

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Ahli Bank SAOG (the Bank) is a joint stock company incorporated in the Sultanate of Oman and is engaged in the commercial banking activities through a network of 26 conventional and 26 Islamic totalling to 52 branches (December 2024 - 49 branches). The registered address of the Bank is PO Box 545, Mina Al Fahal, Postal Code 116, Sultanate of Oman.

The Bank employed 1058 employees as at 30 June 2025 compared to 945 as at 30 June 2024 and 983 as at 31 December 2024

On 7 April 2025, the Board of Directors of Ahli Bank SAOG, received a Letter of Intent from the Board of Directors of Sohar International Bank SAOG, expressing interest in a potential merger between the two banks which was accepted by the Board of Directors of ahlibank through their meeting on 10 April 2025. Further on 22 June 2025, the Bank announced that the merger discussions with Sohar International Bank has been postponed until further notice due to non-receipt of necessary regulatory approval.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited interim condensed financial statements for the six month period ended 30 June 2025 of the Bank are prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', applicable regulations of the Central Bank of Oman (CBO) and the disclosure requirements set out in the Rules and Disclosure and Proformas issued by the Financial Services Authority (FSA) formerly Capital Market Authority (CMA).

The unaudited interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the six month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year 2025.

The accounting policies applied in these interim condensed financial statements are the same as those applied in the annual financial statements for the year ended 31 December 2024.

The unaudited interim condensed financial statements are prepared under the historical cost convention as modified for the measurement at fair value of derivatives and investment securities other than those measured at amortised cost.

The functional and presentation currency of the Bank is the Rial Omani (RO). These unaudited interim condensed financial statements of the Bank are prepared in RO. Certain figures are also presented in US dollars (US\$) for information purposes as a supplementary information only, using the exchange rate of RO 0.385 = US\$ 1.00.

3. CHANGES IN ACCOUNTING POLICIES

During the period ended June 30, 2025, there were no changes in accounting policies. The accounting policies have been disclosed in Note 3 of the financial statements for the year ended December 31, 2024.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

In preparing these interim condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

I. Credit risk management

The Bank's existing credit risk management practices are disclosed in note 35.1 to the financial statements for the year ended 31 December 2024. There are no changes as compared to last year.

For computation of ECL, the Bank is using scenario weightages and incorporated in the ECL model i.e., Good, bad and base with weightage of 25%, 25% and 50% respectively.

The overall impact of judgmental overlays on the ECL is shown below:

30-Jun-25			30-Jun-25		
ECL without overlays	ECL with Overlays		ECL without overlays	ECL with Overlays	
US\$ '000	US\$ '000		RO'000	RO'000	
237,676	259,637	Corporate	91,505	99,960	
30,298	30,298	Retail	11,665	11,665	
267,974	289,935	Total	103,170	111,625	

Sensitivity analysis - ECL:

The following table shows a comparison of the Bank's allowances for credit losses on non-impaired financial assets (Stages 1 and 2) under IFRS 9 based on the probability weightings of three scenarios with allowances for credit losses resulting from simulations of each scenario weighted at 100%.

30-Jun-25			30-Jun-25		
Impact on ECL	ECL	Particulars	ECL	Impact on ECL	
US\$ '000	US\$ '000		RO'000	RO'000	
	94,792	ECL on non impaired financial assets under IFRS 9	36,495		
(13,236)	81,556	Good scenario - 100% weighted	31,399	(5,096)	
(1,319)	93,473	Base scenario - 100% weighted	35,987	(508)	
13,034	107,826	Bad scenario - 100% weighted	41,513	5,018	

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (continued)

Sensitivity analysis - ECL (continued)

31-Dec-24			31-Dec-24		
Impact on ECL	ECL	Particulars	ECL	Impact on ECL	
US\$ '000	US\$ '000		RO'000	RO'000	
	92,468	ECL on non impaired financial assets under IFRS 9	35,600		
(8,618)	83,849	Good scenario - 100% weighted	32,282	(3,318)	
382	92,849	Base scenario - 100% weighted	35,747	147	
7,852	100,319	Bad scenario - 100% weighted	38,623	3,023	
30-Jun-24			30-Jun-24		
Impact on ECL	ECL	Particulars	ECL	Impact on ECL	
US\$ '000	US\$ '000		RO'000	RO'000	
	87,327	ECL on non impaired financial assets under IFRS 9	33,621		
(14,158)	73,169	Good scenario - 100% weighted	28,170	(5,451)	
161	87,488	Base scenario - 100% weighted	33,683	62	
13,834	101,161	Bad scenario - 100% weighted	38,947	5,326	

5. LOANS, ADVANCES AND FINANCING, NET

Audited 31-Dec-24	Unaudited 30-Jun-24	Unaudited 30-Jun-25	Unaudited 30-Jun-25	Unaudited 30-Jun-24	Audited 31-Dec-24
US\$ '000	US\$ '000	US\$ '000	RO '000	RO '000	RO '000
Conventional Banking					
4,671,496	4,390,174	4,798,031	1,847,242	1,690,217	1,798,526
1,703,395	1,604,247	1,846,130	710,760	617,635	655,807
6,374,891	5,994,421	6,644,161	2,558,002	2,307,852	2,454,333
Islamic Banking					
1,243,218	1,124,000	1,299,958	500,484	432,740	478,639
496,696	451,494	558,039	214,845	173,825	191,228
1,739,914	1,575,494	1,857,997	715,329	606,565	669,867
8,114,805	7,569,915	8,502,158	3,273,331	2,914,417	3,124,200
(264,727)	(284,865)	(289,935)	(111,625)	(109,673)	(101,920)
7,850,078	7,285,050	8,212,223	3,161,706	2,804,744	3,022,280

The interest rate bands of gross loans & advances and financing are as follows:

Audited 31-Dec-24	Unaudited 30-Jun-24	Unaudited 30-Jun-25	Unaudited 30-Jun-25	Unaudited 30-Jun-24	Audited 31-Dec-24
US\$ '000	US\$ '000	US\$ '000	RO '000	RO '000	RO '000
1,082,595	1,127,995	1,206,618	464,548	434,278	416,799
5,990,293	5,264,704	6,495,595	2,500,804	2,026,911	2,306,263
1,029,311	1,133,325	781,088	300,719	436,330	396,285
12,606	43,891	18,857	7,260	16,898	4,853
8,114,805	7,569,915	8,502,158	3,273,331	2,914,417	3,124,200

The analysis of net loans & advances and financing based on the residual maturity date is as below:

Audited 31-Dec-24	Unaudited 30-Jun-24	Unaudited 30-Jun-25	Unaudited 30-Jun-25	Unaudited 30-Jun-24	Audited 31-Dec-24
US\$ '000	US\$ '000	US\$ '000	RO '000	RO '000	RO '000
2,015,294	1,764,157	1,957,449	753,618	679,200	775,888
353,827	262,673	405,543	156,134	101,129	136,223
539,669	569,561	616,904	237,508	219,281	207,773
4,941,288	4,688,659	5,232,327	2,014,446	1,805,134	1,902,396
7,850,078	7,285,050	8,212,223	3,161,706	2,804,744	3,022,280

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

5. LOANS & ADVANCES AND FINANCING, NET (CONTINUED)

5.1 ECL Exposure/Impairment allowance of financial assets and off balance sheet

The following tables contain an analysis of stage wise risk exposure/reconciliation of loss allowance from the opening to the closing balance of financial assets and off balance sheet items by class of financial instruments.

a) Exposure subject to ECL

	30-Jun-25					30-Jun-24					31-Dec-24				
	Stage 1 RO '000	Stage 2 RO '000	Stage 3 RO '000	Total RO '000	Total US\$ '000	Stage 1 RO '000	Stage 2 RO '000	Stage 3 RO '000	Total RO '000	Total US\$ '000	Stage 1 RO '000	Stage 2 RO '000	Stage 3 RO '000	Total RO '000	Total US\$ '000
Due from banks (including balances with CBO)	281,126	174	-	281,300	730,649	230,835	-	-	230,835	599,571	288,965	4	-	288,969	750,567
Loans, advances and financing	2,652,471	480,709	140,151	3,273,331	8,502,158	2,301,910	492,527	119,980	2,914,417	7,569,915	2,528,941	465,852	129,407	3,124,200	8,114,805
Investment securities (excluding equity investments)	64,046	-	-	64,046	166,353	243,525	-	-	243,525	632,533	62,770	-	-	62,770	163,039
Other assets	8,292	7,606	-	15,898	41,294	5,782	10,309	-	16,091	41,795	9,769	6,338	-	16,107	41,837
Loan commitments and financial guarantees	257,023	48,078	686	305,787	794,252	157,807	41,286	867	199,960	519,376	189,211	48,371	1,052	238,634	619,829

b) Movement in impairment allowance and provision

	30-Jun-25					30-Jun-24					31-Dec-24				
	Stage 1 RO '000	Stage 2 RO '000	Stage 3 RO '000	Total RO '000	Total US\$ '000	Stage 1 RO '000	Stage 2 RO '000	Stage 3 RO '000	Total RO '000	Total US\$ '000	Stage 1 RO '000	Stage 2 RO '000	Stage 3 RO '000	Total RO '000	Total US\$ '000
Opening balance															
Due from banks (including balances with CBO)	14	-	-	14	36	77	-	-	77	200	77	-	-	77	200
Loans, advances and financing	3,665	30,571	67,684	101,920	264,727	6,122	26,192	75,037	107,351	278,834	6,124	26,191	75,036	107,351	278,834
Investment securities (excluding equity investments)	62	-	-	62	161	76	-	-	76	197	76	-	-	76	197
Other assets	10	43	-	53	138	32	12	-	44	114	32	12	-	44	114
Loan commitments and financial guarantees	181	1,054	240	1,475	3,829	309	1,357	39	1,705	4,428	309	1,357	39	1,705	4,426
Net transfer between stages															
Due from banks	(2)	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans, advances and financing	2,429	(1,506)	(923)	-	-	856	(1,658)	802	-	-	4,853	(3,723)	(1,130)	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	(3)	3	-	-	-
Loan commitments and financial guarantees	(5)	(4)	9	-	-	(292)	292	-	-	-	(208)	208	-	-	-

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

5.1 ECL Exposure/Impairment allowance of financial assets and off balance sheet (Continued)

b) Movement in impairment allowance and provision (continued)

	30-Jun-25					30-Jun-24					31-Dec-24				
	Stage 1 RO '000	Stage 2 RO '000	Stage 3 RO '000	Total RO '000	Total US\$ '000	Stage 1 RO '000	Stage 2 RO '000	Stage 3 RO '000	Total RO '000	Total US\$ '000	Stage 1 RO '000	Stage 2 RO '000	Stage 3 RO '000	Total RO '000	Total US\$ '000
Charge for the period (net)															
Due from banks (including balances with CBO)	13	6	-	19	49	33	-	-	33	86	(63)	-	-	(63)	(163)
Loans, advances and financing	(2,541)	2,540	9,706	9,705	25,208	(1,269)	1,911	8,252	8,894	23,101	(7,312)	8,103	(6,222)	(5,431)	(14,107)
Investment securities (excluding equity investments)	-	-	-	-	-	(4)	-	-	(4)	(10)	(14)	-	-	(14)	(36)
Other assets	(8)	12	-	4	10	(26)	1	-	(25)	(65)	(19)	28	-	9	23
Loan commitments and financial guarantees	26	(67)	(78)	(119)	(309)	132	(532)	165	(235)	(610)	80	(511)	201	(230)	(597)
Written off during the year	-	-	-	-	-	-	-	(6,572)	(6,572)	(17,070)	-	-	-	-	-
Closing balance															
Due from banks(including balances with CBO)	25	8	-	33	86	110	-	-	110	286	14	-	-	14	37
Loans, advances and financing	3,553	31,605	76,467	111,625	289,935	5,709	26,445	77,519	109,673	284,865	3,665	30,571	67,684	101,920	264,727
Investment securities (excluding equity investments)	62	-	-	62	161	72	-	-	72	187	62	-	-	62	161
Other assets	2	55	-	57	148	6	13	-	19	49	10	43	-	53	137
Loan commitments and financial guarantees	202	983	171	1,356	3,520	149	1,117	204	1,470	3,818	181	1,054	240	1,475	3,829

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

5. LOANS & ADVANCES AND FINANCING, NET (CONTINUED)

5.2 Comparison of provision held as per IFRS 9 and required as per CBO norms as at June 30, 2025

In accordance with CBO circular BM 1149 Banks should continue to maintain and update the risk classification (i.e. standard, special mention, substandard, etc.) of accounts as per CBO norms, including those on restructuring of loan accounts for regulatory reporting purposes.

Disclosure requirements containing the risk classification-wise gross and net amount outstanding, provision required as per CBO norms, allowance made as per IFRS 9, interest recognised as per IFRS 9 and reserve interest required as per CBO are given below based on CBO circular BM 1149.

Asset classification as per CBO norms	Asset classification as per IFRS 9	Gross amount	Provision required as per CBO Norms**	Reserve interest as per CBO norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net amount as per CBO norms*	Net amount as per IFRS 9
(1)	(2)	RO '000 (3)	RO '000 (4)	RO '000 (5)	RO '000 (6)	RO '000 (7)=(4)+(5)-(6)	RO '000 (8)=(3)-(4)-(5)	RO '000 (9) = (3)-(6)
Standard	Stage 1	2,652,471	29,985	-	3,553	26,432	2,622,486	2,648,918
	Stage 2	213,591	2,415	-	5,545	(3,130)	211,176	208,046
	Stage 3	-	-	-	-	-	-	-
Subtotal		2,866,062	32,400	-	9,098	23,302	2,833,662	2,856,964
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	267,118	3,020	273	26,060	(22,767)	263,825	241,058
	Stage 3	-	-	-	-	-	-	-
Subtotal		267,118	3,020	273	26,060	(22,767)	263,825	241,058
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	3,456	834	120	1,433	(479)	2,502	2,023
Subtotal		3,456	834	120	1,433	(479)	2,502	2,023
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	10,149	2,900	1,063	3,752	211	6,186	6,397
Subtotal		10,149	2,900	1,063	3,752	211	6,186	6,397
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	126,546	93,131	17,263	71,282	39,112	16,152	55,264
Subtotal		126,546	93,131	17,263	71,282	39,112	16,152	55,264
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	610,487	-	-	291	(291)	610,487	610,196
	Stage 2	55,858	-	-	1,046	(1,046)	55,858	54,812
	Stage 3	686	-	-	171	(171)	686	515
Subtotal		667,031	-	-	1,508	(1,508)	667,031	665,523
Total	Stage 1	3,262,958	29,985	-	3,844	26,141	3,232,973	3,259,114
	Stage 2	536,567	5,435	273	32,651	(26,943)	530,859	503,916
	Stage 3	140,837	96,865	18,446	76,638	38,673	25,526	64,199
	Total in RO	3,940,362	132,285	18,719	113,133	37,871	3,789,358	3,827,229
	Total in US\$ '000	10,234,706	343,597	48,621	293,850	98,368	9,842,488	9,940,856

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

5. LOANS & ADVANCES AND FINANCING, NET (CONTINUED)

5.2 Comparison of provision held as per IFRS 9 and required as per CBO norms (Continued)

Restructured loans

Asset classification as per CBO Norms	Asset classification as per IFRS 9	Gross carrying amount	Provision required as per CBO Norms**	Reserve interest as per CBO norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net Carrying Amount as per CBO norms*	Net Carrying Amount as per IFRS 9
(1)	(2)	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000	RO '000
		(3)	(4)	(5)	(6)	(7)=(4)+(5)-(6)	(8)=(3)-(4)-(5)	(8) = (3)-(6)
	Stage 1	36,875	384	-	496	(112)	36,491	36,379
Classified as performing	Stage 2	301,382	3,014	-	19,766	(16,752)	298,368	281,616
	Stage 3	-	-	-	-	-	-	-
Subtotal		338,257	3,398	-	20,262	(16,864)	334,859	317,995
	Stage 1	-	-	-	-	-	-	-
Classified as non-performing	Stage 2	-	-	-	-	-	-	-
	Stage 3	36,030	28,068	2,328	17,264	13,132	5,634	18,766
Sub total		36,030	28,068	2,328	17,264	13,132	5,634	18,766
	Stage 1	36,875	384	-	496	(112)	36,491	36,379
	Stage 2	301,382	3,014	-	19,766	(16,752)	298,368	281,616
Total	Stage 3	36,030	28,068	2,328	17,264	13,132	5,634	18,766
	Total in RO	374,287	31,466	2,328	37,526	(3,732)	340,493	336,761
	Total in US\$ '000	972,174	81,730	6,047	97,470	(9,694)	884,397	874,704

*Net of provisions and reserve interest as per CBO norms

**In accordance with CBO requirements, where the aggregate provision on portfolio and specific basis computed as per CBO norms is higher than the impairment allowance computed under IFRS 9, the difference, net of the impact of taxation, is transferred to an impairment reserve as an appropriation from the retained earnings.

5.3 Impairment charge and provisions held

	As per CBO Norms	As per IFRS 9	Difference
Impairment loss charged to profit and loss account	6,789	6,789	-
Provisions required as per CBO norms/ held as per IFRS 9*	151,004	113,133	37,871
Gross NPL ratio (percentage)	4.28%	4.28%	-
Net NPL ratio (percentage)	0.76%	1.94%	-1.18%

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

5 LOANS & ADVANCES AND FINANCING, NET (continued)

In accordance with CBO circular BM 1149 Banks should continue to maintain and update the risk classification (i.e. standard, special mention, substandard, etc.) of accounts as per the extant CBO norms, including those on restructuring of loan accounts for the regulatory reporting purposes.

5.2 Comparison of provision held as per IFRS 9 and required as per CBO norms as at 31 December 2024:

Disclosure requirements for the year ended 31 December 2024, containing the risk classification-wise gross and net amount outstanding, provision required as per CBO norms, allowance made as per IFRS 9, interest recognised as per IFRS 9 and reserve interest required as per CBO are given below based on CBO circular BM 1149.

Asset classification as per CBO norms	Asset classification as per IFRS 9	Gross amount	Provision required as per CBO norms	Reserve interest as per CBO norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net amount as per CBO norms*	Net amount as per IFRS 9
(1)	(2)	RO '000 (3)	RO '000 (4)	RO '000 (5)	RO '000 (6)	RO '000 (7) = (4)+(5)-(6)	RO '000 (8)=(3)-(4)-(5)	RO '000 (9) = (3)-(6)
Standard	Stage 1	2,528,941	28,538	-	3,665	24,873	2,500,403	2,525,276
	Stage 2	191,285	2,158	-	5,480	(3,322)	189,127	185,805
	Stage 3	-	-	-	-	-	-	-
Subtotal		2,720,226	30,696	-	9,145	21,551	2,689,530	2,711,081
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	274,567	3,098	-	25,091	(21,993)	271,469	249,476
	Stage 3	-	-	-	-	-	-	-
Subtotal		274,567	3,098	-	25,091	(21,993)	271,469	249,476
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	1,270	531	35	580	(14)	739	690
Subtotal		1,270	531	35	580	(14)	739	690
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	33,975	15,358	1,455	15,372	1,441	18,617	18,603
Subtotal		33,975	15,358	1,455	15,372	1,441	18,617	18,603
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	94,162	65,649	13,449	51,732	27,366	28,513	42,430
Subtotal		94,162	65,649	13,449	51,732	27,366	28,513	42,430
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	550,715	-	-	267	(267)	550,715	550,448
	Stage 2	54,713	-	-	1,097	(1,097)	54,713	53,616
	Stage 3	1,052	-	-	240	(240)	1,052	812
Subtotal		606,480	-	-	1,604	(1,604)	606,480	604,876
Total	Stage 1	3,079,656	28,538	-	3,932	24,606	3,051,118	3,075,724
	Stage 2	520,565	5,256	-	31,668	(26,412)	515,309	488,897
	Stage 3	130,459	81,538	14,939	67,924	28,553	48,921	62,535
	Total	3,730,680	115,332	14,939	103,524	26,747	3,615,348	3,627,156
	Total (US \$'000)	9,690,077	299,564	38,803	268,891	69,475	9,390,513	9,421,186

5 LOANS & ADVANCES AND FINANCING, NET (continued)

5.2 Restructured loans

Asset classification as per CBO norms	Asset classification as per IFRS 9	Gross carrying amount	Provision required as per CBO norms	Reserve interest as per CBO norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net Carrying amount as per CBO norms*	Net carrying amount as per IFRS 9
(1)	(2)	RO '000 (3)	RO '000 (4)	RO '000 (5)	RO '000 (6)	RO '000 (7) = (4)+(5)-(6)	RO '000 (8)=(3)-(4)-(5)	RO '000 (9) = (3)-(6)
Classified as performing	Stage 1	6,510	42	-	74	(32)	6,468	6,436
	Stage 2	284,154	1,700	-	19,095	(17,395)	282,454	265,059
	Stage 3	-	-	-	-	-	-	-
Subtotal		290,664	1,742	-	19,169	(17,427)	288,922	271,495
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	4,057	3,323	82	3,154	251	734	903
Sub total		4,057	3,323	82	3,154	251	734	903
Total	Stage 1	6,510	42	-	74	(32)	6,468	6,436
	Stage 2	284,154	1,700	-	19,095	(17,395)	282,454	265,059
	Stage 3	4,057	3,323	82	3,154	251	734	903
	Total	294,721	5,065	82	22,323	(17,176)	289,656	272,398
Total (US \$'000)		765,509	13,155	213	57,983	(44,615)	752,354	707,526

*Net of provisions and reserve interest as per CBO norms

5.3 Impairment charge and provisions held

	As per CBO norms	As per IFRS 9	Difference
Impairment loss charged to profit and loss account	13,428	13,428	-
Provisions required as per CBO norms/ held as per IFRS 9	115,332	103,524	26,747
Gross NPL ratio (percentage)	4.14%	4.14%	-
Net NPL ratio (percentage)	1.05%	1.96%	-0.91%

Impairment reserve:

**In accordance with CBO requirements, where the aggregate provision on portfolio and specific basis computed as per CBO norms is higher than the impairment allowance computed under IFRS 9, the difference, net of the impact of taxation, is transferred to an impairment reserve as an appropriation from the retained earnings.

6. INVESTMENT SECURITIES

Audited 31-Dec-24	Unaudited 30-Jun-24	Unaudited 30-Jun-25		Unaudited 30-Jun-25	Unaudited 30-Jun-24	Audited 31-Dec-24
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
			Equity investments:			
46,182	41,920	55,932	Measured at FVTPL	21,534	16,139	17,780
146,804	111,010	154,255	Designated at FVOCI	59,388	42,739	56,519
192,986	152,930	210,187	Total Equity investments	80,922	58,878	74,299
			Debt investments:			
538,095	469,878	569,289	Measured at FVTPL	219,176	180,903	207,167
163,039	162,655	166,353	Designated at FVOCI	64,046	62,622	62,770
701,134	632,533	735,642	Total Debt investments	283,222	243,525	269,937
894,120	785,463	945,829	Total investment securities	364,144	302,403	344,236

The table below summarises the concentration of investments by various sectors.

Audited 31-Dec-24	Unaudited 30-Jun-24	Unaudited 30-Jun-25		Unaudited 30-Jun-25	Unaudited 30-Jun-24	Audited 31-Dec-24
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
			Equity investments:			
			Measured at FVTPL			
			Quoted investments - Oman			
4,904	4,886	4,965	Banking and investment sector	1,912	1,881	1,888
-	-	1,619	Manufacturing	623	-	-
4,904	4,886	6,584		2,535	1,881	1,888
			Designated at FVTPL			
			Quoted investments - Foreign			
29,981	30,595	30,365	Banking and investment sector	11,690	11,779	11,543
4,593	5,987	6,016	Service sector	2,316	2,305	1,768
410	452	1,412	Manufacturing	544	174	158
34,984	37,034	37,793		14,550	14,258	13,469
			Designated at FVTPL			
			Unquoted investments - Oman			
6,294	-	11,555	Banking and investment sector	4,449	-	2,423
6,294	-	11,555		4,449	-	2,423
			Designated at FVOCI			
			Quoted investments - Oman			
59,535	27,291	61,533	Manufacturing	23,690	10,507	22,922
36,735	42,859	32,449	Banking and investment sector	12,493	16,501	14,142
4,039	4,229	16,530	Service sector	6,364	1,628	1,555
100,309	74,379	110,512		42,547	28,636	38,619
			Designated at FVOCI			
			Quoted investments - Foreign			
12,530	12,254	14,294	Banking and investment sector	5,503	4,718	4,824
7,589	7,343	8,102	Service sector	3,119	2,827	2,922
2,812	3,008	2,700	Manufacturing	1,040	1,158	1,082
1,953	1,247	2,026	Real Estate	780	480	752
24,884	23,852	27,122		10,442	9,183	9,580
			Designated at FVOCI			
			Unquoted investments - Oman			
12,780	12,779	11,150	Manufacturing	4,293	4,920	4,920
6,887	-	2,681	Banking and investment sector	1,032	-	2,652
1,271	-	1,271	Service sector	489	-	489
20,938	12,779	15,102		5,814	4,920	8,061
			Designated at FVOCI			
			Unquoted investments - Foreign			
673	-	1,519	Banking and investment sector	585	-	259
673	-	1,519		585	-	259
192,986	152,930	210,187	Total - Equity investments	80,922	58,878	74,299

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

6. INVESTMENT SECURITIES (continued)

Audited 31-Dec-24	Unaudited 30-Jun-24	Unaudited 30-Jun-25		Unaudited 30-Jun-25	Unaudited 30-Jun-24	Audited 31-Dec-24
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
			Debt investments:			
			Designated at FVTPL			
377,808	343,236	372,161	Government development bonds	143,282	132,146	145,456
2,594	-	-	Government bonds	-	-	999
157,693	126,642	197,128	Government sukuks	75,894	48,757	60,712
538,095	469,878	569,289	Total	219,176	180,903	207,167
			Designated at FVOCI			
			Quoted investments - Oman			
77,151	81,107	57,578	Government bonds	22,167	31,226	29,703
46,918	43,974	50,713	Services	19,524	16,930	18,063
7,200	6,610	11,652	Manufacturing	4,486	2,545	2,772
2,608	-	12,004	Banking and investment	4,622	-	1,004
2,190	4,252	5,239	Government sukuks	2,017	1,637	843
136,067	135,943	137,186		52,816	52,338	52,385
			Designated at FVOCI			
			Quoted investments - Foreign			
26,972	26,712	29,167	Banking and investment	11,230	10,284	10,385
26,972	26,712	29,167		11,230	10,284	10,385
701,134	632,533	735,642	Total - Debt Investments	283,222	243,525	269,937
894,120	785,463	945,829	Total Investments	364,144	302,403	344,236

7. CUSTOMERS' DEPOSITS

Customers' deposits can be analysed as follows:

Audited 31-Dec-24	Unaudited 30-Jun-24	Unaudited 30-Jun-25		Unaudited 30-Jun-25	Unaudited 30-Jun-24	Audited 31-Dec-24
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
			Conventional Banking			
2,865,684	2,834,101	3,318,112	Time deposits	1,277,473	1,091,129	1,103,288
1,760,377	1,581,169	1,526,873	Demand deposits	587,846	608,750	677,745
736,592	654,491	878,797	Savings deposits	338,337	251,979	283,588
5,362,653	5,069,761	5,723,782		2,203,656	1,951,858	2,064,621
			Islamic Banking			
797,792	885,094	829,279	Time deposits	319,272	340,761	307,150
550,616	407,574	812,054	Demand deposits	312,641	156,916	211,987
464,958	421,859	480,015	Savings deposits	184,806	162,416	179,009
1,813,366	1,714,527	2,121,348		816,719	660,093	698,146
7,176,019	6,784,288	7,845,130		3,020,375	2,611,951	2,762,767

The analysis of customer deposits based on the residual maturity date is as

5,227,166	4,548,638	5,194,104	0-6 Months	1,999,730	1,751,226	2,012,459
1,021,949	1,146,652	1,891,249	6-12 months	728,131	441,461	393,450
897,311	1,058,634	705,008	1-3 years	271,428	407,574	345,465
29,593	30,364	54,769	3 years and above	21,086	11,690	11,393
7,176,019	6,784,288	7,845,130		3,020,375	2,611,951	2,762,767

Interest rate bands of deposits is as follows:

1,519,366	1,482,016	1,562,941	0-2%	601,732	570,576	584,956
866,449	703,262	1,199,202	2-4%	461,693	270,756	333,583
4,575,918	4,011,563	5,005,065	4-6%	1,926,950	1,544,452	1,761,728
214,286	587,447	77,922	6-7%	30,000	226,167	82,500
7,176,019	6,784,288	7,845,130		3,020,375	2,611,951	2,762,767

8. BORROWED FUNDS

Borrowed funds includes unsecured US Dollar (USD) borrowing from foreign financial institutions. The financial covenants for this borrowing include the requirement for a minimum capital adequacy ratio and other covenants to be maintained by the Bank which have been complied with during the period. The Borrowed Funds were NIL both for period ended June 30, 2025 and December 31, 2024

9. RELATED PARTY TRANSACTIONS

The Bank enters into transactions with major shareholders, directors, senior management and their related entities in the ordinary course of business at commercial terms as approved by the board

The balances in respect of related parties included in the statement of financial position are as follows:

Audited 31-Dec-24 US\$'000	Unaudited 30-Jun-24 US\$'000	Unaudited 30-Jun-25 US\$'000		Unaudited 30-Jun-25 RO'000	Unaudited 30-Jun-24 RO'000	Audited 31-Dec-24 RO'000
			Directors and senior management			
5,499	6,423	5,623	Loans, advances and financing, net	2,165	2,473	2,117
7,694	7,497	9,548	Customers' deposits	3,676	2,886	2,962
			Major shareholders, it's parent company & it's subsidiaries			
3,055	2,961	1,769	Due from banks	681	1,140	1,176
997	1,366	-	Other assets	-	526	384
2,184	3,068	3,553	- Fair value of swaps	-	526	384
			Due to banks	1,368	1,181	841
			Bank's investment fund			
688	410	764	Investments securities	294	158	265

The income and expenses in respect of related parties included in the statement of comprehensive income are as follows:

Audited 31-Dec-24 US\$'000	Unaudited 30-Jun-24 US\$'000	Unaudited 30-Jun-25 US\$'000		Unaudited 30-Jun-25 RO'000	Unaudited 30-Jun-24 RO'000	Audited 31-Dec-24 RO'000
			Directors and senior management			
517	171	268	Interest and profit income	103	66	199
309	156	177	Interest and profit expense	68	60	119
779	-	-	- Board remuneration proposed	-	-	300
105	48	70	Board sitting fees	27	19	41
80	26	40	Shariah supervisory board expenses	15	10	31
			Major shareholders, it's parent company and it's subsidiaries			
1,678	(1,309)	-	(loss)/gain on fair value of interest rate swaps	-	(504)	646
-	38	3	Gain on forward foreign exchange contracts	1	14	-

As at 30 June, 2025, guarantees were issued to beneficiaries on behalf of related party amounting to RO 0.110 million equivalent to US\$ 0.29 million (31 December 2024: RO 0.118 million equivalent to US\$ 0.31 million)

Compensation of the key management personnel for the six months period ended 30 June 2025 was RO 1.380 million equivalent to US\$ 3.58 million (30 June 2024: RO 1.155 million equivalent to US\$ 3.00 million).

10. SHARE CAPITAL

The authorised share capital of the Bank is 5,000,000,000 shares of 100 baizas each (31 December 2024 and 30 June 2024: 5,000,000,000 shares of 100 baizas each) out of which 2,349,657,466 shares are issued and fully paid up - 1,949,657,466 shares at 100 baiza per share and 400,000,000 shares at 125 baiza (31 December 2024: 2,349,657,466 shares and 30 June 2024: 1,949,657,466 shares).

During April 2024, the Bank had issued 103,661,359 mandatory convertible bonds (MCBs) at a price of 102 baizas (including issue expenses of 2 baizas per MCB) which was approved by the Central Bank of Oman, Board of Directors and shareholders of the Bank at the Annual General Meeting. The MCBs will bear an annual coupon of 6% payable semi-annually. The MCBs will be mandatorily converted into New Ordinary Shares on the second anniversary of the Issue Date, at the fixed contractual conversion price of 145 baizas per New Ordinary Share. During April 2025, 115,179,287 MCBs were further issued on the same terms which will be converted into New Ordinary Shares in April 2027.

During June 2024, the Bank exercised the call option for RO 20 million Tier I Subordinated bonds which became due on 13 June 2024. This was subsequently replaced with an additional issue of RO 40 million which were pursuant to the CBO's Basel III regulation. They are redeemable by the Bank at its sole discretion on 27 June 2029 (the "First Call Date") or on any interest payment date thereafter subject to the prior consent of CBO.

Royal Court Affairs, Al Hosn Investment Company SAOC and Social Protection Fund are the shareholders who own 10% or more of the Bank's shares. As at June 30, 2025, shareholding of Royal Court Affairs was 411,190,048 shares equivalent to 17.50% (31 December 2024: NIL), Al Hosn Investment Company SAOC was 357,076,325 shares equivalent to 15.20% (31 December 2024: 357,076,325 shares equivalent to 15.20%) and Social Protection Fund was 248,679,891 shares equivalent to 10.58% (31 December 2024: 256,491,550 shares equivalent to 10.92%).

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

11. INTEREST INCOME

Interest bearing assets earned interest at an overall annualised rate of 5.88% for six months period ended 30 June 2025 (30 June 2024 - 6.08%)

Unaudited 30-Jun-24	Unaudited 30-Jun-25		Unaudited 30-Jun-25	Unaudited 30-Jun-24
US\$ '000	US\$ '000		RO '000	RO '000
185,314	185,914	Loans and advances	71,577	71,346
13,844	17,974	Investments	6,920	5,330
2,468	1,096	Due from banks	422	950
201,626	204,984		78,919	77,626

12. INTEREST EXPENSE

The average annualised cost of funds for six months period ended 30 June 2025 is 3.99% (30 June 2024: 4.35%)

Unaudited 30-Jun-24	Unaudited 30-Jun-25		Unaudited 30-Jun-25	Unaudited 30-Jun-24
US\$ '000	US\$ '000		RO '000	RO '000
72,127	72,977	Time deposits	28,096	27,769
33,236	35,184	Demand and saving deposits	13,546	12,796
1,977	2,844	Borrowings	1,095	761
15,748	6,595	Inter-bank deposits	2,539	6,063
123,088	117,600		45,276	47,389

13. OTHER OPERATING INCOME

Unaudited 30-Jun-24	Unaudited 30-Jun-25		Unaudited 30-Jun-25	Unaudited 30-Jun-24
US\$ '000	US\$ '000		RO '000	RO '000
(156)	(65)	Loss on sale of investments, net	(25)	(60)
8,151	4,465	Foreign exchange gain, net	1,719	3,138
5,112	6,034	Dividend income	2,323	1,968
(161)	3,605	Unrealized gains/(loss) on FVTPL investments	1,388	(62)
3	-	Other income	-	1
12,949	14,039		5,405	4,985

14. DISAGGREGATION OF FEE AND COMMISSION INCOME

IFRS 15 requires the disclosure of disaggregated revenue earned from contracts with customers for major products / service lines. The below table provides disaggregation of fees and other income & commission with the Bank's reportable segments:

	30-Jun-25			30-Jun-24		
Particulars	Retail banking RO '000	Wholesale banking, treasury and investment banking RO '000	Total RO '000	Retail banking RO '000	Wholesale banking, treasury and investment banking RO '000	Total RO '000
Disaggregated income						
Service charges	717	500	1,217	819	401	1,220
Fees income	2,603	5,949	8,552	1,496	6,171	7,667
Commission income	34	985	1,019	93	764	857
Total fee and commission	3,354	7,434	10,788	2,408	7,336	9,744
Fee expense	(1,330)	-	(1,330)	(965)	-	(965)
Fee and commission, net	2,024	7,434	9,458	1,443	7,336	8,779
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Disaggregated income						
Service charges	1,862	1,299	3,161	2,127	1,042	3,169
Fees income	6,761	15,453	22,214	3,886	16,028	19,914
Commission	88	2,558	2,646	242	1,984	2,226
Total fee and commission	8,711	19,310	28,021	6,255	19,054	25,309
Fee expense	(3,455)	-	(3,455)	(2,506)	-	(2,506)
Fee and commission, net	5,256	19,310	24,566	3,749	19,054	22,803

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

15. NET IMPAIRMENT ON FINANCIAL ASSETS

Unaudited 30-Jun-24 US\$ '000	Unaudited 30-Jun-25 US\$ '000		Unaudited 30-Jun-25 RO '000	Unaudited 30-Jun-24 RO '000
		Net Impairment charge		
86	49	Due from banks	19	33
23,101	25,208	Loans & advances and financing	9,705	8,894
(10)	-	Investment securities	-	(4)
(65)	10	Other assets	4	(25)
(610)	(309)	Loan commitments and financial guarantees	(119)	(235)
-	2,496	Loans written off	960	-
(419)	-	Recovery of loans written off earlier	-	(161)
22,083	27,454		10,569	8,502
(7,353)	(9,819)	Less: Interest reserved during the period	(3,780)	(2,831)
14,730	17,635		6,789	5,671

16. BASIC AND DILUTED EARNINGS / NET ASSETS VALUE PER SHARE

16.1 BASIC AND DILUTED EARNINGS PER SHARE

Audited 31-Dec-24 US\$ '000	Unaudited 30-Jun-24 US\$ '000	Unaudited 30-Jun-25 US\$ '000		Unaudited 30-Jun-25 RO '000	Unaudited 30-Jun-24 RO '000	Audited 31-Dec-24 RO '000
108,210	52,461	58,078	Profit for the period	22,361	20,197	41,662
(31,741)	(14,603)	(17,171)	Less: AT1 interest paid during the year	(6,611)	(5,622)	(12,220)
76,469	37,858	40,907	Profit attributable to equity shareholders	15,750	14,575	29,442
2,349,657	2,349,657	2,349,657	Weighted average number of outstanding shares during the period for Basic EPS (in 000's)	2,349,657	2,349,657	2,349,657
2,453,319	2,453,319	2,453,319	Weighted average number of outstanding shares during the period for diluted EPS (in 000's)	2,453,319	2,453,319	2,453,319
3	2	2	Basic Earnings per share (cents/baizas)	7	6	13
3	2	2	Diluted Earnings per share (cents/baizas)	6	6	12

16.2 NET ASSETS VALUE PER SHARE

Audited 31-Dec-24 US\$ '000	Unaudited 30-Jun-24 US\$ '000	Unaudited 30-Jun-25 US\$ '000		Unaudited 30-Jun-25 RO '000	Unaudited 30-Jun-24 RO '000	Audited 31-Dec-24 RO '000
983,514	947,012	966,008	Net assets	371,913	364,600	378,653
2,349,657	2,349,657	2,349,657	Issued and paid up shares (in'000)	2,349,657	2,349,657	2,349,657
42	40	41	Net assets value per share (cents/baizas)	158	155	161

17. SEGMENT INFORMATION

Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to business segments based on pool rate, which approximates the cost of the funds.

Segment information is as follows:

	30-Jun-25			30-Jun-24			31-Dec-24		
	Retail banking RO '000	Wholesale banking, treasury & investment RO '000	Total RO '000	Retail banking RO '000	Wholesale banking, treasury & investment RO '000	Total RO '000	Retail banking RO '000	Wholesale banking, treasury & investment RO '000	Total RO '000
Net interest income	11,923	21,720	33,643	11,887	18,350	30,237	24,070	34,129	58,199
Net income from islamic financing and investments	3,964	4,787	8,751	4,286	2,344	6,630	9,360	6,343	15,703
Net interest income and income from islamic financing and investments	15,887	26,507	42,394	16,173	20,694	36,867	33,430	40,472	73,902
Other operating income	2,282	12,581	14,863	1,767	11,997	13,764	3,576	30,827	34,403
Net operating income	18,169	39,088	57,257	17,940	32,691	50,631	37,006	71,299	108,305
Segment assets	922,949	2,988,514	3,911,463	783,662	2,659,080	3,442,742	844,515	2,910,413	3,754,928
Segment liabilities	1,378,973	1,969,693	3,348,666	1,218,566	1,680,002	2,898,568	1,266,182	1,930,727	3,196,909
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Net interest income	30,970	56,414	87,384	30,876	47,662	78,538	62,520	88,646	151,166
Net income from islamic financing and investments	10,297	12,433	22,730	11,132	6,089	17,221	24,312	16,474	40,786
Net interest income and income from islamic financing and investments	41,267	68,847	110,114	42,008	53,751	95,759	86,832	105,120	191,952
Other operating income	5,928	32,677	38,605	4,590	31,162	35,752	9,288	80,069	89,357
Net operating income	47,195	101,524	148,719	46,598	84,913	131,511	96,120	185,189	281,309
Segment assets	2,397,271	7,762,374	10,159,645	2,035,485	6,906,703	8,942,188	2,193,546	7,559,514	9,753,060
Segment liabilities	3,581,747	5,116,087	8,697,834	3,165,108	4,363,642	7,528,750	3,288,784	5,014,876	8,303,660

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities, other than those disclosed in the table below, approximate their carrying values.

The Bank's primary medium and long-term financial liabilities are the borrowed funds and subordinated liabilities. The fair values of these financial liabilities not materially different from their carrying values, since these liabilities are repriced at intervals of three or six months, depending on the terms and conditions of the instrument and the resultant applicable margins approximate the current spreads that would apply for borrowings with similar maturities.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 - Quoted prices (unadjusted) in active markets.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table contains analysis of financial instruments measured at fair value at the reporting date:

	30-Jun-25				30-Jun-24				31-Dec-24			
	Level 1 RO '000	Level 2 RO '000	Level 3 RO '000	Total RO '000	Level 1 RO '000	Level 2 RO '000	Level 3 RO '000	Total RO '000	Level 1 RO '000	Level 2 RO '000	Level 3 RO '000	Total RO '000
Financial assets:												
Investments at FVTPL	6,267	234,443	-	240,710	16,139	180,903	-	197,042	3,099	221,848	-	224,947
Investments at FVOCI	45,071	73,581	4,782	123,434	96,259	4,182	4,920	105,361	33,254	80,626	5,409	119,289
<i>Derivative financial instruments</i>												
Interest rate swaps	-	64	-	64	-	1,650	-	1,650	-	1,947	-	1,947
Forward foreign exchange contracts	242	-	-	242	1,140	-	-	1,140	1,575	-	-	1,575
	51,580	308,088	4,782	364,450	113,538	186,735	4,920	305,193	37,928	304,421	5,409	347,758
Financial liabilities												
<i>Derivative financial instruments</i>												
Interest rate swaps	-	30	-	30	-	421	-	421	-	117	-	117
Forward foreign exchange contracts	837	-	-	837	538	-	-	538	63	-	-	63
	837	30	-	867	538	421	-	960	63	117	-	180
Financial assets:	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000		US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Investments at FVTPL	16,279	608,942	-	625,221	41,920	469,878	-	511,798	8,049	576,228	-	584,277
Investments at FVOCI	117,068	191,119	12,421	320,608	250,022	10,863	12,780	273,665	86,374	209,419	14,050	309,843
<i>Derivative financial instruments</i>												
Interest rate swaps	-	166	-	166	-	4,285	-	4,285	-	5,058	-	5,058
Forward foreign exchange contracts	629	-	-	629	2,960	-	-	2,960	4,091	-	-	4,091
	133,976	800,227	12,421	946,624	294,902	485,026	12,780	792,708	98,514	790,705	14,050	903,269
Financial liabilities												
<i>Derivative financial instruments</i>												
Interest rate swaps	-	79	-	79	-	1,094	-	1,094	-	304	-	304
Forward foreign exchange contracts	2,174	-	-	2,174	1,399	-	-	1,399	164	-	-	164
	2,174	79	-	2,253	1,399	1,094	-	2,493	164	304	-	468

There are no transfers of fair value measurement between Level 1, 2 and 3 during the period.

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

19. DERIVATIVES

Derivative product types

Swaps are contractual agreements between two parties to exchange interest based on a specific notional amount. For interest rate swaps, counterparties generally exchange fixed and floating rate interest payments based on a notional value in a single currency.

Forward contracts are contractual agreements to either buy or sell a specified currency, commodity or financial instrument at a specific price and date in the future. Forward contracts are customised contracts transacted over the counter.

Derivatives held for hedging purposes

Fixed interest rates on principal amount of loans and investments are normally hedged using interest rate swaps whose repayments dates are the same as of hedge item. These contracts are designated as fair value hedges.

Derivatives held for risk management purposes

The Bank has entered into interest rate swaps and forward contracts for risk management purposes which are usually not closed out prior to contractual maturity. The Bank ensures that its exposure is kept to acceptable level by buying and selling of foreign currencies in forward market when necessary to address short term imbalances.

The table below shows the assets and liabilities fair values of derivative financial instruments, together with the notional cash flows analysed by the term of their maturity.

	Assets	Liabilities	Notional cash flows
	RO '000	RO '000	RO '000
At 30 June 2025			
Derivatives for hedging:			
Interest rate swaps	64	30	17,710
Derivatives:			
Forward purchase contracts	115	17	111,988
Forward sales contracts	93	820	111,988
Derivatives for hedging:	US\$ 000	US\$ 000	US\$ 000
Interest rate swaps	166	79	46,000
Derivatives:			
Forward purchase contracts	299	44	290,878
Forward sales contracts	242	2,130	290,878
At 30 June 2024	RO '000	RO '000	RO '000
<i>Derivatives for hedging:</i>			
Interest rate swaps	1,650	421	132,604
<i>Derivatives:</i>			
Forward purchase contracts	-	538	305,882
Forward sales contracts	1,140	-	305,157
<i>Derivatives for hedging:</i>	US\$ 000	US\$ 000	US\$ 000
Interest rate swaps	4,285	1,094	344,426
<i>Derivatives:</i>			
Forward purchase contracts	-	1,399	794,499
Forward sales contracts	2,960	-	792,616
At 31 December 2024	RO '000	RO '000	RO '000
<i>Derivatives for hedging:</i>			
Interest rate swaps	1,947	117	50,204
<i>Derivatives:</i>			
Forward purchase contracts	1,459	17	118,073
Forward sales contracts	116	46	118,073
<i>Derivatives for hedging:</i>	US\$ 000	US\$ 000	US\$ 000
Interest rate swaps	5,058	304	130,400
<i>Derivatives:</i>			
Forward purchase contracts	3,790	44	306,684
Forward sales contracts	301	120	306,684

Fair values are included under other assets where positive and other liabilities where negative.

20. CONTINGENT LIABILITIES AND COMMITMENTS

Audited 31-Dec-24 US\$ '000	Unaudited 30-Jun-24 US\$ '000	Unaudited 30-Jun-25 US\$ '000		Unaudited 30-Jun-25 RO '000	Unaudited 30-Jun-24 RO '000	Audited 31-Dec-24 RO '000
332,943	310,073	352,909	Financial guarantees	135,870	119,378	128,183
160,099	114,231	126,639	Letters of credit	48,756	43,979	61,638
126,787	95,070	314,704	Loan commitments	121,161	36,602	48,813
11,653	4,743	7,360	Capital commitments	2,834	1,826	4,486
631,482	524,117	801,612		308,621	201,785	243,120

21. ASSETS AND LIABILITIES MATURITY

As at 30 June 2025	Upto 3 months RO '000	Above 3 months to 12 months RO '000	Above 1 year to 5 years RO '000	More than 5 years RO '000	Total RO '000
Assets	1,186,029	313,930	970,041	1,441,462	3,911,463
Liabilities and equity	(945,532)	(1,247,144)	(546,318)	(1,172,469)	(3,911,463)
Net liquidity gap	240,498	(933,214)	423,723	268,993	-
Net liquidity gap in US\$ '000	624,669	(2,423,931)	1,100,580	698,682	-

As at 30 June 2024	Upto 3 months RO '000	Above 3 months to 12 months RO '000	Above 1 year to 5 years RO '000	More than 5 years RO '000	Total RO '000
Assets	1,087,813	329,383	586,451	1,439,095	3,442,742
Liabilities and equity	(690,046)	(1,028,900)	(559,786)	(1,164,010)	(3,442,742)
Net liquidity gap	397,767	(699,517)	26,665	275,085	-
Net liquidity gap in US\$ '000	1,033,160	(1,816,927)	69,261	714,505	-
As at 31 December 2024	Upto 3 months RO '000	Above 3 months to 12 months RO '000	Above 1 year to 5 years RO '000	More than 5 years RO '000	Total RO '000
Assets	1,278,438	292,077	858,644	1,325,769	3,754,928
Liabilities and equity	(1,024,653)	(1,020,058)	(565,775)	(1,144,442)	(3,754,928)
Net liquidity gap	253,785	(727,981)	292,869	181,327	-
Net liquidity gap in US\$ '000	659,181	(1,890,860)	760,698	470,981	-

The interim condensed financial statements were approved by the Board of Directors on 29 July 2025.

22. CAPITAL MANAGEMENT

The risk asset ratio is calculated in accordance with the capital adequacy guidelines of the Basel Committee on Banking Supervision and CBO Circulars BM 1009 'Guidelines on Basel II' and BM 1114 'Regulatory Capital and Composition of Capital Disclosure requirements under Basel III' effective from 31 December 2014. CBO through its circular SDD/CBS/CB/2024/108 dated June 26, 2024 restored the capital conservation buffer to 2.5%. Accordingly, the minimum capital adequacy ratio requirement for the year is 13.5% including capital conservation buffer of 2.5% (31 December 2024: 12.25% including capital conservation buffer of 1.25%). The capital adequacy ratio working is as follows:

The following table sets out the capital adequacy position

	Unaudited 30-Jun-25 RO '000	Unaudited 30-Jun-24 RO '000	Audited 31-Dec-24 RO '000
Common Equity Tier 1 (CET1)	320,344	331,606	334,090
Additional Tier 1	190,884	179,366	179,366
Tier 1	511,228	510,972	513,456
Tier 2	5,146	8,895	7,752
Total regulatory capital	516,374	519,867	521,208
Risk weighted assets			
Credit risk	2,938,619	2,854,340	3,024,407
Market risk	194,010	109,678	189,824
Operational risk	185,130	174,724	174,724
Total risk weighted assets	3,317,759	3,138,742	3,388,955
Capital adequacy ratio			
CET1 capital expressed as a percentage of total risk-weighted assets	9.66%	10.56%	9.86%
Total tier I capital expressed as a percentage of total risk-weighted assets	15.41%	16.28%	15.15%
Tier II capital expressed as a percentage of total risk-weighted assets	0.15%	0.28%	0.23%
Total regulatory capital expressed as a percentage of total risk-weighted assets	15.56%	16.56%	15.38%

	Unaudited 30-Jun-24 US\$ '000	Unaudited 30-Jun-23 US\$ '000	Audited 31-Dec-23 US\$ '000
Common Equity Tier 1 (CET1)	832,062	861,314	867,767
Additional Tier 1	495,803	465,886	465,886
Tier 1	1,327,865	1,327,200	1,333,653
Tier 2	13,365	23,104	20,134
Total regulatory capital	1,341,230	1,350,304	1,353,787
Risk weighted assets			
Credit risk	7,632,777	7,413,870	7,855,604
Market risk	503,922	284,877	493,050
Operational risk	480,857	453,828	453,828
Total risk weighted assets	8,617,556	8,152,575	8,802,482
Capital adequacy ratio			
CET1 capital expressed as a percentage of total risk-weighted assets	9.66%	10.56%	9.86%
Total tier I capital expressed as a percentage of total risk-weighted assets	15.41%	16.28%	15.15%
Tier II capital expressed as a percentage of total risk-weighted assets	0.15%	0.28%	0.23%
Total regulatory capital expressed as a percentage of total risk-weighted assets	15.56%	16.56%	15.38%

23. COMPARATIVE FIGURES

Corresponding figures have been rearranged and reclassified in order to conform with the presentation for the current period for