

Chairman's Report

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the financial statements of ahlibank for the year ended 31 December 2024.

Economic Overview

The Sultanate of Oman's economy continues to demonstrate resilience and adaptability amidst a dynamic global economic environment. Oman's strategic focus on diversifying revenue streams, combined with its steady oil breakeven price since 2021, provides a foundation for economic stability and incremental development in the coming years. The consumer price index has also shown encouraging stabilization following an inflationary peak in 2022, reflecting effective macroeconomic management. Meanwhile, the reduction in the gross debt-to-GDP ratio underscores Oman's commitment to fiscal prudence, further solidifying its economic outlook.

The Sultanate's 2025 Budget represents the culmination of the 10th Five-Year Development Plan (2021-2025), marking a pivotal phase in advancing Oman's Vision 2040. This comprehensive financial framework addresses the challenges presented by global geopolitical shifts, economic fluctuations, and oil price volatility. With a focus on sustainable growth, the budget prioritizes stimulating private sector activity and driving long-term economic and social development. The projected budget 2025 deficit of RO 0.62 billion, equivalent to 1.4% of GDP, contrasts with the estimated surplus of RO 0.54 billion in 2024, reflecting strategic fiscal management to balance development objectives with financial stability. Amid this promising economic environment, ahlibank is strategically positioned to capitalize on emerging opportunities. By aligning our banking solutions with market demands and leveraging innovative technologies, we remain committed to delivering unparalleled value to our stakeholders and fostering economic growth across Oman.

Financial Performance

The Bank completed 17 successful years since its incorporation as a commercial Bank and continued to move ahead with another steady performance across key financial indicators for the period ending December 2024.

	31-Dec-24	31-Dec-23	Growth %
	RO Million		
Net Loans, Advances & Financing	3,022.3	2,694.2	12.2%
Total Assets	3,754.9	3,318.3	13.2%
Customers' Deposits	2,762.8	2,475.7	11.6%
Equity	558.0	521.4	7.0%
Operating Income	108.31	98.54	9.9%
Operating Expenses	46.40	43.13	7.6%
Profit for the Period	41.66	36.45	14.3%

The Bank's Net Loans, Advances & Financing witnessed a 12.2% growth to RO 3,022.3 million at end of 31st December 2024, over the corresponding period in 2023. Customers' deposits increased by 11.6% to reach RO 2,762.8 million, compared to the corresponding period of last year; Total Assets increased by 13.2%, reaching to RO 3,754.9 million. Operating Income increased by 9.9% to reach RO 108.31 million. Operating Expenses, increased by 7.6% to reach RO 46.40 million. Profit for the period

grew by 14.3% to reach RO 41.66 million, demonstrating the Bank's sustained growth strategy.

Achievement Highlights

As ahlibank reinforced its standing as a leader in banking excellence and innovation, the year 2024 achievements reflect a focused strategy to deliver exceptional value to stakeholders while aligning with Oman's national economic goals. ahlibank's milestones highlight its commitment to excellence, adaptability, and shaping the future of banking in the Sultanate.

Following the success of the first phase of one of the most ambitious projects in the Sultanate, the Bank signed an agreement to finance the second phase of Khazaen Economic City (KEC). The project is set to enhance the country's socio-economic development, driving forward the goals outlined in Oman Vision 2040. Further, ahlibank announced the financial closure of the project financing facility to an SPV owned by the Oman Environmental Service Company SAOC - 'be'ah'. The facility was undertaken to finance the Industrial Waste Treatment Facility (IWTF) Project in Sohar Port and Free zone. The IWTF facility is the first-of-its-kind in Oman and will enable the Sultanate to manage and treat industrial hazardous waste instead of exporting it overseas, thereby reducing reliance on other countries.

Incorporating a wide array of investors, ahlibank successfully completed its Additional Tier 1 Capital Instruments (AT1 Bonds) issue aggregating OMR 40 million, through private placement. This included a base issue of OMR 20 million and a Green shoe Option of OMR 20 million. The AT1 Bonds issuance was set to strengthen the overall capital adequacy of the Bank, having achieved yet another great milestone.

Keeping with the theme of providing nothing but the best to its high-net-worth customers, ahli islamic officially inaugurated its brand-new Al Shumookh center in line with its commitment to providing unparalleled banking services adhering to Sharia-compliant principles, offering an exclusive sanctuary for its discerning patrons.

The Bank also successfully completed its advisory role for the Sustainable Development Investment Company in raising RO 40.6 million to finance the development of 300 residential villas within The Sustainable City, Yiti. The fundraising garnered a total investment of OMR 58.2 million for the development of the villas.

ahlibank, driven by its commitment to operational excellence and customer-centric innovation, has significantly enhanced its digital capabilities in 2024. The Bank's mobile banking application underwent a comprehensive revamp, integrating advanced digital solutions and unique features designed to exceed conventional banking standards. This upgrade not only expanded the range of financial products and services available but also improved user experience by simplifying financial management. Furthermore, ahlibank and ahli islamic branches introduced instant credit card issuance through highly advanced credit card printing machines, delivering enhanced convenience and reducing service turnaround times for customers seeking immediate financial solutions. Expanding its digital footprint further, the Bank launched three new ahliExpress Multifunctional Kiosks (MFK) across Oman, bringing the total number of ahliExpress kiosks to 16. These initiatives reaffirm ahlibank's strategic focus on driving digital transformation while maintaining superior service standards.

Awards and Accolades

Revered for its exceptional performance and forward-thinking approach, ahlibank was honored at the MENA Banking Excellence Awards 2024, where it won the Corporate Bank of the Year Award at a ceremony held in Dubai, United Arab Emirates.

Exemplifying its relentless pursuit to excellence, ahlibank received three distinguished accolades at the ninth edition of the New Age Banking Summit 2024 - 'Excellence in Private Banking' award, 'Excellence in Corporate Banking' award, and 'Excellence in Digital Transformation' award.

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.

Adding to its achievements and extraordinary milestones, ahlibank was awarded the 'Excellence in Digital Banking' award at the OER Live DX Oman (Digital Transformation Conference) event. The Bank was honored for its contributions and innovation in providing a range of exceptional and leading digital banking products and services.

Conferred by the Union of Arab Banks, ahlibank received the 'Best Conventional Bank in Oman' for the year 2024. The award is a testament to ahlibank's leading status in the Sultanate, showcasing its banking expertise and forward-thinking vision as a dynamic hub for banking.

These accomplishments, awards, and distinguished titles highlight ahlbank's and ahli islamic's steadfast dedication to innovation, and their efforts to prioritize customers' needs.

Corporate Social Responsibility (CSR)

ahlibank's CSR initiatives in 2024 emphasized creating long-lasting impact by fostering community development, empowering small businesses, and driving socio-economic growth across Oman.

A key initiative, the Ramadan Souq, held in collaboration with Riyada for the second consecutive year, provided a vital platform for over 40 SMEs to showcase their products and strengthen their market presence. This initiative not only celebrated entrepreneurship but also contributed to boosting local economic activity. Similarly, the ahli Expo 2024 brought SMEs together through an engaging B2B event that featured interactive workshops and insightful panel discussions. These initiatives underscore ahlbank's commitment to supporting the backbone of Oman's economy—its small and medium enterprises.

Beyond economic empowerment, the Bank's 'ahli cares' program had a profound social impact by addressing critical community needs. From engaging with senior citizens at the Social Welfare Home to delivering essential care items that improve the quality of life for its residents, ahlbank has consistently demonstrated its dedication to community welfare. Additionally, partnering with the Al Rahma Association, ahlbank supplied school essentials to 2,000 underprivileged students, ensuring they were equipped to thrive academically and socially.

A cornerstone of ahlbank's CSR efforts is its HIMAM program, which celebrated its 10th batch in 2024. This flagship youth empowerment initiative provided participants with employment accompanied by rigorous training, equipping them with the skills and competencies required to excel in the competitive banking sector.

Through these impactful initiatives, ahlbank reaffirmed its role as a catalyst for economic and social progress, demonstrating its unwavering commitment to fostering a thriving and inclusive society.

Looking Ahead

As we move into 2025, ahlbank remains unwavering in its commitment to innovation and excellence. Celebrating its 17th anniversary, ahlbank aims to further expand its portfolio of digital solutions and deliver tailored offerings that cater to diverse customer needs. Guided by its vision of being a trusted 'Partner in Excellence,' the Bank will continue driving growth and supporting Oman's economic aspirations.

Acknowledgments

On behalf of the Board of Directors, I would like to extend our gratitude to our shareholders for their heartfelt support to ahlbank, and for placing their trust in our ability to fulfill our commitments. Your faith has been instrumental in our sustained progress throughout the past year.

I would also like to thank the Bank's Executive Management and all the employees whose discerning efforts have been key to our continued success. My sincere thanks go out to the teams for their dedication and relentless pursuits for excellence.

We at ahlbank will continue to pledge our allegiance and undivided support to His Majesty Sultan Haitham bin Tarik and the country's economic progression in realizing the goals outlined in Oman Vision 2040.

Hamdan Ali Nasser Al Hinai

Chairman

