

أفضل كل يوم  
Better Everyday

# Investor Presentation June 2020





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# Bank Muscat Introduction

# Bank Muscat at a glance

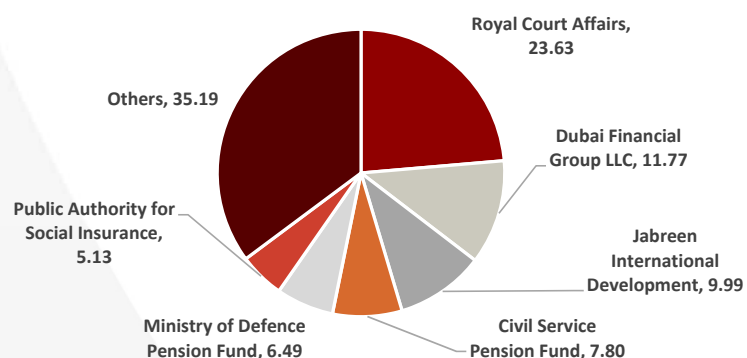
## Overview

- #1 Bank in Oman with a significant active customer base with over 2 million clients and a workforce of 3,821 employees as of 30<sup>th</sup> June 2020.
- Established in 1982, headquartered in Muscat with 170 branches across Oman, 2 branches overseas, and 3 representative offices
  - Fully diversified commercial bank offering corporate and retail banking services
  - Primarily domestic dominated operations with over 95% of operating income generated in Oman
  - Meethaq – pioneer of Islamic Banking services in Oman, officially launched in January 2013 with full fledged product and services offering
- Listed on the Muscat Securities Market (with a market cap of USD 2,870 million as of 30<sup>th</sup> June 2020), London Stock Exchange & Bahrain Stock Exchange

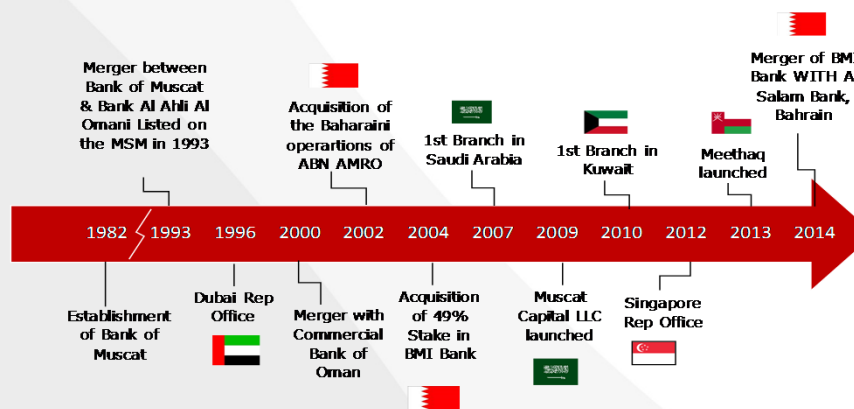
## Key Financials

In US\$ Millions, unless otherwise stated	June' 20	2019	2018	2017
Total Assets	32,360	31,925	31,917	28,959
Gross Loans	24,231	23,875	24,073	22,484
Deposits	22,239	20,894	21,981	19,271
Operating Income	585	1,227	1,160	1,132
Net Profit	181	482	467	459
Tier 1	18.74%	18.78%	17.98%	16.87%
Total CAR	19.76%	19.72%	19.22%	18.45%
Loans to Deposit Ratio	104.65%	110.37%	105.63%	112.26%
NPL Ratio	3.65%	3.25%	3.09%	2.94%
Cost/Income	41.75%	41.50%	42.61%	42.22%
ROA	1.12%	1.51%	1.53%	1.61%
ROE	7.78%	10.73%	10.88%	11.44%

## Major Shareholders as of June 2020



## Bank Muscat Foot Steps



# Bank Muscat – Key Highlights



## Dominant Franchise in Oman

- Largest Bank in Oman by total assets of 35.6%, as of 31st May 2020, around the size of next 3 Omani banks combined.
- Market Capitalisation of USD 2,870 million as at 30th June 2020
- Largest branch network with 170 domestic branches
- The only bank in Oman to be designated a “D-SIB”

## Strong Financial Metrics

- Stable and consistent financial performance
  - Solid topline income growth
  - Stable cost-to-income ratio despite business and infrastructure expansion
- Strong and sustainable profitability metrics:
  - Operating income 2015-2019 CAGR of 3.7%
  - Net profit 2015-2019 CAGR of 1.4%

## Solid Capital Position

- Strong capitalization levels offering room for substantial growth
- CAR of 19.76% as of 30th June 2020



## Highest Government Ownership

- Highest Government Ownership among Omani Banks
  - Royal Court Affairs: 23.63%
- Significant direct and indirect Government ownership through various entities.

## Stable Operating Environment

- Stable banking sector
  - Prudential regulatory environment
- Stable political system in the Oman with excellent diplomatic relationship in the region
- Economic growth in Oman supported by increase in hydrocarbon production, strengthening and growing local demand, and disciplined fiscal policy measures

## Stable Asset Quality

- Conservative lending approach
- Strong risk architecture and policies
- Adequate asset quality metrics

## Management

- Stable and experienced management with proven track record of successful organic and inorganic growth
- Good corporate governance



# Operating Environment

# Sultanate of Oman - Overview

## Overview

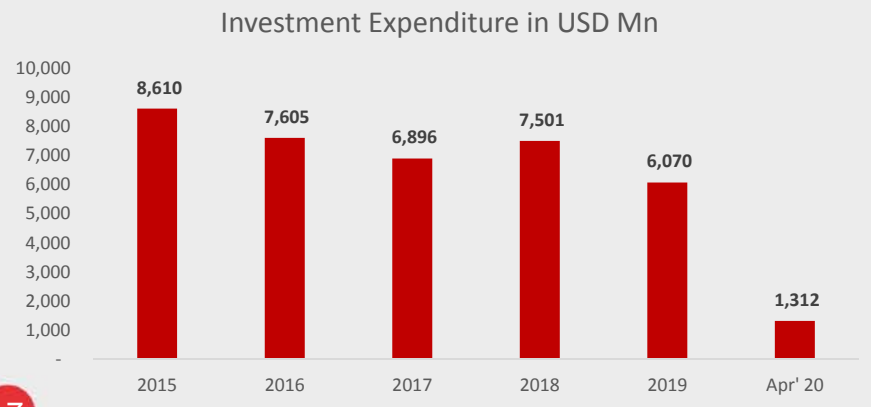
- 2<sup>nd</sup> Largest country in the GCC with an area covering approx. 309.5 thousand km<sup>2</sup>, strategically located, sharing borders with Saudi Arabia, & UAE.
- Stable Political System, excellent diplomatic relations in the region
- Oman explicitly aims to create a neo-liberal free market economy, where the private sector is the driver of the economy as opposed to the state
- Population of 4.51mn as of July 2020 - predominantly represented by Omani Nationals who account for 60.4% of the total population
- The economy will continue to grow with the following drivers:
  - The increase in hydrocarbon production
  - The Government's balanced support for the economy with disciplined fiscal policy measures
  - Strengthening and growing local demand; increasing services and activities contribution to GDP
  - Govt. initiated a dedicated program called "Tanfeedh" to focus on economic diversification through focus on key sectors in phase 1 viz. manufacturing, logistics and tourism



Key Indicators <sup>(1)</sup>	2019	2020
Sovereign Ratings Moody's\S&P	Ba1/BB	Ba3/BB-
Budget Surplus\Deficit in OMR	-2.65 Bn (Dec '19)	0.18 Bn (Apr '20)
Surplus\Deficit % of total revenue	-25% (Dec '19)	Est. '-23% (Dec '20)
Net Public Debt (% GDP)	53%-55%	Est 55%-60%

(1) Source: National Center for Statistics (July '20), Rating Reports: Moody's and S&P as of Apr 2020

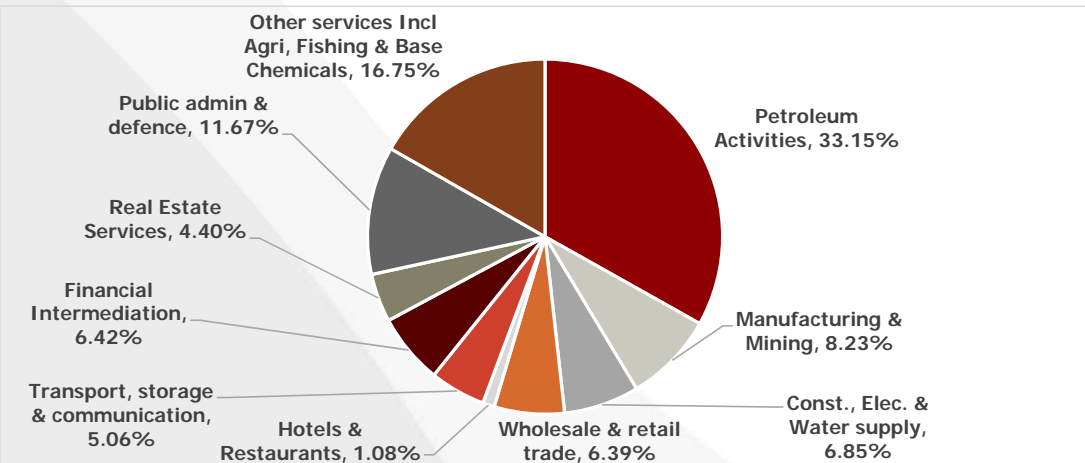
## Gov't Investment Expenditure



18-Aug-20

Note: Investment expenditure includes Civil Ministries development & Capital expenditure, Oil & Gas production

## GDP Composition as of March 2020

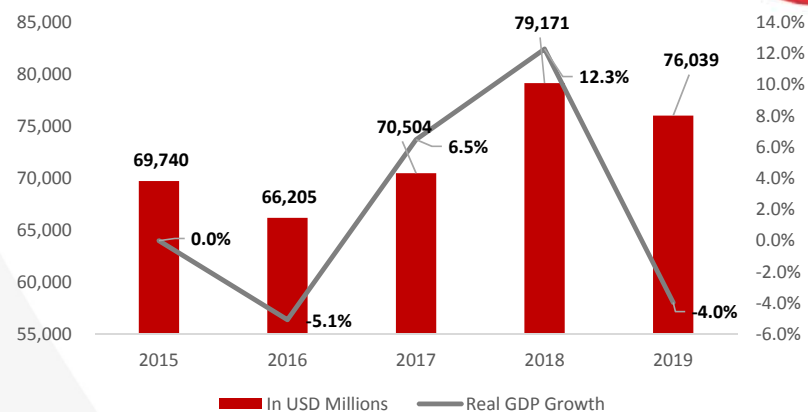


# Oman Macro Overview

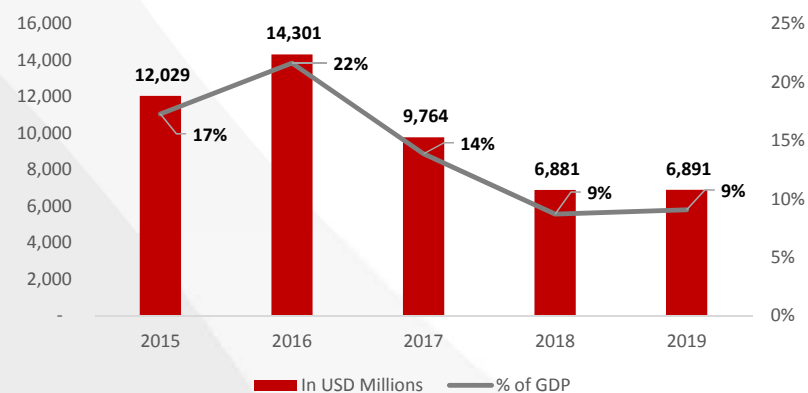
- ❖ Oman's economy has been some extend resilient to strong headwinds in spite of low oil prices in the past 5 years.
- ❖ However, current pandemic situation coupled with further pressure on oil prices has increased the stress level of the government's fiscal position.
- ❖ Government has been taking major steps towards economic diversification and specific relief measures to support the economy:
  - Tanfeedh initiatives, Duqum developments, number of large projects in certain sectors including oil & gas, infrastructure, tourism and so on.
  - Introduction of or revising key legislations with regard to foreign investments, Public Private Partnership, Bankruptcy law, Banking law, Tax laws, Commercial Companies law etc.
  - Key framework for Vision 2040 to navigate the economy in the long term.
  - Short terms measures include job sector reforms initiated, Job Security Fund established, prioritization of Govt. capital expenditure, key development projects worth RO 300 million, rationalizing current and administrative expenditure of various ministries and government entities.
  - Announced number of relief measures to support the economy and businesses in the near term which include tariff reduction or waiver, deferral instalments and others.
- ❖ Local and international borrowings by sovereign and government entities to address the fiscal deficit.
- ❖ According to IMF, due to the outbreak of the COVID-19, GDP growth is expected to fall to -2.8% in 2020 and pick up to 3% in 2021.



GDP Growth



Public Deficit



Source: Real GDP growth rate & Public Deficit forecast as per IMF reports as of Apr' 20



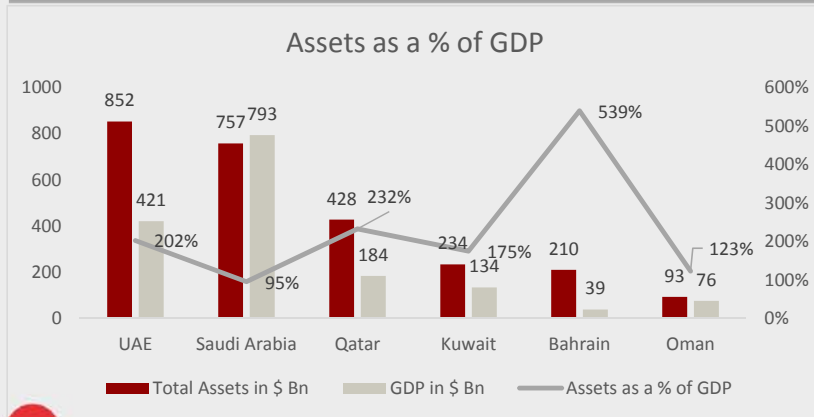
# Oman Banking Sector - Overview



## Overview

- The Omani banking sector comprises of 7 local banks, 2 specialized banks, 9 foreign commercial banks and two full fledged Islamic Banks
  - The top 3 banks after bank muscat contribute around 35.7% of total sector assets. bank muscat represents 35.6% of total banking sector assets as of May 2020
- Conservative and Prudent Regulator
  - A number of regulations and caps in place to support the growth, stability and sustainability of the Omani banking sector
- Adequate asset quality with relatively low impaired assets and sound capitalization

## Oman in the GCC banking sector context<sup>(1)</sup>

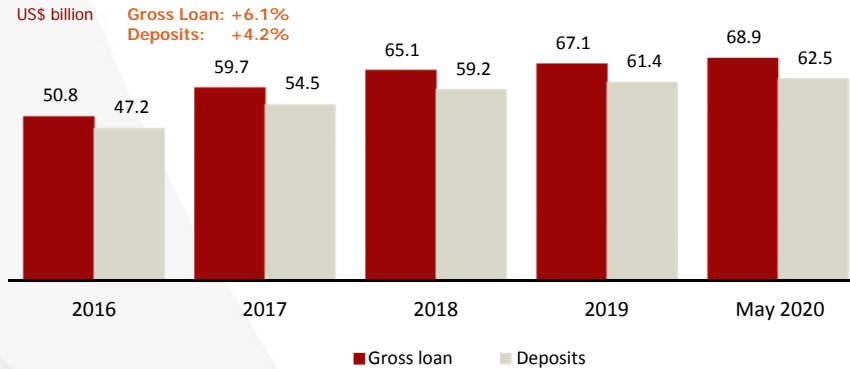


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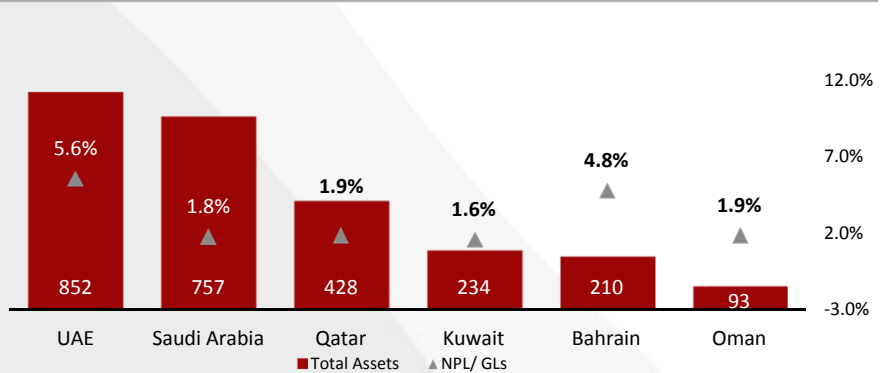
18-Aug-20

<sup>(1)</sup> GDP data is actual for FY 2019 (Source: World Bank, National Central Banks)

## Loans and Deposit Growth



## Asset Quality<sup>(2)</sup>



<sup>(2)</sup> Source: Central Banks: Kuwait & KSA as of Jun' 20. Oman, Bahrain, & Qatar as of May' 20. UAE as of Mar' 20.

# Banking Sector Overview Cont'd...

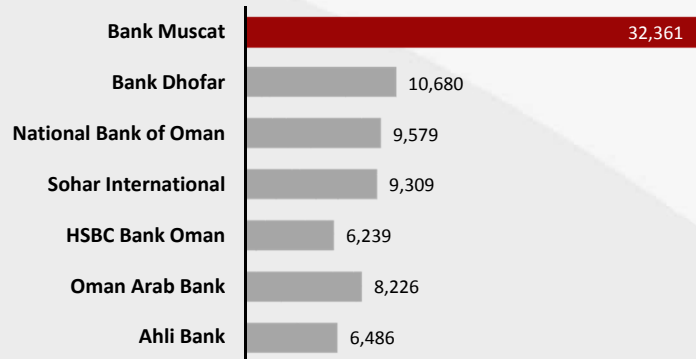


- ❖ Banking sector has performed relatively well in the last few years in spite of lower oil prices and challenging economic situation.
- ❖ However, in the current year, sector performance has come under pressure due to uncertainty arising from the pandemic.
- ❖ Central Bank of Oman (CBO) has been taking number of measures to support the economy and banking sector. Key measures include;
  - Loan installment deferral package offered to impacted businesses and individual borrowers
  - Waiver of interest in cases of job loss / salary reduction.
  - Waiver of certain fees for businesses and individuals
  - Relaxation in risk classification on availing deferral package
  - Additional liquidity support provided at concessional rates to banks
  - Lending ratio limit relaxed providing scope for additional lending
  - Capital stimulus by reducing regulatory limits. Prudential filter on IFRS 9 ECL introduced
- ❖ Banks in Oman are well positioned with good capital and liquidity level with these measures.

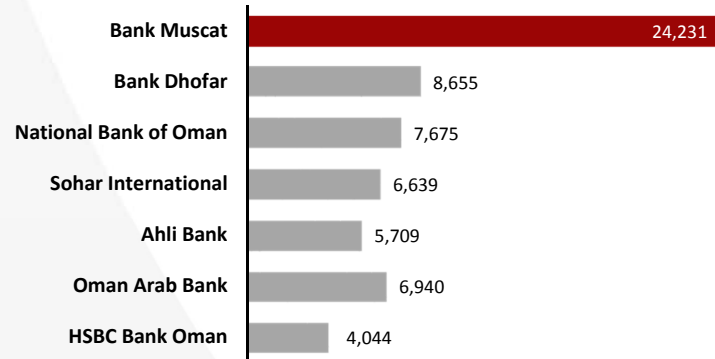
# Bank Muscat – Unrivalled leading Market Position in Oman



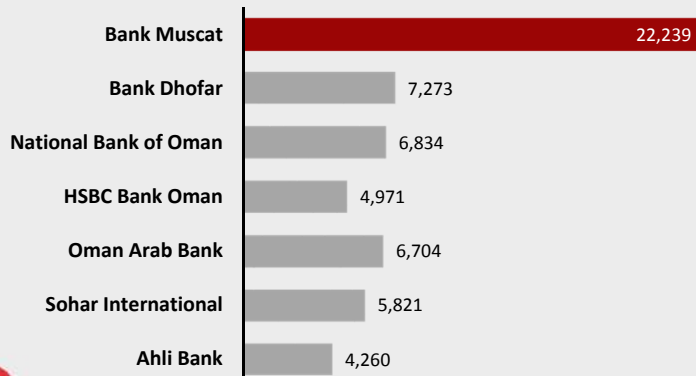
## Total Assets (USD Mn)



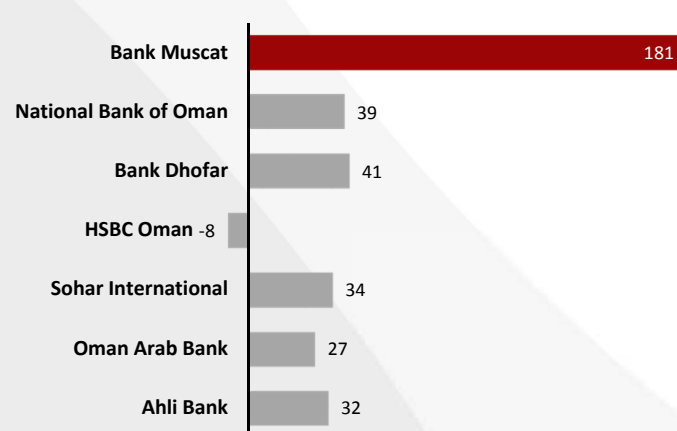
## Gross Loans (USD Mn)



## Deposits (USD Mn)



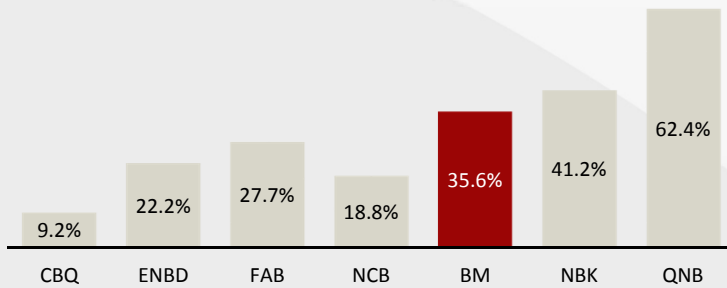
## Net Profit (USD Mn)



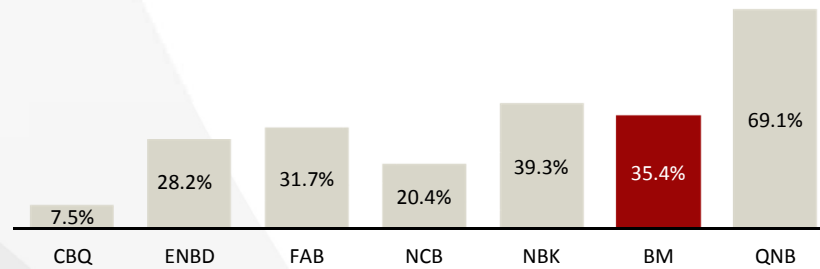
# Bank Muscat – Dominant domestic franchise in the region



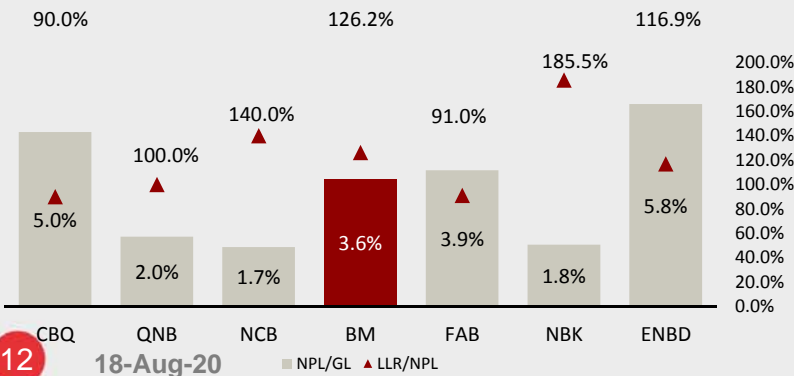
## Market Share - Assets



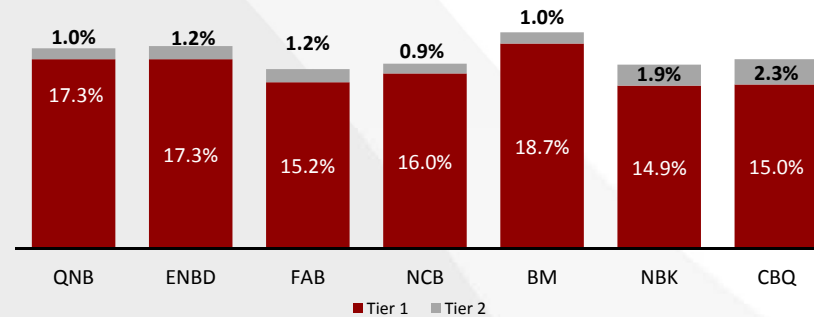
## Market Share – Deposits



## Asset Quality



## Strong Capitalization





# Bank Muscat Business Overview

# Banks Vision & Strategic Pillars

**To serve you better, everyday.**

Leading in everything we do by offering simplified & integrated banking solutions.

## Bank Muscat Brand value

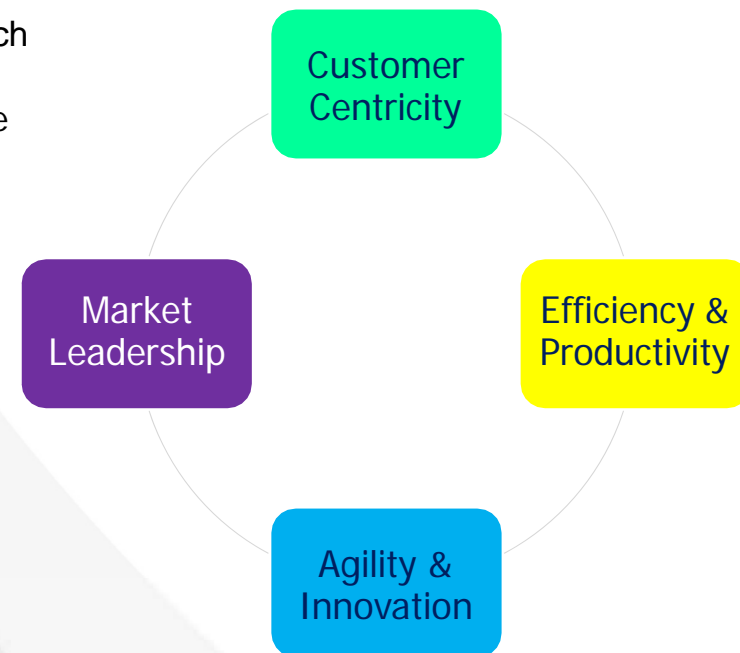
- ❖ Customer convenience, High Service Quality and Customer centric approach through “To Serve you better, everyday” philosophy
- ❖ Leading financial services provider with largest branch network & innovative product and service offering
- ❖ Technology driven with multiple digital channels for sales and services
- ❖ Dominant position size & proven resilience

## Strong Financial position

- ❖ Strong financial position, Business capabilities & Shareholding
- ❖ Strong Capital and Liquidity
- ❖ Lending Power / Single Borrower size
- ❖ Strong Profitability coupled with conservative credit provisioning policies
- ❖ Market share leadership in loans and deposit.

## Human Resource strength

- ❖ Capable Management
- ❖ Talented and Young workforce



# Current Situation and Strategy



## “Safety, Security and Sustainability”

### Health Risk

- ❖ The Bank has been managing the current situation with a well planned approach.
- ❖ Focus has been to support customers with number of measures while providing safe and secure working environment to our employees

### Liquidity Risk

- ❖ Very strong liquidity position to ensure long-term sustainability
- ❖ Continue to focus on stable deposit growth

### Capital Position

- ❖ Continue to have a highest capital adequacy ratio
- ❖ Capital mix is driven by strong core equity ratio

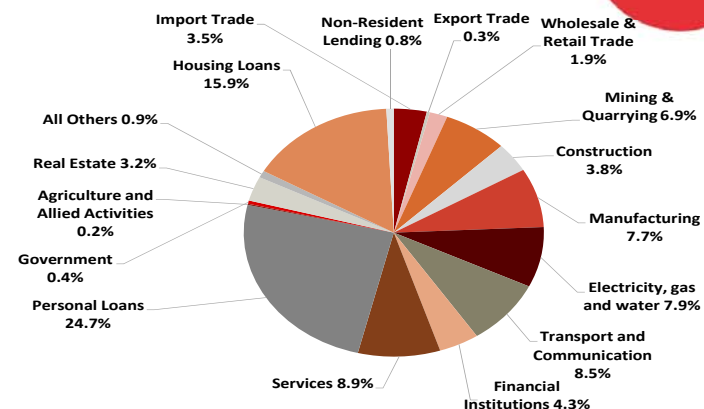
### Credit Risk

- ❖ Continue to follow a conservative and prudent credit policy
- ❖ Prudent provision policy and good level of provision coverage

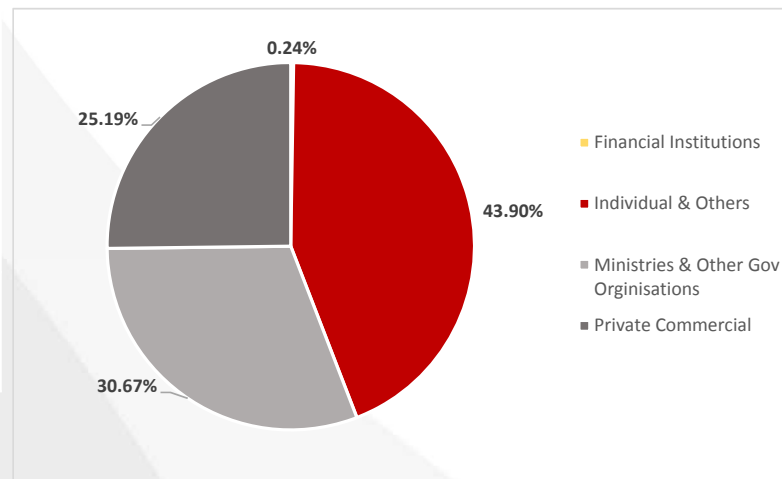
# Bank Muscat Business Lines

	Key Highlights	Asset Contribution	Profit Contribution
<b>Corporate Banking</b>	<ul style="list-style-type: none"> <li>❖ Leading Corporate Bank Franchise offering the full array of corporate banking services</li> <li>❖ ~ <b>7,200</b> corporate customers in Oman</li> <li>❖ Strong expertise in project finance</li> </ul>	<ul style="list-style-type: none"> <li>❖ USD 11.63 bn</li> <li>▪ <b>36%</b> of total assets</li> </ul>	<ul style="list-style-type: none"> <li>❖ USD 76.36 mn</li> <li>▪ <b>42%</b> of total profit</li> </ul>
<b>Wholesale Banking</b>	<ul style="list-style-type: none"> <li>❖ Comprise of treasury, corporate finance, asset management and financial institutions</li> </ul>	<ul style="list-style-type: none"> <li>❖ USD 6.98 bn</li> <li>▪ <b>22%</b> of total assets</li> </ul>	<ul style="list-style-type: none"> <li>❖ USD 46.49 mn</li> <li>▪ <b>26%</b> of total profit</li> </ul>
<b>Personal Banking</b>	<ul style="list-style-type: none"> <li>❖ Leading Retail Bank platform in Oman</li> <li>❖ Over 2 million retail customers in Oman</li> <li>❖ Largest distribution network (149 conventional branches)</li> </ul>	<ul style="list-style-type: none"> <li>❖ USD 8.72 bn</li> <li>▪ <b>27%</b> of total assets</li> </ul>	<ul style="list-style-type: none"> <li>❖ USD 65.19 mn</li> <li>▪ <b>36%</b> of total profit</li> </ul>
<b>Meethaq – Islamic Banking</b>	<ul style="list-style-type: none"> <li>❖ RO 120 mn (c.US\$ 311 mn) capital assigned to this business</li> <li>❖ Officially launched in January 2013, currently operating through 21 full fledged Islamic branches.</li> </ul>	<ul style="list-style-type: none"> <li>❖ USD 3.81 bn</li> <li>▪ <b>12%</b> of total assets</li> </ul>	<ul style="list-style-type: none"> <li>❖ USD 10.38 mn</li> <li>▪ <b>6%</b> of total profit</li> </ul>
<b>International Operations</b>	<ul style="list-style-type: none"> <li>❖ Presence in Saudi Arabia &amp; Kuwait through a branch network, and 3 Rep offices across Asia.</li> </ul>	<ul style="list-style-type: none"> <li>❖ USD 1.19 bn</li> <li>▪ <b>4%</b> of total assets</li> </ul>	<ul style="list-style-type: none"> <li>❖ USD -18.18 mn</li> <li>▪ <b>-10%</b> of total profit</li> </ul>

Loans by sector:



Deposits by segment:





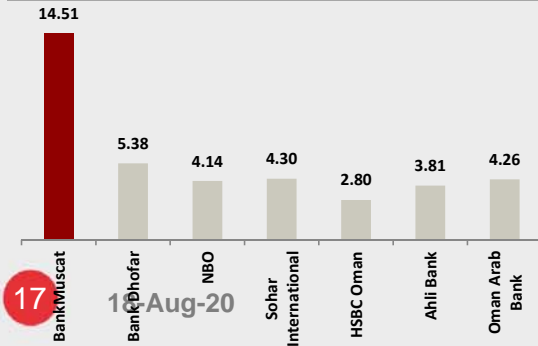
# Corporate Banking

Amounts in USD mn.

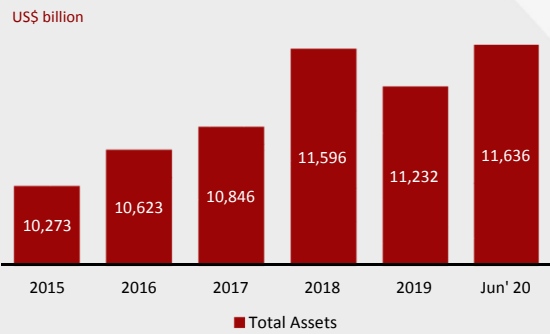


Overview	Opportunities	Strategy
<ul style="list-style-type: none"> <li>➤ <b>Leading Corporate Banking Franchise</b> <ul style="list-style-type: none"> <li>▪ Extensive and expanding range of products and services</li> <li>▪ Strong project finance capabilities</li> </ul> </li> <li>➤ <b>Large corporate client portfolio with c.7,200 customers and lead bank for top tier Omani corporate entities</b></li> <li>➤ <b>High level of sophistication differentiated through technology led investments</b></li> <li>➤ <b>Commitment to maintain strong control over asset quality</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Large number of infrastructure/ Industrial projects in the pipeline</b></li> <li>➤ <b>Privatisation and diversification drive by Government</b></li> <li>➤ <b>Increasing business flows between Oman and regional countries</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Leverage on leading position and expertise</b> <ul style="list-style-type: none"> <li>▪ Reinforce presence in Oman across all segments in the value chain</li> <li>▪ Benefit from large infrastructure and industrial projects in Oman</li> </ul> </li> <li>➤ <b>Focus fee income generating business</b> <ul style="list-style-type: none"> <li>▪ Transaction banking business to enhance fee income</li> <li>▪ Explore cross sell opportunities among business lines</li> </ul> </li> <li>➤ <b>Utilize presence in regional markets</b> <ul style="list-style-type: none"> <li>▪ Grow GCC trade flows share</li> </ul> </li> </ul>

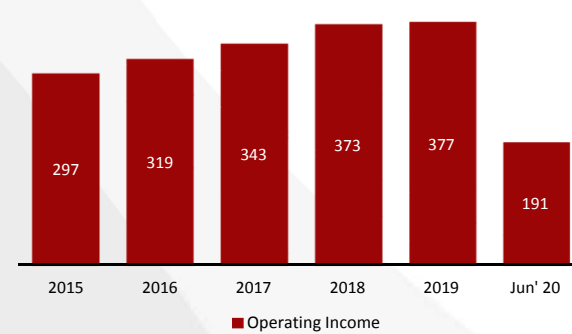
## Corporate Loans- Peer comparison



## Asset Growth



## Operating Income



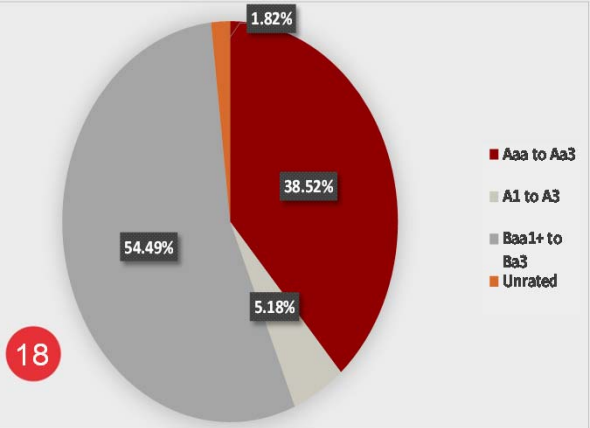
# Wholesale Banking – Global Financial Institutions, Investment Banking & Treasury

Amounts in USD mn.

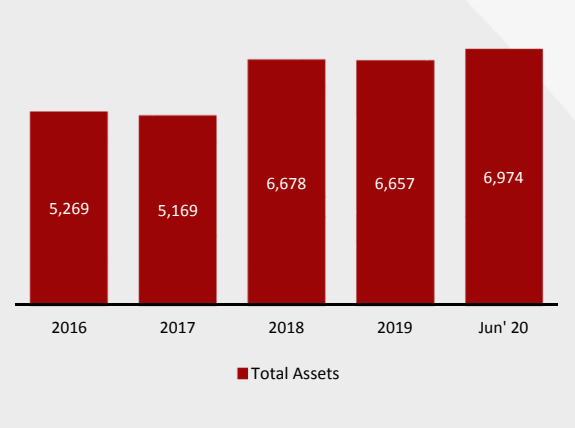


Overview	Opportunities	Strategy
<ul style="list-style-type: none"> <li>➤ Treasury: funding, asset and liability management requirements, offer structured solutions to corporate clients</li> <li>➤ Corporate Finance: Leader in corporate advisory: series of successful transactions and track record outside Oman</li> <li>➤ Financial Institutions: trade, DCM and correspondent banking services</li> <li>➤ Asset Management: Largest Omani mutual fund manager with potential for growth &amp; expanding outside Oman. Investment solutions for high net worth individuals</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Significant cross-sell opportunities to other wholesale banking clients</b></li> <li>➤ Leverage transaction experience in attracting new corporate finance mandates</li> <li>➤ Leverage regional expansion to introduce new products</li> <li>➤ Strong growth potential in the high net worth market segment</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Strengthen Bank Muscat's leading position in specialised areas</b></li> <li>➤ Utilize the presence in regional markets to expand business</li> <li>➤ Leverage specialised product expertise in other markets</li> <li>➤ <b>Leverage on expertise built to further grow the market share and increase the market potential</b></li> </ul>

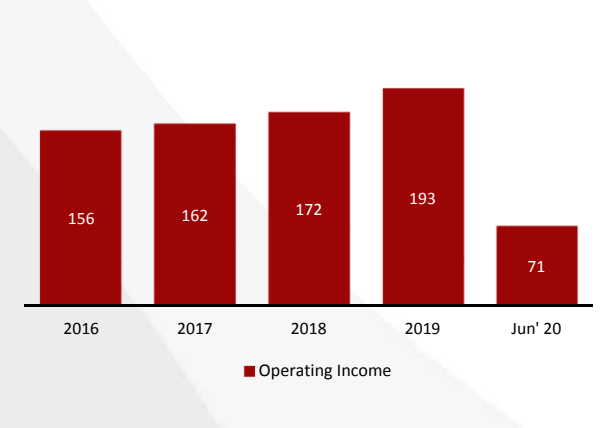
## Securities Portfolio



## Asset Growth



## Operating Income



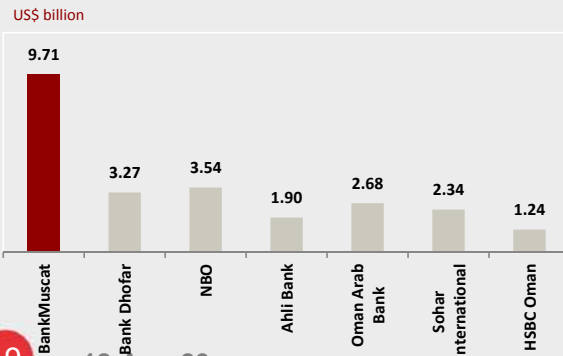
# Personal Banking

Amounts in USD mn.

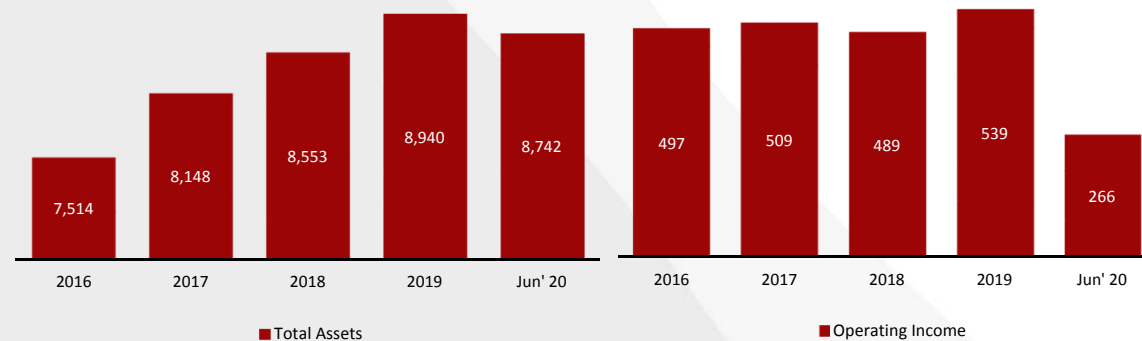


Overview	Opportunities	Strategy
<ul style="list-style-type: none"> <li>➤ <b>Leading Personal Banking Franchise in Oman</b> <ul style="list-style-type: none"> <li>▪ Over 1.90 million customers</li> <li>▪ Front-runner across retail banking segments including cards, bancassurance and remittances</li> </ul> </li> <li>➤ <b>Largest delivery channel network in Oman (170 branches, 467 ATMs, 128 CDMs, 147 FFMs and the best online platform in Oman)</b></li> <li>➤ <b>Substantial low cost retail deposit base</b></li> <li>➤ <b>Merchant acquiring market share of over 70% by volume as of July 2020 and leading e-commerce business in Oman</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Government spending resulting in job creation</b></li> <li>➤ <b>Increase in salaries through various government initiatives</b></li> <li>➤ <b>Favorable demographics</b> <ul style="list-style-type: none"> <li>▪ Over 45% of the population less than 19 years old</li> </ul> </li> <li>➤ <b>Housing finance</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Leveraging on leading presence in the retail segment</b> <ul style="list-style-type: none"> <li>▪ Increase penetration and cross sell</li> <li>▪ Explore new business and product lines</li> </ul> </li> <li>➤ <b>Technology-led product development and service offerings</b></li> <li>➤ <b>Enhance process efficiency and customer convenience</b></li> <li>➤ <b>Focus on development and utilization of e-delivery channels</b></li> </ul>

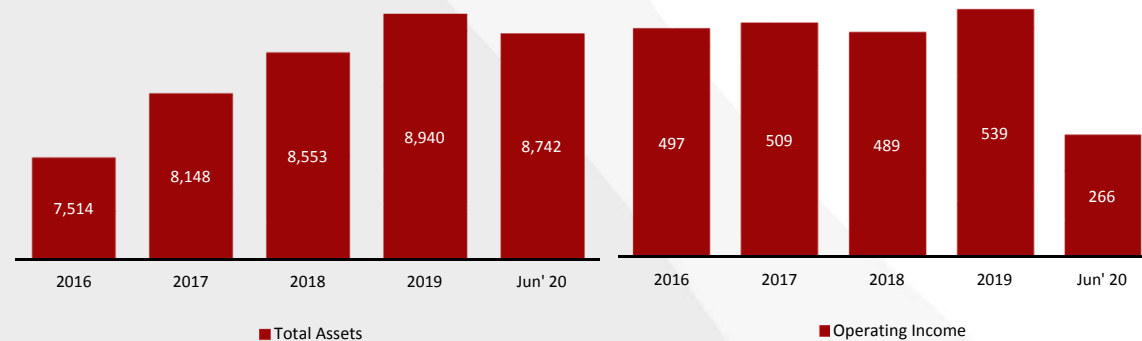
## Personal Loans- Peer comparison



## Asset Growth



## Operating Income



# Meethaq – Islamic Banking

Amounts in USD mn.



## Overview

- **One of the most successful Islamic banking operation in Oman since 2013**
- **21 dedicated branches** become operative throughout the Sultanate
- Innovation in product offering and services to create niche
- **Established Sharia Board** comprising of experienced and reputable Sharia scholars

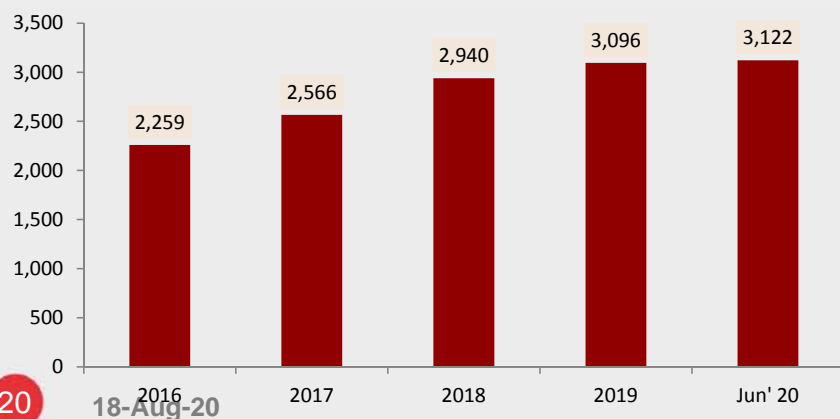
## Opportunities

- Growth momentum continued since the launch indicating potential in the market
- Shari'a governance structure ensures transparent banking
- Large network at disposal to leverage business
- Awareness drives on Shari'a compliant banking to increase customer base

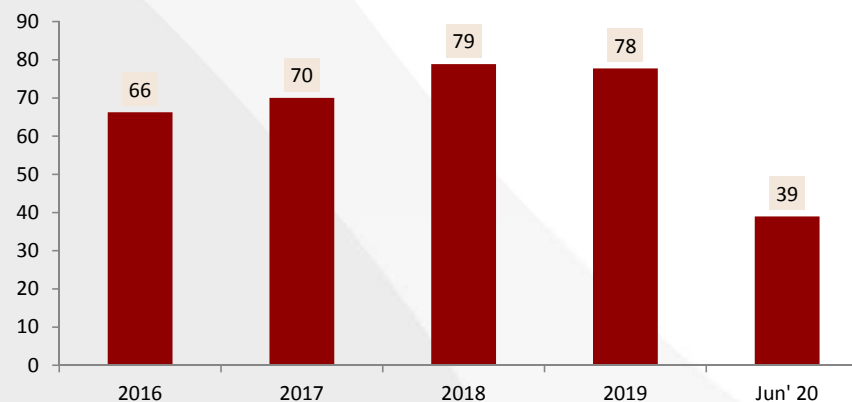
## Strategy

- **To be the market leader by far**
- Full fledged product and service offerings
- **Increase Meethaq exclusive branch network to an optimum level**
- Customer Centric approach and transparency
- Technology driven customer service delivery within the Shari'a compliance ambit

## Financing Portfolio



## Operating Income





# Financial Performance

# Financial Highlights – H1 2020



- ❖ Net Profit of USD 180.67 mn vs. USD 243.24 mn, a decrease of USD 62.59 mn or 25.7% over 2019
- ❖ Net Interest / Net financing Income at USD 416.88 mn, higher by USD 3.92 mn or 0.95% over 2019
- ❖ Other income at USD 168.02 mn, lower by USD 27.01 mn or 13.8% lower than 2019, mainly due to subdued business conditions due to COVID-19 related lockdowns in Q2 2020 and waiver of certain fees due to regulatory measures
- ❖ Operating expenses at USD 244.23 mn, was lower by 3.2% compared to 2019
- ❖ Net Impairment on financial assets of USD 125.19 mn, higher by USD 60.25 mn. The increase is mainly due to precautionary and collective provisions made on a forward looking basis given the emerging stress in economic conditions as a result of the impact of COVID-19 and continued depression in oil prices.
- ❖ Operating profit decreased by 4.2% to USD 340.77 mn over 2019.
- ❖ Net loans decreased by USD 306 mn or 1.3%; reflecting prepayments of certain large exposures in Q4 2019 and also the general macro economic conditions evolving amidst the ongoing pandemic during the year
- ❖ Customer deposits increased by USD 1,517 mn or 7.3% reflecting trust of customers in the bank

# Operating Performance & Profitability

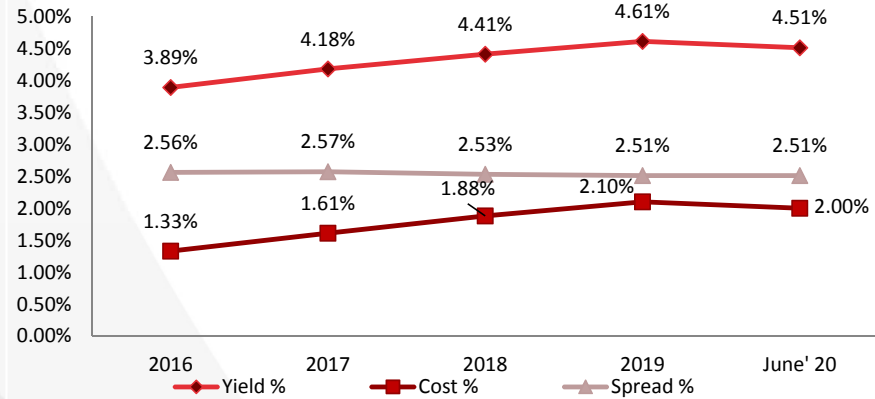
Amounts in USD mn.



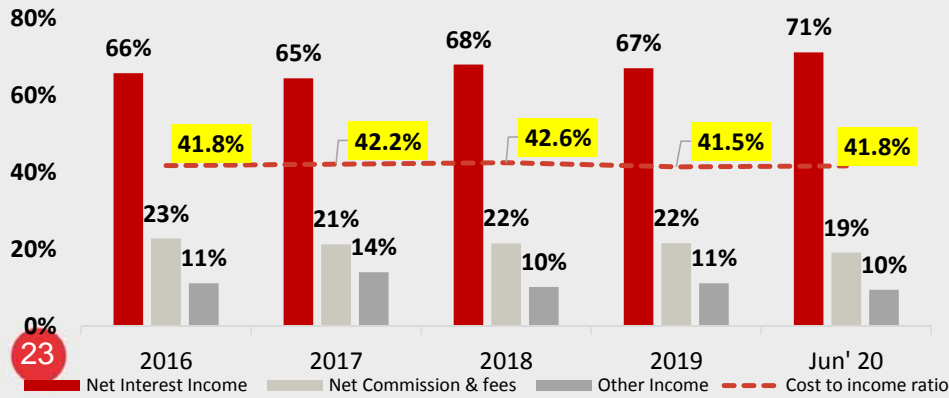
## Overview

- Resilient operating performance
  - Stable top line income growth – 5 year CAGR of 3.7%
- Stable cost to income ratio with marginal growth in costs
- Strong core revenue generation with net interest income and commission & fees over 90% of total operating income
  - Increasing focus on top line commission & fee income
- Stable net interest margin in spite of increasing cost of funds

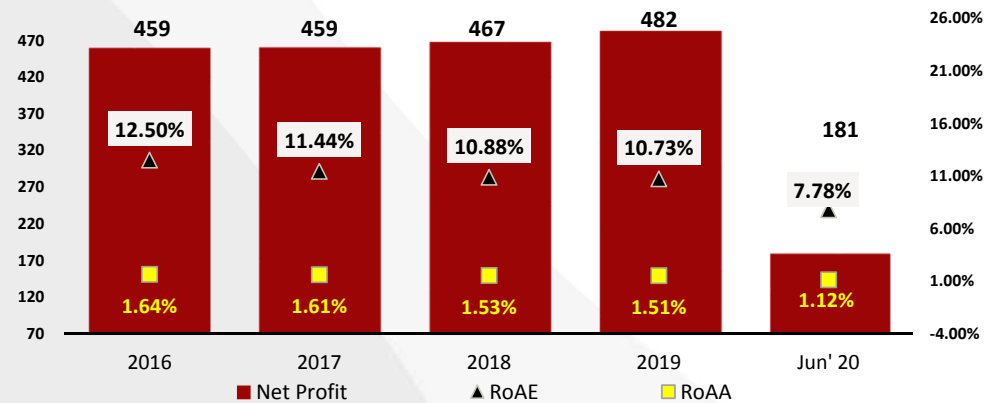
## Net Interest Margins



## Operating Income & Cost to Income



## Profitability



# Asset Quality

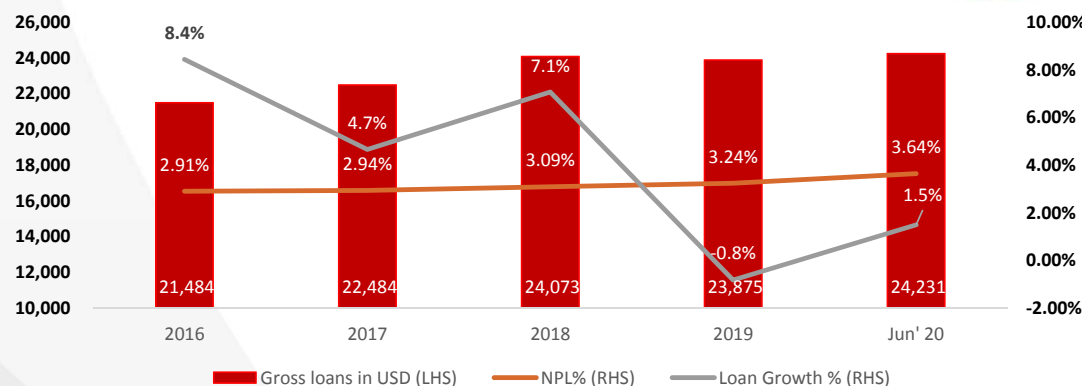
Amounts in USD mn.



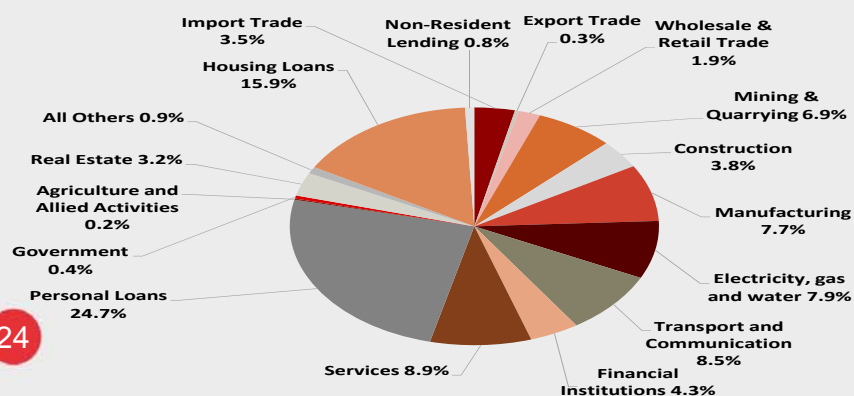
## Overview

- Stable loan book growth
  - Conservative lending approach
  - Focus on high quality assets with access to top tier borrowers
- Strong project finance capabilities
- Diversified loan portfolio across sectors
- Conservative provisioning approach compliance with IFRS 9

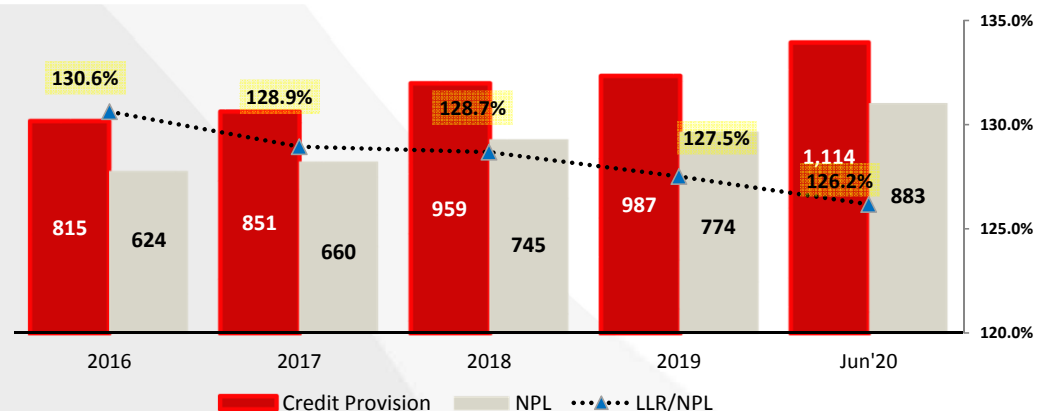
## Loan Growth



## Gross Loans by Sector



## Impaired assets & Provisioning





# Funding & Liquidity

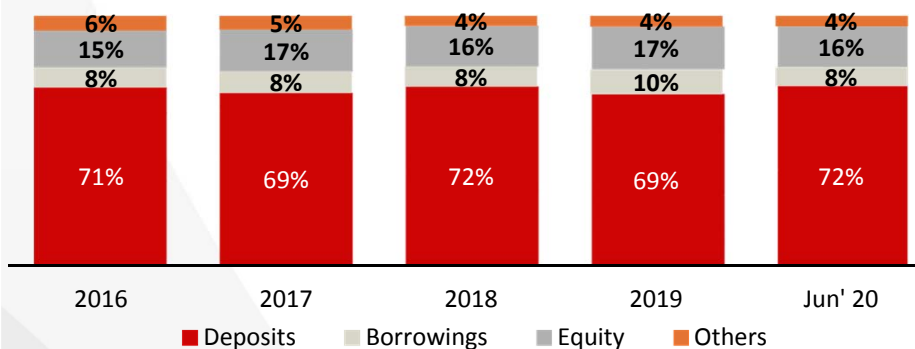
Amounts in USD mn.



## Overview

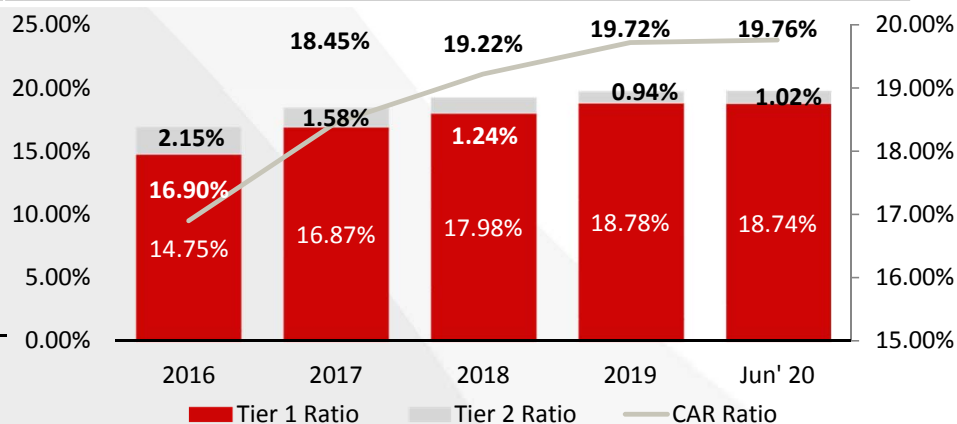
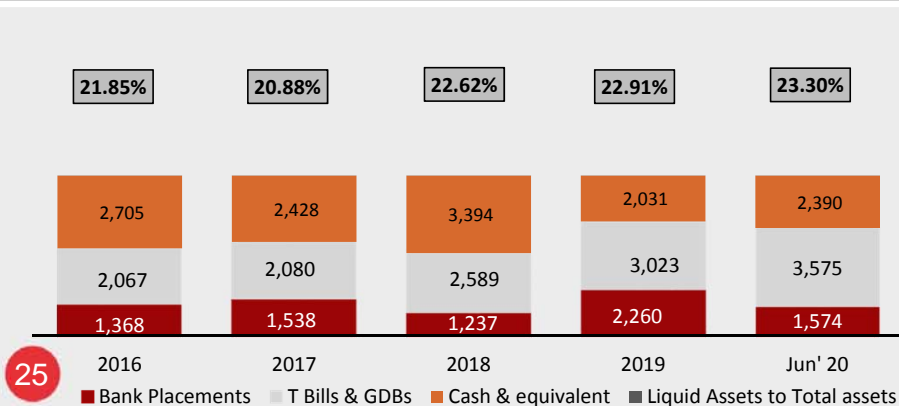
- Stable funding structure with a diversified funding base
- Largest deposit base in Oman with significant granularity
  - Retail deposits comprise 44% of total deposits
- Top 20 depositors represent 25% of total deposits and comprise of top tier Omani institutions
- Strong capitalization levels
  - Highest CAR in Omani peers and one of strongest in GCC peers
- Well capitalised with Total CAR at 19.76% & Tier 1 at 18.74%. Minimum regulatory requirement of 13.25 % and 11.25% respectively.

## Funding Mix



## Liquid Assets

## Capital Adequacy Ratio





# Annexures

# Balance Sheet



Amounts in USD Mn	30-Jun-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Cash and bal. with Central Bank	2,390	2,031	3,394	2,428	2,705	6,265
Due from banks	1,575	2,260	1,236	1,538	1,368	2,575
Loans and Advances	20,229	20,031	20,334	19,113	18,447	17,391
Islamic financing receivables	3,044	3,029	2,884	2,520	2,221	1,649
Non trading investments	4,268	3,753	3,298	2,668	2,748	4,068
Tangible fixed assets	185	205	181	187	194	199
Other assets (incl. invt in associates)	670	616	590	505	422	436
<b>Total assets</b>	<b>32,360</b>	<b>31,925</b>	<b>31,917</b>	<b>28,959</b>	<b>28,104</b>	<b>32,582</b>
Bank deposits/FRNs /Bonds	3,564	4,281	3,588	3,478	3,157	7,924
Customer deposits (incl. CDs)	19,574	18,210	19,491	16,778	17,389	17,502
Islamic Customer's Deposit	2,665	2,683	2,490	2,493	1,982	1,624
Other liabilities	1,447	1,478	1,239	1,087	962	1,034
Subordinated debt	51	68	102	315	430	625
Convertible bonds	0	0	0	84	167	246
<b>Total liabilities</b>	<b>27,300</b>	<b>26,720</b>	<b>26,909</b>	<b>24,236</b>	<b>24,086</b>	<b>28,954</b>
Share capital and premium	2,226	2,184	2,146	2,027	1,911	1,803
Total reserves	1,311	1,316	1,276	1,222	1,111	1,007
Cumulative changes in fair value	-23	-1	-13	44	50	50
Retained profits	1,208	1,369	1,261	1,092	945	769
Shareholders' equity	<b>4,722</b>	<b>4,868</b>	<b>4,669</b>	<b>4,385</b>	<b>4,017</b>	<b>3,629</b>
Perpetual Tier I Capital	338	338	338	338		
<b>Total liabilities + shareholders' equity</b>	<b>32,360</b>	<b>31,925</b>	<b>31,917</b>	<b>28,959</b>	<b>28,104</b>	<b>32,582</b>
<b>Key ratios</b>						
Loans and advances/customer deposits	104.6%	110.4%	105.6%	112.3%	106.7%	99.4%
Shareholders' equity/total assets	14.59%	15.25%	14.63%	15.14%	14.29%	11.14%
Subordinated debt/(debt + equity)	1.00%	1.28%	2.00%	6.71%	9.66%	14.68%
BIS total capital ratio	19.76%	19.72%	19.22%	18.45%	16.90%	16.10%

# Profit & Loss Statement



Amounts in USD Mn	30-Jun-20	31-Dec-19	31-Dec-18	31-Dec-17	31-Dec-16	31-Dec-15
Net interest income	383	756	719	667	651	628
Net income from Islamic financing	34	68	72	64	61	48
Other operating income	168	403	370	402	369	382
<b>Operating income</b>	<b>585</b>	<b>1,227</b>	<b>1,160</b>	<b>1,132</b>	<b>1,081</b>	<b>1,058</b>
Operating costs	(244)	(509)	(494)	(478)	(452)	(444)
	341	718	666	654	629	614
Net impairment losses on financial assets	(125)	(145)	(112)	(112)	(102)	(108)
Gain/(loss) from associates	-	-	-	6	4	5
<b>Profit before Tax</b>	<b>216</b>	<b>572</b>	<b>554</b>	<b>548</b>	<b>531</b>	<b>511</b>
Taxation	(35)	(90)	(88)	(89)	(72)	(57)
<b>Net Profit</b>	<b>181</b>	<b>482</b>	<b>467</b>	<b>459</b>	<b>459</b>	<b>454</b>
<b>Key ratios</b>						
Cost/income ratio	41.8%	41.5%	42.6%	42.2%	41.8%	42.0%
Return on average assets	1.12%	1.5%	1.53%	1.61%	1.64%	1.72%
Return on average equity	7.78%	10.7%	10.88%	11.44%	12.50%	13.68%
Basic EPS (US\$)	0.144	0.156	0.153	0.158	0.166	0.174
Share price (US\$)	0.873	1.127	1.065	1.023	1.226	1.226

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