

BALANCE SHEET

AS OF 31 DECEMBER 2003

Ten Years' Summary of Results

	Amounts in RO '000									
	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Assets										
Cash and balances with										
Central Banks	76,642	149,532	22,254	39,432	19,631	36,561	18,095	18,266	14,806	11,737
Treasury bills	55,347	31,863	57,038	76,464	40,898	36,325	12,948	23,000	7,500	7,450
Government Securities	37,825	28,303	39,410	40,150	12,379	7,850	5,487	5,277	5,777	4,857
Placements with banks	91,520	65,409	93,767	145,619	77,237	33,955	121,667	62,538	63,660	50,131
Loans and advances	1,243,810	1,225,830	1,098,067	996,650	582,146	530,404	445,504	291,087	239,953	219,976
Investment securities	15,923	14,015	11,967	8,503	6,552	5,705	4,939	2,355	1,634	1,042
Tangible fixed assets	12,029	9,757	7,507	7,941	5,164	5,450	5,175	4,774	4,711	4,660
Other assets	21,682	17,726	16,446	22,206	2,724	2,744	2,446	1,791	1,918	1,637
Total Assets	1,554,778	1,542,435	1,346,456	1,336,965	746,731	658,994	616,261	409,088	339,959	301,490
Liabilities and Shareholders' Funds										
Liabilities										
Deposits from banks	184,567	229,546	225,461	275,524	159,483	101,084	80,574	51,770	42,098	32,221
Customer deposits	1,005,624	963,322	816,303	809,178	478,149	457,699	444,300	313,676	264,756	239,482
Certificates of deposit	73,593	95,471	73,748	40,802	1,319	-	-	-	-	-
Unsecured bonds	25,000	-	-	-	-	-	-	-	-	-
Other liabilities	39,328	40,380	33,536	32,832	16,156	14,665	19,254	8,205	5,225	4,300
Taxation	7,933	6,353	3,366	3,045	1,833	-	-	-	-	-
Proposed dividends	-	-	-	-	6,000	7,500	5,000	5,000	2,700	3,600
Subordinated liabilities	45,621	54,010	66,910	66,910	21,290	21,290	15,900	3,000	-	-
	1,381,666	1,389,082	1,219,324	1,228,291	684,230	602,238	565,028	381,651	314,779	279,603
Shareholders' Funds										
Share capital	51,489	49,037	45,538	45,538	30,000	30,000	20,000	20,000	18,000	18,000
Share premium	4,482	4,482	177	-	-	-	-	-	-	-
Convertible bonds	27,100	27,100	27,098	-	-	-	-	-	-	-
Proposed increase in share capital	-	-	-	-	-	-	16,051	-	-	-
Proposed issue of bonus shares	2,848	2,452	-	-	-	-	5,000	-	2,000	-
General reserve	19,812	15,500	11,382	11,382	5,000	4,000	3,000	2,000	1,500	1,000
Non-distributable reserves	42,286	37,473	37,200	32,520	22,955	19,309	5,479	3,828	3,094	2,487
Proposed dividends	12,872	7,356	4,904	9,107	-	-	-	-	-	-
Retained profit	12,223	9,953	833	10,127	4,546	3,447	1,703	1,609	586	400
	173,112	153,353	127,132	108,674	62,501	56,756	51,233	27,437	25,180	21,887
Total Liabilities and Shareholders' Funds	1,554,778	1,542,435	1,346,456	1,336,965	746,731	658,994	616,261	409,088	339,959	301,490
Letters of credit, acceptances, guarantees and other obligations on behalf of customers	329,809	325,703	344,168	327,818	153,888	131,405	108,535	96,819	93,861	88,195
Operating cost to income	44.84%	47.02%	44.25%	49.93%	42.96%	45.55%	44.72%	55.60%	52.34%	56.41%
Return on average assets	1.75%	1.59%	0.58%	1.56%	1.72%	2.04%	2.44%	1.96%	1.89%	1.78%
Return on average shareholders' funds	19.89%	20.25%	7.43%	19.01%	20.22%	24.14%	31.85%	27.90%	25.82%	24.00%
Basic Earnings Per Share (RO)	0.526	0.476	0.170	0.357	0.402	0.434	0.444	0.260	0.218	0.183
Share price (RO)	4.970	3.840	1.800	3.540	4.490	3.300	9.450	3.450	2.950	2.250
BIS capital adequacy	16.39%	16.05%	15.80%	16.39%	13.44%	14.65%	16.22%	11.01%	10.64%	10.29%

STATEMENT OF INCOME AND RETAINED EARNINGS

Ten Years' Summary of Results

	Amounts in R.O. '000									
	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Statement of Income										
Interest income	101,117	104,469	108,766	114,622	62,641	57,984	43,287	30,207	25,649	20,798
Interest expense	(32,296)	(41,925)	(59,075)	(67,075)	(36,402)	(34,552)	(23,063)	(15,674)	(12,694)	9,396
Net interest income	68,821	62,544	49,691	47,547	26,239	23,432	20,224	14,533	12,955	11,402
Other operating income	19,619	16,958	12,190	10,170	6,251	5,889	5,715	3,461	3,081	2,004
Net Operating Income	88,440	79,502	61,881	57,717	32,490	29,321	25,939	17,994	16,036	13,406
Operating Expenses										
Other operating expenses	(36,463)	(34,487)	(24,990)	(25,973)	(12,628)	(12,131)	(10,530)	(8,996)	(7,502)	(6,754)
Depreciation and amortisation	(3,190)	(2,893)	(2,390)	(2,846)	(1,331)	(1,224)	(1,069)	(1,009)	(892)	(808)
	(39,653)	(37,380)	(27,380)	(28,819)	(13,959)	(13,355)	(11,599)	(10,005)	(8,394)	(7,562)
Unrealised gain (loss) on investment securities	207	260	(318)	(1,563)	(1,090)	(300)	-	-	-	-
Release of (provision for) capital guarantee	-	303	(339)	(335)	-	-	-	-	-	-
Provision towards government assistance programme of brokerage companies	-	-	-	(1,993)	-	-	-	-	-	-
Provision for placements with banks	(2,310)	-	-	-	-	-	-	-	-	-
Provision for collateral pending sale	(175)	-	(144)	(1,129)	-	-	-	-	-	-
Provision for possible credit losses (net)	(15,693)	(15,919)	(23,536)	(10,047)	(3,553)	(2,634)	(1,812)	(422)	(1,565)	(754)
	(57,624)	(52,880)	(52,702)	(42,757)	(18,602)	(16,289)	(13,411)	(10,427)	(9,959)	(8,316)
Profit Before Discontinuing Operations	30,816	26,622	9,179	14,960	13,888	13,032	12,528	7,567	6,077	5,090
Net (loss) gain from discontinuing operations	(56)	-	-	3,500	-	-	-	-	-	-
Net Profit Before Taxation	30,760	26,622	9,179	18,460	13,888	13,032	12,528	7,567	6,077	5,090
Taxation	(3,679)	(3,709)	(1,424)	(2,193)	(1,833)	-	-	(228)	-	-
Net Profit for the year	27,081	22,913	7,755	16,267	12,055	13,032	12,528	7,339	6,077	5,090
Statement of Retained Earnings										
Retained earnings at 1 January	9,953	833	10,127	4,546	3,447	1,703	1,609	586	400	35
Retained earnings:										
Commercial Bank of Oman	-	-	-	4,327	-	-	-	-	-	-
Adjustment arising from the application of IAS 39	-	-	(7,172)	-	-	-	-	-	-	-
Convertible bonds adjustment	-	(2)	-	-	-	-	-	-	-	-
Net Profit for the year	27,081	22,913	7,755	16,267	12,055	13,032	12,528	7,339	6,077	5,090
Transfer to legal reserve	-	-	-	-	-	-	(1,252)	(734)	(607)	(509)
Directors' remuneration	-	-	-	-	(195)	(195)	(182)	(82)	(84)	(66)
Transfer to general reserve	-	(4,000)	-	(2,000)	(1,000)	(1,000)	(1,000)	(500)	(500)	(550)
Proposed issue of bonus shares	(2,848)	(2,452)	-	-	-	-	(5,000)	-	(2,000)	-
Proposed dividend	(12,872)	(7,356)	(4,904)	(9,107)	(6,000)	(7,500)	(5,000)	(5,000)	(2,700)	(3,600)
Transfer to subordinated loan reserve	(9,124)	-	(4,858)	(3,658)	(3,658)	(2,580)	-	-	-	-
Profit (loss) arising on translation of the overseas branch assets and liabilities	33	17	(115)	(248)	(103)	(13)	-	-	-	-
Retained earnings at 31 December	12,223	9,953	833	10,127	4,546	3,447	1,703	1,609	586	400

BALANCE SHEET

AS OF 31 DECEMBER 2003

Ten Years' Summary of Results

	Amounts in U.S. \$ '000									
	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Assets										
Cash and balances with										
Central Banks	199,069	388,395	57,803	102,421	50,990	94,964	47,000	47,444	38,457	30,486
Treasury bills	143,759	82,761	148,151	198,608	106,229	94,351	33,631	59,740	19,480	19,351
Government Securities	98,246	73,514	102,364	104,285	32,153	20,390	14,252	13,706	15,005	12,616
Placements with banks	237,715	169,895	243,551	378,232	200,616	88,195	316,018	162,437	165,351	130,210
Loans and advances	3,230,676	3,183,974	2,852,121	2,588,701	1,512,067	1,377,673	1,157,153	756,070	623,255	571,366
Investment securities	41,359	36,402	31,083	22,086	17,018	14,818	12,829	6,117	4,244	2,706
Tangible fixed assets	31,245	25,343	19,498	20,626	13,413	14,156	13,442	12,400	12,236	12,104
Other assets	56,316	46,042	42,718	57,678	7,075	7,127	6,353	4,652	4,982	4,252
Total Assets	4,038,385	4,006,326	3,497,289	3,472,637	1,939,561	1,711,673	1,600,678	1,062,566	883,010	783,091
Liabilities and Shareholders' Funds										
Liabilities										
Deposits from banks	479,394	596,223	585,614	715,647	414,242	262,556	209,283	134,467	109,345	83,691
Customer deposits	2,612,010	2,502,135	2,120,267	2,101,761	1,241,945	1,188,829	1,154,026	814,743	687,678	622,031
Certificates of deposit	191,150	247,977	191,552	105,979	3,426	-	-	-	-	-
Unsecured bonds	64,935	-	-	-	-	-	-	-	-	-
Other liabilities	102,152	104,883	87,105	85,278	41,964	38,091	50,010	21,312	13,571	11,169
Taxation	20,606	16,501	8,744	7,909	4,761	-	-	-	-	-
Proposed dividends	-	-	-	-	15,584	19,481	12,987	12,987	7,013	9,351
Subordinated liabilities	118,495	140,286	173,794	173,793	55,299	55,299	41,299	7,792	-	-
	3,588,742	3,608,005	3,167,076	3,190,367	1,777,221	1,564,255	1,467,605	991,301	817,607	726,242
Shareholders' Funds										
Share capital	133,739	127,369	118,279	118,279	77,922	77,922	51,948	51,948	46,753	46,753
Share premium	11,642	11,642	460	-	-	-	-	-	-	-
Convertible bonds	70,390	70,390	70,384	-	-	-	-	-	-	-
Proposed increase in share capital	-	-	-	-	-	-	41,691	-	-	-
Proposed issue of bonus shares	7,398	6,369	-	-	-	-	12,987	-	5,195	-
General reserve	51,459	40,260	29,564	29,564	12,987	10,390	7,792	5,195	3,896	2,597
Non-distributable reserves	109,833	97,332	96,624	84,466	59,623	50,153	14,232	9,943	8,037	6,460
Proposed dividends	33,434	19,106	12,738	23,656	-	-	-	-	-	-
Retained profit	31,748	25,853	2,164	26,305	11,808	8,953	4,423	4,179	1,522	1,039
	449,643	398,321	330,213	282,270	162,340	147,418	133,073	71,265	65,403	56,849
Total Liabilities and Shareholders' Funds	4,038,385	4,006,326	3,497,289	3,472,637	1,939,561	1,711,673	1,600,678	1,062,566	883,010	783,091
Letters of credit, acceptances, guarantees and other obligations on behalf of customers	856,647	845,982	893,944	851,475	399,709	341,312	281,909	251,478	243,795	229,078
Operating cost to income	44.84%	47.02%	44.24%	49.93%	42.96%	45.55%	44.72%	55.60%	52.34%	56.41%
Return on average assets	1.75%	1.59%	0.58%	1.56%	2.24%	7.15%	7.68%	7.65%	8.11%	7.60%
Return on average shareholders' funds	19.89%	20.25%	7.43%	19.01%	26.36%	84.47%	100.04%	108.90%	110.46%	102.43%
Basic Earnings Per Share (\$)	1.366	1.236	0.442	0.927	1.04	1.13	1.15	0.68	0.57	0.47
Share price (\$)	12.91	9.97	4.68	9.19	11.66	8.57	24.55	8.96	7.66	5.84
BIS capital adequacy	16.39%	16.05%	15.80%	16.39%	13.44%	14.65%	16.22%	11.01%	10.64%	10.29%

STATEMENT OF INCOME AND RETAINED EARNINGS

Ten Years' Summary of Results

	Amounts in U.S. \$ '000									
	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Statement of Income										
Interest income	262,641	271,348	282,510	297,721	162,704	150,607	112,434	78,460	66,621	54,021
Interest expense	(83,885)	(108,896)	(153,441)	(174,222)	(94,551)	(89,745)	(59,904)	(40,712)	(32,971)	(24,405)
Net interest income	178,756	162,452	129,069	123,501	68,153	60,862	52,530	37,748	33,650	29,616
Other operating income	50,960	44,047	31,661	26,416	16,236	15,296	14,844	8,990	8,003	5,205
Net Operating Income	229,716	206,499	160,730	149,917	84,389	76,158	67,374	46,738	41,653	34,821
Operating Expenses										
Other operating expenses	(94,710)	(89,577)	(64,908)	(67,462)	(32,800)	(31,509)	(27,351)	(23,366)	(19,486)	(17,543)
Depreciation and amortisation	(8,284)	(7,514)	(6,207)	(7,392)	(3,457)	(3,179)	(2,777)	(2,621)	(2,317)	(2,099)
	(102,994)	(97,091)	(71,115)	(74,855)	(36,257)	(34,688)	(30,128)	(25,987)	(21,803)	(19,642)
Unrealised gain (loss) on investment securities	537	676	(826)	(4,060)	(2,831)	(779)	-	-	-	-
Release of (provision for) capital guarantee	-	787	(880)	(870)	-	-	-	-	-	-
Provision towards government assistance programme of brokerage companies	-	-	-	(5,178)	-	-	-	-	-	-
Provision for placements with banks	(6,000)	-	-	-	-	-	-	-	-	-
Provision for collateral pending sale	(456)	(374)	(2,932)	-	-	-	-	-	-	-
Provision for possible credit losses (net)	(40,761)	(41,348)	(61,134)	(26,096)	(9,228)	(6,841)	(4,706)	(1,096)	(4,065)	(1,958)
	(149,674)	(137,350)	(136,887)	(111,058)	(48,316)	(42,308)	(34,834)	(27,083)	(25,868)	(21,600)
Profit Before Discontinuing Operations	80,042	69,148	23,843	38,859	36,073	33,850	32,540	19,655	15,785	13,221
Net (loss) gain from discontinuing operations	(145)	-	-	9,091	-	-	-	-	-	-
Net Profit Before Taxation	79,897	69,148	23,843	47,950	36,073	33,850	32,540	19,655	15,785	13,221
Taxation	(9,557)	(9,635)	(3,700)	(5,697)	(4,761)	-	-	(593)	-	-
Net Profit for the year	70,340	59,513	20,143	42,253	31,312	33,850	32,540	19,062	15,785	13,221
Statement of Retained Earnings										
Retained earnings at 1 January	25,853	2,164	26,304	11,808	8,953	4,423	4,179	1,522	1,039	91
Retained earnings:										
Commercial Bank of Oman	-	-	-	11,239	-	-	-	-	-	-
Adjustment arising from the application of IAS 39	-	-	(18,627)	-	-	-	-	-	-	-
Convertible bonds adjustment	-	(5)	-	-	-	-	-	-	-	-
Net Profit for the year	70,340	59,513	20,143	42,253	31,312	33,850	32,540	19,062	15,785	13,221
Transfer to legal reserve	-	-	-	-	-	-	(3,252)	(1,906)	(1,577)	(1,322)
Directors' remuneration	-	-	-	-	(506)	(506)	(473)	(213)	(218)	(171)
Transfer to general reserve	-	(10,390)	-	(5,195)	(2,597)	(2,597)	(2,597)	(1,299)	(1,299)	(1,429)
Proposed issue of bonus shares	(7,399)	(6,368)	-	-	-	-	(12,987)	-	(5,195)	-
Proposed dividend	(33,435)	(19,105)	(12,738)	(23,655)	(15,584)	(19,481)	(12,987)	(12,987)	(7,013)	(9,351)
Transfer to subordinated loan reserve	(23,699)	-	(12,618)	(9,502)	(9,502)	(6,701)	-	-	-	-
Profit (loss) arising on translation of the overseas branch assets and liabilities	88	44	(300)	(644)	(268)	(34)	-	-	-	-
Retained earnings at 31 December	31,748	25,853	2,164	26,304	11,808	8,953	4,423	4,179	1,522	1,039