

PRESS RELEASE

National Bank of Oman

2009 Unaudited Half Year Financial Results

NBO achieves net profit of RO 13.45 million for first half of 2009

National Bank of Oman (NBO) announced its unaudited results for the half year ended 30 June 2009. The Bank achieved a net profit after tax of RO 13.45 million for the period ended June 2009 compared to RO 22.58 million for the same period in 2008. Despite a difficult operating environment, the Bank successfully grew its net interest income by 25% to RO 27.8 million from RO 22.2 million in the prior year period.

Mr. Omar Hussain Al Fardan, Chairman of National Bank of Oman commented, "Notwithstanding the ongoing economic downturn, the Bank's operating income for the first six months of 2009 has grown by 2% above the level of 2008. The Bank has continued with its strategy to grow prudently and ensure sustainable income trends across all our businesses."

The 2009 half-year earnings performance was impacted by provisions against investments of RO 2.9 million and by a provision of RO 2.1 million against three specific interbank exposures totaling RO 8.9 million. While the debt restructuring process for these banks has not yet been completed and although the amounts were not overdue, the Bank has on a prudent and conservative basis, provided a minimum of 25% in each case.

During the half year, total deposits and advances remained stable. However, savings deposits registered an impressive growth of 36% when compared with year end 2008. The Bank's Shareholder's Equity as at 30 June 2009 was RO 243 million and the capital adequacy ratio based on the regulatory capital was 15%, well above the minimum mandated regulatory requirement of 10%.

NBO's Chief Executive Officer, Mr. Murray Sims commented, "I am pleased by the fact that the Bank continues to deliver a strong operating performance despite a challenging market environment. We are being prudent as a lender but are working closely with our customers to ensure that they receive all necessary support at this time. The Bank continues to invest prudently in providing better access to services, improved products, alternate channels and more convenience to our customers and we remain fully focused on achieving this".

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