

## **Bank Sohar moves to profit - RO 8.022 million for the Year 2009**

*The youngest Bank in Oman announces outstanding results. Operating profit for the Year 131.47 per cent higher*

At the close of its second full year in business, Bank Sohar has achieved a net profit after tax of RO 8.022 million for the Year 2009 as compared to a net loss of RO 2.264 million for the Year 2008. The operating income for the Year 2009 increased to RO 29.131 million which is 64.31 per cent higher than in 2008. The operating profit for the year is RO 11.916 million which is 131.47 per cent higher than in the previous year. The net interest income during the Year 2009 was RO 22.858 million which is 111.47 per cent higher than in 2008. The Cost to Income ratio has improved from 71 per cent in 2008 to 59 per cent in 2009.

Net loans and advances grew by 24 per cent during the year to reach RO 787 million at the end of the year. Customer deposits grew by 52 per cent to reach RO 832 million during the same period. Bank Sohar's market share of Private Sector Credit stood at 8.33 per cent while the share of Private Sector Deposit was 6.86 per cent as at November 2009.

Bank Sohar has been able to attract new customers in the target segments during a year when economic conditions have remained challenging and public trust in banks has been at a low. The Bank has maintained a strong deposit base and continued to lend to and support customers through difficult times. Due to the Bank's sustained focus on risk management, the loan impairment charges have been substantially below industry standards. The Bank has focused on improving the yield on assets, controlling the cost of funds and operating expenses and protecting the lending portfolio from impairment.

"Our numbers reflect the vigour with which we went about our business in what was an extremely challenging year," said Dr. Mohamed Abdulaziz Kalmoor – Chief Executive Officer in Bank Sohar "Our diversified business model, our clear strategy and our focus on banking fundamentals have stood us in good stead. We will continue with our

plans to grow steadily and continue to pursue our strategy to leverage new technology and to raise the bar in the area of customer service. When we opened for business in April 2007, we said that Bank Sohar does not see itself as a small bank and that it has aspirations of becoming one of the premier banks in the country. More importantly, we emphasised that we plan to achieve this, not by the conventional route, but by being a player who changes the game.” He added that in the fortieth anniversary year of the country’s new era, the Bank’s outstanding performance was the best gift that a young corporate entity could dedicate to the nation – “This is celebration!”