712	1,374,297	<b>1,470,999</b>	0-2%	<b>566,335</b>	529,104	539,274
716,721	915,347	<b>726,074</b>	2-4%	<b>279,538</b>	352,409	275,938
3,831,784	3,848,969	<b>4,155,960</b>	4-6%	<b>1,600,045</b>	1,481,853	1,475,237
481,084	20,779	<b>587,448</b>	6-7%	<b>226,167</b>	8,000	185,217
<u>6,430,301</u>	<u>6,159,392</u>	<u>6,940,481</u>		<u>2,672,085</u>	<u>2,371,366</u>	<u>2,475,666</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**
**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 commercial terms as approved by the board

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

Audited 31-Dec-23	Unaudited 30-Sep-23	Unaudited 30-Sep-24		Unaudited 30-Sep-24	Unaudited 30-Sep-23	Audited 31-Dec-23
US\$'000	US\$'000	US\$'000		RO'000	RO'000	RO'000
			<b>Directors and senior management</b>			
6,577	3,499	<b>5,883</b>	Loans, advances and financing, net	<b>2,265</b>	1,347	2,532
8,839	7,761	<b>8,925</b>	Customers' deposits	<b>3,436</b>	2,988	3,403
			<b>Major shareholders, it's parent company &amp; it's subsidiaries</b>			
3,070	3,514	<b>3,270</b>	Due from banks	<b>1,259</b>	1,353	1,182
			Other assets			
2,675	4,304	<b>673</b>	Fair value of swaps	<b>259</b>	1,657	1,030
3,570	2,026	<b>2,340</b>	Due to banks	<b>901</b>	780	1,375
-	5		- Customers' deposits	-	2	-
			Other liabilities			
-	69		- Fair value of forward contracts	-	27	-
400	377	<b>429</b>	Investment securities	<b>165</b>	145	154

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

Audited 31-Dec-23	Unaudited 30-Sep-23	Unaudited 30-Sep-24		Unaudited 30-Sep-24	Unaudited 30-Sep-23	Audited 31-Dec-23
US\$000	US\$000	US\$000		RO'000	RO'000	RO'000
			<b>Directors and senior management</b>			
143	78	<b>400</b>	Interest and profit income	<b>154</b>	30	55
210	132	<b>234</b>	Interest and profit expense	<b>90</b>	51	81
779	-		- Board remuneration proposed	-	-	300
149	101	<b>72</b>	Board sitting fees	<b>28</b>	39	57
80	78		- Shariah supervisory board expenses	-	30	31
			<b>Major shareholders, it's parent company &amp; it's subsidiaries</b>			
8	3		- Interest and profit expense	-	1	3
(1,005)	626	<b>(2,003)</b>	Gain/(loss) on fair value of interest rate swaps	<b>(771)</b>	241	(387)

As at 30 September 2024, guarantees were issued to beneficiaries on behalf of related party amounting to RO 0.131 million equivalent to US\$ 0.340 million (31 December 2023: RO 0.248 million equivalent to US\$ 0.64 million).

Compensation of the key management personnel for the nine-month period ended 30 September 2024 was RO 1.426 million equivalent to US\$ 3.71 million (30 September 2023: RO 1.411 million equivalent to US\$ 3.67 million).

**9. SHARE CAPITAL**

The authorised share capital of the Bank is 5,000,000,000 shares of 100 baizas each (31 December 2023 and 30 September 2023: 5,000,000,000 shares of 100 baizas each) out of which 2,349,657,466 shares are issued and fully paid up - 1,949,657,466 shares at 100 baiza per share and 400,000,000 shares at 125 baiza (31 December 2023: 2,349,657,466 shares and 30 September 2023: 1,949,657,466 shares).

During April 2024, the Bank has issued mandatory convertible bonds (MCBs) of 103,661,359 at a price of 102 baizas (including issue expenses of 2 baizas per MCB) which was approved by the Central Bank of Oman, Board of Directors and shareholders of the Bank at the Annual General Meeting. The MCBs will bear an annual coupon of 6% payable semi-annually. The MCBs will be mandatorily converted into New Ordinary Shares on the second anniversary of the Issue Date, at the fixed contractual conversion price of 145 baizas per New Ordinary Share.

During September 2024, the Bank exercised the call option for RO 20 million Tier I Perpetual Subordinated bonds which became due on 13 June 2024. This was subsequently replaced with an additional issue of RO 40 million which were pursuant to the CBO's Basel III regulation. They are redeemable by the Bank at its sole discretion on 27 June 2029 (the "First Call Date") or on any interest payment date thereafter subject to the prior consent of CBO.

Ahli United Bank B.S.C (AUB), Al Hosn Investment Company SAOC and Social Protection Fund are the shareholders who own 10% or more of the Bank's shares. On 30 September 2024, shareholding of AUB was 822,380,096 shares equivalent to 35% (31 December 2023: 822,380,096 shares equivalent to 35%), Al Hosn Investment Company SAOC was 357,076,325 shares equivalent to 15.20% (31 December 2023: 332,703,763 equivalent to 14.16%) and Social Protection Fund was 256,641,550 shares equivalent to 10.92% (The fund was established in 2024 as per Royal decree 50/2023 consolidating various pension funds in the Sultanate of Oman).

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**10. INTEREST INCOME AND INCOME FROM ISLAMIC FINANCING AND INVESTMENTS**

Interest bearing assets earned interest at an overall annualised rate of 6.06% for nine months period ended 30 September 2024 (30 September 2023 - 5.88%)

Unaudited 30-Sep-23	Unaudited 30-Sep-24		Unaudited 30-Sep-24	Unaudited 30-Sep-23
US\$'000	US\$'000		RO'000	RO'000
252,391	<b>274,162</b>	Loans and advances	<b>105,552</b>	97,171
22,021	<b>20,361</b>	Investments	<b>7,839</b>	8,478
1,319	<b>3,539</b>	Due from banks	<b>1,363</b>	508
<u>275,731</u>	<u><b>298,062</b></u>		<u><b>114,754</b></u>	<u>106,157</u>
55,255	<b>62,145</b>	Islamic financing	<b>23,926</b>	21,273
6,423	<b>9,863</b>	Islamic investment and due from banks	<b>3,797</b>	2,473
<u>61,678</u>	<u><b>72,008</b></u>		<u><b>27,723</b></u>	<u>23,746</u>
<u>337,409</u>	<u><b>370,070</b></u>		<u><b>142,477</b></u>	<u>129,903</u>

**11. INTEREST EXPENSE AND UNRESTRICTED INVESTMENT ACCOUNT HOLDERS' SHARE OF PROFIT AND PROFIT EXPENSE**

The average annualised cost of funds for nine months period ended 30 September 2024 is 4.35% (30 September 2023 - 3.72%)

Unaudited 30-Sep-23	Unaudited 30-Sep-24		Unaudited 30-Sep-24	Unaudited 30-Sep-23
US\$'000	US\$'000		RO'000	RO'000
94,938	<b>112,879</b>	Time deposits	<b>43,458</b>	36,551
39,813	<b>50,098</b>	Demand and saving deposits	<b>19,288</b>	15,328
2,751	<b>1,924</b>	Borrowings	<b>741</b>	1,059
17,171	<b>19,163</b>	Inter-bank deposits	<b>7,378</b>	6,611
<u>154,673</u>	<u><b>184,064</b></u>		<u><b>70,865</b></u>	<u>59,549</u>
31,660	<b>47,753</b>	Islamic customer deposits	<b>18,385</b>	12,189
371	<b>96</b>	Islamic Inter-bank borrowings	<b>37</b>	143
<u>32,031</u>	<u><b>47,849</b></u>		<u><b>18,422</b></u>	<u>12,332</u>
<u>186,704</u>	<u><b>231,913</b></u>		<u><b>89,287</b></u>	<u>71,881</u>

**12. OTHER OPERATING INCOME**

Unaudited 30-Sep-23	Unaudited 30-Sep-24		Unaudited 30-Sep-24	Unaudited 30-Sep-23
US\$'000	US\$'000		RO'000	RO'000
488	<b>(747)</b>	Gain/ (loss) on sale of investments, net	<b>(287)</b>	188
6,659	<b>10,746</b>	Foreign exchange gain, net	<b>4,137</b>	2,564
3,961	<b>5,304</b>	Dividend income	<b>2,042</b>	1,525
-	<b>5</b>	Other income	<b>2</b>	-
(730)	<b>15,282</b>	Unrealized gains/(Loss) on FVTPL investments	<b>5,883</b>	(281)
<u>10,378</u>	<u><b>30,590</b></u>		<u><b>11,777</b></u>	<u>3,996</u>

**13. 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	Nine month period ended 30-Sep-24			Nine month period ended 30-Sep-23		
	Retail banking	Wholesale banking, treasury and investment	Total	Retail banking	Wholesale banking, treasury and investment	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>Disaggregated income</b>						
Service charges	<b>1,168</b>	<b>691</b>	<b>1,859</b>	864	974	1,838
Fees income	<b>2,392</b>	<b>8,678</b>	<b>11,070</b>	2,202	6,932	9,134
Commission income	<b>151</b>	<b>1,113</b>	<b>1,264</b>	290	1,213	1,503
Total fee and commission	<b>3,711</b>	<b>10,482</b>	<b>14,193</b>	3,356	9,119	12,475
Fee expense	<b>(1,513)</b>	-	<b>(1,513)</b>	(820)	-	(820)
Fee and commission, net	<b>2,198</b>	<b>10,482</b>	<b>12,680</b>	2,536	9,119	11,655
<b>Disaggregated income</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Service charges	<b>3,033</b>	<b>1,796</b>	<b>4,829</b>	2,243	2,531	4,774
Fees income	<b>6,212</b>	<b>22,541</b>	<b>28,753</b>	5,720	18,005	23,725
Commission	<b>393</b>	<b>2,890</b>	<b>3,283</b>	753	3,151	3,904
Total fee and commission	<b>9,638</b>	<b>27,227</b>	<b>36,865</b>	8,716	23,687	32,403
Fee expense	<b>(3,930)</b>	-	<b>(3,930)</b>	(2,130)	-	(2,130)
Fee and commission, net	<b>5,708</b>	<b>27,227</b>	<b>32,935</b>	6,586	23,687	30,273

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**14. NET IMPAIRMENT ON FINANCIAL ASSETS**

Nine month period ended			Nine month period ended	
Unaudited 30-Sep-23	Unaudited 30-Sep-24		Unaudited 30-Sep-24	Unaudited 30-Sep-23
US\$'000	US\$'000		RO'000	RO'000
13	(148)	Net Impairment charge		
		Due from banks	(57)	5
36,629	37,408	Loans & advances and financing	14,402	14,102
10	-	Investment securities	-	4
(16)	68	Other assets	26	(6)
(2,210)	(608)	Loan commitments and financial guarantees	(234)	(851)
(46)	722	Loans & advances and financing written off	278	(18)
(680)	(2,364)	Recovery of loans written off earlier	(910)	(262)
33,700	35,078		13,505	12,974
(8,382)	(11,702)	Less: Interest reserved during the period	(4,505)	(3,227)
25,318	23,376		9,000	9,747

**15. BASIC AND DILUTED EARNINGS / NET ASSETS VALUE PER SHARE**
**15.1 BASIC AND DILUTED EARNINGS PER SHARE**

Audited 31-Dec-23	Unaudited 30-Sep-23	Unaudited 30-Sep-24		Unaudited 30-Sep-24	Unaudited 30-Sep-23	Audited 31-Dec-23
US\$'000	US\$'000	US\$'000		RO'000	RO'000	RO'000
94,678	76,073	80,077	Profit for the period/year	30,829	29,289	36,452
(29,026)	(21,480)	(21,878)	Less: AT1 interest paid during the year	(8,423)	(8,270)	(11,175)
65,652	54,593	58,199	<b>Profit attributable to equity shareholders</b>	22,406	21,019	25,277
2,146,426	1,980,342	2,349,657	Weighted average number of outstanding shares during the period/year (in 000's)	2,349,657	1,980,342	2,146,426
3.1	2.8	2.5	Earnings per share (cents /baizas)	9.5	10.6	12.2

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.

**15.2 NET ASSETS VALUE PER SHARE**

Audited 31-Dec-23	Unaudited 30-Sep-23	Unaudited 30-Sep-24		Unaudited 30-Sep-24	Unaudited 30-Sep-23	Audited 31-Dec-23
US\$'000	US\$'000	US\$'000		RO'000	RO'000	RO'000
967,257	954,537	972,733	Net assets	374,502	367,497	372,394
2,349,657	2,349,657	2,349,657	Issued and paid up shares (in'000)	2,349,657	2,349,657	2,349,657
41	41	41	Net assets value per share (cents/baizas)	159	156	159

**16. 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. 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.

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**16. SEGMENT REPORTING (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:

	30-Sep-24			30-Sep-23			31-Dec-23		
	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	17,918	25,971	43,889	16,923	29,685	46,608	22,816	37,989	60,805
Net income from islamic financing and investments	6,362	2,939	9,301	5,027	6,387	11,414	6,776	8,715	15,491
<b>Net interest income and income from islamic financing and investments</b>	<b>24,280</b>	<b>28,910</b>	<b>53,190</b>	21,950	36,072	58,022	29,592	46,704	76,296
Other operating income	2,639	21,818	24,457	2,777	12,874	15,651	3,879	18,365	22,244
<b>Net operating income</b>	<b>26,919</b>	<b>50,729</b>	<b>77,647</b>	24,727	48,946	73,673	33,471	65,069	98,540
<b>Segment assets</b>	<b>811,251</b>	<b>2,657,539</b>	<b>3,468,790</b>	737,316	2,416,935	3,154,251	758,513	2,559,832	3,318,345
<b>Segment liabilities</b>	<b>1,260,325</b>	<b>1,654,597</b>	<b>2,914,922</b>	973,737	1,664,017	2,637,754	1,053,354	1,743,597	2,796,951
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Net interest income	46,540	67,458	113,998	43,956	77,104	121,060	59,262	98,673	157,935
Net income from islamic financing and investments	16,525	7,634	24,159	13,057	16,590	29,647	17,602	22,635	40,237
<b>Net interest income and income from islamic financing and investments</b>	<b>63,065</b>	<b>75,092</b>	<b>138,157</b>	57,013	93,694	150,707	76,864	121,308	198,172
Other operating income	6,854	56,671	63,525	7,213	33,438	40,651	10,074	47,699	57,773
<b>Net operating income</b>	<b>69,919</b>	<b>131,763</b>	<b>201,682</b>	64,226	127,132	191,358	86,938	169,007	255,945
<b>Segment assets</b>	<b>2,107,145</b>	<b>6,902,698</b>	<b>9,009,843</b>	1,915,106	6,277,754	8,192,860	1,970,163	6,648,916	8,619,079
<b>Segment liabilities</b>	<b>3,273,572</b>	<b>4,297,652</b>	<b>7,571,224</b>	2,529,188	4,322,122	6,851,310	2,735,983	4,528,826	7,264,809

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
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**17. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

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:

	30-Sep-24				30-Sep-23				31-Dec-23			
	Level 1 RO'000	Level 2 RO'000	Level 3 RO'000	Total RO'000	Level 1 RO'000	Level 2 RO'000	Level 3 RO'000	Total RO'000	Level 1 RO'000	Level 2 RO'000	Level 3 RO'000	Total RO'000
<b>Financial assets:</b>												
Investments at FVTPL	15,797	190,162	-	205,959	13,784	-	-	13,784	15,879	-	-	15,879
Investments at FVOCI	38,150	66,329	5,641	110,120	75,015	191,547	-	266,562	85,497	197,009	4,920	287,426
<i>Derivative financial instruments</i>												
Interest rate swaps	-	625	-	625	-	3,956	-	3,956	-	2,013	-	2,013
Forward foreign exchange contracts	214	-	-	214	331	-	-	331	211	-	-	211
	<b>54,161</b>	<b>257,116</b>	<b>5,641</b>	<b>316,918</b>	<b>89,130</b>	<b>195,503</b>	<b>-</b>	<b>284,633</b>	<b>101,587</b>	<b>199,022</b>	<b>4,920</b>	<b>305,529</b>
<b>Financial liabilities</b>												
<i>Derivative financial instruments</i>												
Interest rate swaps	-	643	-	643	-	821	-	821	-	797	-	797
Forward foreign exchange contracts	1,491	-	-	1,491	125	-	-	125	143	-	-	143
	<b>1,491</b>	<b>643</b>	<b>-</b>	<b>2,134</b>	<b>125</b>	<b>821</b>	<b>-</b>	<b>946</b>	<b>143</b>	<b>797</b>	<b>-</b>	<b>940</b>
<b>Financial assets:</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Investments at FVTPL	41,032	493,928	-	534,960	35,802	-	-	35,802	41,244	-	-	41,244
Investments at FVOCI	99,089	172,283	14,652	286,024	194,844	497,524	-	692,368	222,069	511,711	12,780	746,561
<i>Derivative financial instruments</i>												
Interest rate swaps	-	1,623	-	1,623	-	10,276	-	10,276	-	5,229	-	5,228
Forward foreign exchange contracts	557	-	-	557	859	-	-	859	549	-	-	549
	<b>140,678</b>	<b>667,834</b>	<b>14,652</b>	<b>823,164</b>	<b>231,505</b>	<b>507,800</b>	<b>-</b>	<b>739,305</b>	<b>263,862</b>	<b>516,940</b>	<b>12,780</b>	<b>793,582</b>
<b>Financial liabilities</b>												
<i>Derivative financial instruments</i>												
Interest rate swaps	-	1,669	-	1,669	-	2,132	-	2,132	-	2,070	-	2,070
Forward foreign exchange contracts	3,873	-	-	3,873	324	-	-	324	372	-	-	372
	<b>3,873</b>	<b>1,669</b>	<b>-</b>	<b>5,542</b>	<b>324</b>	<b>2,132</b>	<b>-</b>	<b>2,456</b>	<b>372</b>	<b>2,070</b>	<b>-</b>	<b>2,442</b>

Level 3 instruments are valued using unobservable inputs which represent the best information available in the circumstances

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
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**18. 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

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**

Fixed interest rates on principal amount of loans and investments are normally hedged using interest rate swaps whose repayments dates are the same as of hedge item. These contracts are designated as fair value hedges.

**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.

	<b>Assets RO'000</b>	<b>Liabilities RO'000</b>	<b>Notional cash flows RO'000</b>
<b>At 30 September 2024</b>			
<b>Derivatives for hedging:</b>			
Interest rate swaps	625	643	134,904
<b>Derivatives:</b>			
Forward purchase contracts	-	1,491	276,057
Forward sales contracts	214	-	277,151
	<b>US\$000</b>	<b>US\$000</b>	<b>US\$000</b>
<b>Derivatives for hedging:</b>			
Interest rate swaps	1,623	1,669	350,400
<b>Derivatives:</b>			
Forward purchase contracts	-	3,873	717,031
Forward sales contracts	557	-	719,872
<b>At 30 September 2023</b>	RO'000	RO'000	RO'000
<b>Derivatives for hedging:</b>			
Interest rate swaps	3,956	821	89,128
<b>Derivatives:</b>			
Forward purchase contracts	-	125	371,082
Forward sales contracts	331	-	370,876
	US\$000	US\$000	US\$000
<b>Derivatives for hedging:</b>			
Interest rate swaps	10,276	2,132	231,500
<b>Derivatives:</b>			
Forward purchase contracts	-	324	963,850
Forward sales contracts	859	-	963,314
<b>At 31 December 2023</b>	RO'000	RO'000	RO'000
<b>Derivatives for hedging:</b>			
Interest rate swaps	2,012	797	108,378
<b>Derivatives:</b>			
Forward purchase contracts	45	45	222,761
Forward sales contracts	167	98	222,761
	US\$000	US\$000	US\$000
<b>Derivatives for hedging:</b>			
Interest rate swaps	5,225	2,069	281,501
<b>Derivatives:</b>			
Forward purchase contracts	117	117	578,600
Forward sales contracts	433	255	578,600

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

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
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**19. CONTINGENT LIABILITIES AND COMMITMENTS**

Audited 31-Dec-23 US\$'000	Unaudited 30-Sep-23 US\$'000	Unaudited 30-Sep-24 US\$'000		Unaudited 30-Sep-24 RO'000	Unaudited 30-Sep-23 RO'000	Audited 31-Dec-23 RO'000
305,939	329,791	<b>316,910</b>	Financial guarantees	<b>122,010</b>	126,969	117,786
116,388	111,147	<b>143,857</b>	Letters of credit	<b>55,385</b>	42,792	44,810
134,935	183,986	<b>196,117</b>	Loan commitments	<b>75,505</b>	70,835	51,950
13,151	15,840	<b>7,309</b>	Capital commitments	<b>2,814</b>	6,099	5,063
<b>570,413</b>	<b>640,764</b>	<b>664,193</b>		<b>255,714</b>	246,695	219,609

**20. ASSETS AND LIABILITIES MATURITY**

As at 30 September 2024	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
<b>Assets</b>	<b>1,085,581</b>	<b>250,199</b>	<b>629,122</b>	<b>1,503,888</b>	<b>3,468,790</b>
<b>Liabilities and equity</b>	<b>(814,691)</b>	<b>(907,699)</b>	<b>(590,143)</b>	<b>(1,156,257)</b>	<b>(3,468,790)</b>
<b>Net liquidity gap</b>	<b>270,890</b>	<b>(657,500)</b>	<b>38,979</b>	<b>347,631</b>	<b>-</b>
<b>Net liquidity gap in US \$ '000</b>	<b>703,609</b>	<b>(1,707,791)</b>	<b>101,244</b>	<b>902,938</b>	<b>-</b>
<i>As at 30 September 2023</i>	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	916,343	294,767	554,570	1,388,571	3,154,251
Liabilities and equity	(736,329)	(737,558)	(630,356)	(1,050,008)	(3,154,251)
Net liquidity gap	180,014	(442,791)	(75,786)	338,563	-
Net liquidity gap in US \$ '000	467,568	(1,150,105)	(196,847)	879,384	-
<i>As at 31 December 2023</i>	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	1,038,552	226,676	410,161	1,642,956	3,318,345
Liabilities and equity	(617,102)	(981,420)	(632,357)	(1,087,466)	(3,318,345)
Net liquidity gap	421,450	(754,744)	(222,196)	555,490	-
Net liquidity gap in US \$ '000	1,094,676	(1,960,377)	(577,133)	1,442,834	-

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDED 30 September 2024**
**21. 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. CBO through its circular SDD/CBS/CB/2024/108 dated June 26, 2024 restored the capital conservation buffer to 2.5%. Accordingly, the minimum capital adequacy ratio requirement for the year is 13.5% including capital conservation buffer of 2.5% (31 December 2023: 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:

	<b>Unaudited 30-Sep-24</b>	Unaudited 30-Sep-23	Audited 31-Dec-23
	<b>RO'000</b>	RO'000	RO'000
Common Equity Tier 1 (CET1)	<b>332,581</b>	326,701	342,995
Additional Tier 1	<b>179,366</b>	149,000	149,000
Tier 1	<b>511,947</b>	475,701	491,995
Tier 2	<b>8,060</b>	12,085	12,467
<b>Total regulatory capital</b>	<b>520,007</b>	487,786	504,462
<b>Risk weighted assets</b>			
Credit risk	<b>2,911,355</b>	2,574,967	2,668,505
Market risk	<b>144,382</b>	95,411	80,422
Operational risk	<b>174,724</b>	157,019	157,019
<b>Total risk weighted assets</b>	<b>3,230,461</b>	2,827,397	2,905,946
<b>Capital adequacy ratio</b>			
CET1 capital expressed as a percentage of total risk-weighted assets	<b>10.30%</b>	11.55%	11.80%
Total tier I capital expressed as a percentage of total risk-weighted assets	<b>15.85%</b>	16.82%	16.93%
Tier II capital expressed as a percentage of total risk-weighted assets	<b>0.25%</b>	0.43%	0.43%
Total regulatory capital expressed as a percentage of total risk-weighted assets	<b>16.10%</b>	17.25%	17.36%
	<b>Unaudited 30-Sep-24</b>	Unaudited 30-Sep-23	Audited 31-Dec-23
	<b>US\$'000</b>	US\$'000	US\$'000
Common Equity Tier 1 (CET1)	<b>863,847</b>	848,574	890,896
Additional Tier 1	<b>465,886</b>	387,013	387,013
Tier 1	<b>1,329,733</b>	1,235,587	1,277,909
Tier 2	<b>20,934</b>	31,390	32,382
<b>Total regulatory capital</b>	<b>1,350,667</b>	1,266,977	1,310,291
<b>Risk weighted assets</b>			
Credit risk	<b>7,561,961</b>	6,688,226	6,931,181
Market risk	<b>375,019</b>	247,822	208,888
Operational risk	<b>453,828</b>	407,842	407,842
<b>Total risk weighted assets</b>	<b>8,390,808</b>	7,343,890	7,547,911
<b>Capital adequacy ratio</b>			
CET1 capital expressed as a percentage of total risk-weighted assets	<b>10.30%</b>	11.55%	11.80%
Total tier I capital expressed as a percentage of total risk-weighted assets	<b>15.85%</b>	16.82%	16.93%
Tier II capital expressed as a percentage of total risk-weighted assets	<b>0.25%</b>	0.43%	0.43%
Total regulatory capital expressed as a percentage of total risk-weighted assets	<b>16.10%</b>	17.25%	17.36%