

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 27 conventional and 26 Islamic totalling to 53 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 1056 employees as at 30 September 2025 compared to 958 as at 30 September 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 nine months period ended 30 September 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 nine months period ended 30 September 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 September 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-Sep-25			30-Sep-25	
ECL without overlays	ECL with Overlays		ECL without overlays	ECL with Overlays
US\$ '000	US\$ '000		RO'000	RO'000
260,902	274,751	Corporate	100,448	105,779
32,490	32,491	Retail	12,509	12,509
293,392	307,242	Total	112,957	118,288

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-Sep-25			30-Sep-25	
Impact on ECL	ECL	Particulars	ECL	Impact on ECL
US\$ '000	US\$ '000		RO'000	RO'000
	99,296	ECL on non impaired financial assets under IFRS 9	38,229	
(10,008)	89,288	Good scenario - 100% weighted	34,376	(3,853)
1,047	100,343	Base scenario - 100% weighted	38,632	403
13,701	112,997	Bad scenario - 100% weighted	43,504	5,275

The interim condensed financial statements were approved by the Board of Directors on 30 October 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-Sep-24			30-Sep-24		
Impact on ECL	ECL	Particulars	ECL	Impact on ECL	
US\$ '000	US\$ '000		RO'000	RO'000	
	77,873	ECL on non impaired financial assets under IFRS 9	29,981		
(9,358)	68,514	Good scenario - 100% weighted	26,378	(3,603)	
377	78,249	Base scenario - 100% weighted	30,126	145	
8,610	86,483	Bad scenario - 100% weighted	33,296	3,315	

5. LOANS, ADVANCES AND FINANCING, NET

Audited 31-Dec-24	Unaudited 30-Sep-24	Unaudited 30-Sep-25		Unaudited 30-Sep-25	Unaudited 30-Sep-24	Audited 31-Dec-24
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
			Conventional Banking			
4,671,496	4,546,225	5,035,392	Corporate lending	1,938,626	1,750,297	1,798,526
1,703,395	1,651,399	1,913,541	Retail lending	736,713	635,788	655,807
6,374,891	6,197,624	6,948,933	Loans & advances, gross	2,675,339	2,386,085	2,454,333
			Islamic Banking			
1,243,218	1,123,070	1,320,909	Corporate financing	508,550	432,382	478,639
496,696	474,155	589,738	Retail financing	227,049	182,550	191,228
1,739,914	1,597,225	1,910,647	Financing, gross	735,599	614,932	669,867
8,114,805	7,794,849	8,859,580	Loans & advances and financing, gross	3,410,938	3,001,017	3,124,200
(264,727)	(282,598)	(307,242)	Loans and financing impairment (including reserve interest and profit)	(118,288)	(108,800)	(101,920)
7,850,078	7,512,251	8,552,338		3,292,650	2,892,217	3,022,280

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

Audited 31-Dec-24	Unaudited 30-Sep-24	Unaudited 30-Sep-25		Unaudited 30-Sep-25	Unaudited 30-Sep-24	Audited 31-Dec-24
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
1,082,594	1,229,897	1,339,198	0-5%	515,591	473,510	416,799
5,990,294	5,595,091	7,120,860	5-7%	2,741,531	2,154,110	2,306,263
1,029,312	926,545	373,875	7-10%	143,942	356,720	396,285
12,605	43,316	25,647	More than 10%	9,874	16,677	4,853
8,114,805	7,794,849	8,859,580		3,410,938	3,001,017	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-Sep-24	Unaudited 30-Sep-25		Unaudited 30-Sep-25	Unaudited 30-Sep-24	Audited 31-Dec-24
US\$ '000	US\$ '000	US\$ '000		RO '000	RO '000	RO '000
2,015,294	1,839,058	2,491,823	0-1 year	959,352	708,037	775,888
353,826	340,227	315,095	1-3 years	121,311	130,988	136,223
539,670	541,823	743,514	3-5 years	286,253	208,602	207,773
4,941,288	4,791,143	5,001,906	More than 5 years	1,925,734	1,844,590	1,902,396
7,850,078	7,512,251	8,552,338		3,292,650	2,892,217	3,022,280

The interim condensed financial statements were approved by the Board of Directors on 30 October 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-Sep-25					30-Sep-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)	203,267	224	-	203,491	528,548	160,560	-	-	160,560	417,039	288,965	4	-	288,969	750,567
Loans, advances and financing	2,797,137	468,671	145,130	3,410,938	8,859,580	2,375,089	477,556	148,372	3,001,017	7,794,849	2,528,941	465,852	129,407	3,124,200	8,114,805
Investment securities (excluding equity investments)	65,766	-	-	65,766	170,821	66,329	-	-	66,329	172,283	62,770	-	-	62,770	163,039
Other assets	5,950	5,519	-	11,469	29,790	9,017	8,568	-	17,585	45,675	9,769	6,338	-	16,107	41,837
Loan commitments and financial guarantees	266,316	56,133	589	323,038	839,059	208,281	43,569	1,050	252,900	656,884	189,211	48,371	1,052	238,634	619,829

b) Movement in impairment allowance and provision

	30-Sep-25					30-Sep-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	37	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	137	34	10	-	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	4,429	309	1,357	39	1,705	4,426
Net transfer between stages															
Due from banks	(2)	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans, advances and financing	2,028	(1,313)	(715)	-	-	1,211	(3,726)	2,515	-	-	4,853	(3,723)	(1,130)	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	(3)	3	-	-	-
Loan commitments and financial guarantees	3	(12)	9	-	-	(273)	273	-	-	-	(208)	208	-	-	-

The interim condensed financial statements were approved by the Board of Directors on 30 October 2025.

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

b) Movement in impairment allowance and provision (continued)

	30-Sep-25					30-Sep-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)	40	7	-	47	122	(57)	-	-	(57)	(148)	(63)	-	-	(63)	(163)
Loans, advances and financing	(1,528)	3,270	14,626	16,368	42,515	(2,646)	1,430	15,618	14,402	37,408	(7,312)	8,103	(6,222)	(5,431)	(14,107)
Investment securities (excluding equity investments)	2	-	-	2	4	-	-	-	-	-	(14)	-	-	(14)	(36)
Other assets	(8)	(16)	-	(24)	(63)	(27)	53	-	26	68	(19)	28	-	9	23
Loan commitments and financial guarantees	37	119	(90)	66	172	54	(488)	200	(234)	(608)	80	(511)	201	(230)	(597)
Written off during the year	-	-	-	-	-	-	-	(12,953)	(12,953)	-	-	-	-	-	-
Closing balance															
Due from banks(including balances with CBO)	52	9	-	61	158	20	-	-	20	52	14	-	-	14	37
Loans, advances and financing	4,165	32,528	81,595	118,288	307,242	4,687	23,896	80,217	108,800	282,597	3,665	30,571	67,684	101,920	264,727
Investment securities (excluding equity investments)	64	-	-	64	165	76	-	-	76	197	62	-	-	62	161
Other assets	2	27	-	29	75	7	63	-	70	182	10	43	-	53	137
Loan commitments and financial guarantees	221	1,161	159	1,541	4,002	90	1,142	239	1,471	3,821	181	1,054	240	1,475	3,829

5.2 Comparison of provision held as per IFRS 9 and required as per CBO norms as at September 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	2,797,137	31,564	-	4,165	27,399	2,765,573	2,792,972
	Stage 2	197,303	2,226	-	5,303	(3,077)	195,077	192,000
	Stage 3	-	-	-	-	-	-	-
Subtotal		2,994,440	33,790	-	9,468	24,322	2,960,650	2,984,972
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	271,368	3,062	615	27,225	(23,548)	267,691	244,143
	Stage 3	-	-	-	-	-	-	-
Subtotal		271,368	3,062	615	27,225	(23,548)	267,691	244,143
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	2,659	637	113	1,099	(349)	1,909	1,560
Subtotal		2,659	637	113	1,099	(349)	1,909	1,560
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	13,613	3,728	1,593	5,176	145	8,292	8,437
Subtotal		13,613	3,728	1,593	5,176	145	8,292	8,437
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	128,858	94,065	18,707	75,320	37,452	16,086	53,538
Subtotal		128,858	94,065	18,707	75,320	37,452	16,086	53,538
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	541,299	-	-	339	(339)	541,299	540,960
	Stage 2	61,876	-	-	1,197	(1,197)	61,876	60,679
	Stage 3	589	-	-	159	(159)	589	430
Subtotal		603,764	-	-	1,695	(1,695)	603,764	602,069
Total	Stage 1	3,338,436	31,564	-	4,504	27,060	3,306,872	3,333,932
	Stage 2	530,547	5,288	615	33,725	(27,822)	524,644	496,822
	Stage 3	145,719	98,430	20,413	81,754	37,089	26,876	63,965
	Total in RO	4,014,702	135,282	21,028	119,983	36,327	3,858,392	3,894,719
	Total in US\$ '000	10,427,798	351,382	54,619	311,642	94,359	10,021,797	10,116,156

Other items disclosed above includes exposure outstanding and respective provisions held against due from banks, investments, other assets, loan commitments and financial guarantees

The interim condensed financial statements were approved by the Board of Directors on 30 October 2025.

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	35,542	355	-	482	(127)	35,187	35,060
Classified as performing	Stage 2	289,092	2,891	-	21,006	(18,115)	286,201	268,086
	Stage 3	-	-	-	-	-	-	-
Subtotal		324,634	3,246	-	21,488	(18,242)	321,388	303,146
	Stage 1	-	-	-	-	-	-	-
Classified as non-performing	Stage 2	-	-	-	-	-	-	-
	Stage 3	39,153	28,910	3,141	20,463	11,588	7,102	18,690
Sub total		39,153	28,910	3,141	20,463	11,588	7,102	18,690
	Stage 1	35,542	355	-	482	(127)	35,187	35,060
	Stage 2	289,092	2,891	-	21,006	(18,115)	286,201	268,086
Total	Stage 3	39,153	28,910	3,141	20,463	11,588	7,102	18,690
	Total in RO	363,787	32,156	3,141	41,951	(6,654)	328,490	321,836
	Total in US\$ '000	944,901	83,522	8,158	108,964	(17,284)	853,221	835,937

*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	10,921	10,921	-
Provisions required as per CBO norms/ held as per IFRS 9*	156,310	119,983	36,327
Gross NPL ratio (percentage)	4.25%	4.25%	-
Net NPL ratio (percentage)	0.77%	1.85%	-1.08%

The interim condensed financial statements were approved by the Board of Directors on 30 October 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

The interim condensed financial statements were approved by the Board of Directors on 30 October 2025.

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

	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 US\$ '000	Unaudited 30-Sep-24 US\$ '000	Unaudited 30-Sep-25 US\$ '000		Unaudited 30-Sep-25 RO '000	Unaudited 30-Sep-24 RO '000	Audited 31-Dec-24 RO '000
46,182	50,764	54,764	Equity investments:			
146,804	104,010	163,558	Measured at FVTPL	21,084	19,544	17,780
192,986	154,774	218,322	Designated at FVOCI	62,970	40,044	56,519
			Total Equity investments	84,054	59,588	74,299
			Debt investments:			
538,095	493,927	616,553	Measured at FVTPL	237,373	190,162	207,167
163,039	172,283	170,821	Designated at FVOCI	65,766	66,329	62,770
701,134	666,210	787,374	Total Debt investments	303,139	256,491	269,937
894,120	820,984	1,005,696	Total investment securities	387,193	316,079	344,236

Audited 31-Dec-24 US\$ '000	Unaudited 30-Sep-24 US\$ '000	Unaudited 30-Jun-25 US\$ '000		Unaudited 30-Sep-25 RO '000	Unaudited 30-Sep-24 RO '000	Audited 31-Dec-24 RO '000
4,904	4,898	5,195	Equity investments:			
-	-	1,787	Measured at FVTPL			
4,904	4,898	6,982	Quoted investments - Oman			
			Banking and investment sector	2,000	1,886	1,888
			Manufacturing	688	-	-
				2,688	1,886	1,888
			Designated at FVTPL			
			Quoted investments - Foreign			
29,981	30,203	29,800	Banking and investment sector	11,473	11,628	11,543
4,593	5,471	5,805	Service sector	2,235	2,106	1,768
410	460	865	Manufacturing	333	177	158
34,984	36,134	36,470		14,041	13,911	13,469
			Designated at FVTPL			
			Unquoted investments - Oman			
6,294	9,732	11,312	Banking and investment sector	4,355	3,747	2,423
6,294	9,732	11,312		4,355	3,747	2,423
			Designated at FVOCI			
			Quoted investments - Oman			
59,535	18,161	67,486	Manufacturing	25,982	6,992	22,922
36,735	40,019	32,753	Banking and investment sector	12,610	15,408	14,142
4,039	4,254	17,343	Service sector	6,677	1,638	1,555
100,309	62,434	117,582		45,269	24,038	38,619
			Designated at FVOCI			
			Quoted investments - Foreign			
12,530	12,432	14,948	Banking and investment sector	5,755	4,786	4,824
7,589	7,367	7,784	Service sector	2,997	2,836	2,922
2,812	2,659	3,774	Manufacturing	1,453	1,024	1,082
1,953	1,852	2,127	Real Estate	819	713	752
24,884	24,310	28,633		11,024	9,359	9,580
			Designated at FVOCI			
			Unquoted investments - Oman			
12,780	12,780	11,151	Manufacturing	4,293	4,920	4,920
6,887	2,613	3,086	Banking and investment sector	1,188	1,006	2,652
1,271	1,271	1,270	Service sector	489	489	489
20,938	16,664	15,507		5,970	6,415	8,061
			Designated at FVOCI			
			Unquoted investments - Foreign			
673	602	1,836	Banking and investment sector	707	232	259
673	602	1,836		707	232	259
192,986	154,774	218,322	Total - Equity investments	84,054	59,588	74,299

The interim condensed financial statements were approved by the Board of Directors on 30 October 2025.

6. INVESTMENT SECURITIES (continued)

Audited 31-Dec-24 US\$ '000	Unaudited 30-Sep-24 US\$ '000	Unaudited 30-Sep-25 US\$ '000		Unaudited 30-Sep-25 RO '000	Unaudited 30-Sep-24 RO '000	Audited 31-Dec-24 RO '000
			Debt investments:			
			Designated at FVTPL			
377,808	363,423	385,156	Government development bonds	148,285	139,918	145,456
2,594	-	-	Government bonds	-	-	999
157,693	130,504	231,397	Government sukuku	89,088	50,244	60,712
538,095	493,927	616,553	Total	237,373	190,162	207,167
			Designated at FVOCI			
			Quoted investments - Oman			
77,151	84,194	60,244	Government bonds	23,194	32,415	29,703
46,918	47,535	25,278	Services	9,732	18,301	18,063
7,200	6,818	11,478	Manufacturing	4,419	2,625	2,772
2,608	5,203	38,545	Banking and investment	14,840	2,003	1,004
2,190	-	5,434	Government sukuku	2,092	-	843
136,067	143,750	140,979		54,277	55,344	52,385
			Designated at FVOCI			
			Quoted investments - Foreign			
26,972	28,533	29,842	Banking and investment	11,489	10,985	10,385
26,972	28,533	29,842		11,489	10,985	10,385
701,134	666,210	787,374	Total - Debt Investments	303,139	256,491	269,937
894,120	820,984	1,005,696	Total Investments	387,193	316,079	344,236

7. CUSTOMERS' DEPOSITS

Customers' deposits can be analysed as follows:

Audited 31-Dec-24 US\$ '000	Unaudited 30-Sep-24 US\$ '000	Unaudited 30-Sep-25 US\$ '000		Unaudited 30-Sep-25 RO '000	Unaudited 30-Sep-24 RO '000	Audited 31-Dec-24 RO '000
			Conventional Banking			
2,865,684	2,839,245	3,226,992	Time deposits	1,242,392	1,093,109	1,103,288
1,760,377	1,553,462	1,609,805	Demand deposits	619,775	598,083	677,745
736,592	698,408	981,610	Savings deposits	377,920	268,887	283,588
5,362,653	5,091,115	5,818,407		2,240,087	1,960,079	2,064,621
			Islamic Banking			
797,792	920,343	787,292	Time deposits	303,107	354,332	307,150
550,616	501,023	1,014,137	Demand deposits	390,443	192,894	211,987
464,958	428,000	503,795	Savings deposits	193,961	164,780	179,009
1,813,366	1,849,366	2,305,224		887,511	712,006	698,146
7,176,019	6,940,481	8,123,631		3,127,598	2,672,085	2,762,767

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

5,227,166	4,975,118	6,440,135	0-6 Months	2,479,452	1,915,420	2,012,459
1,021,949	1,077,647	924,491	6-12 months	355,929	414,894	393,450
897,311	856,893	704,670	1-3 years	271,298	329,904	345,465
29,593	30,823	54,335	3 years and above	20,919	11,867	11,393
7,176,019	6,940,481	8,123,631		3,127,598	2,672,085	2,762,767

Interest rate bands of deposits is as follows:

1,519,366	1,470,999	1,640,522	0-2%	631,601	566,335	584,956
866,449	726,074	1,435,055	2-4%	552,496	279,538	333,583
4,575,918	4,155,960	4,970,132	4-6%	1,913,501	1,600,045	1,761,728
214,286	587,448	77,922	6-7%	30,000	226,167	82,500
7,176,019	6,940,481	8,123,631		3,127,598	2,672,085	2,762,767

The interim condensed financial statements were approved by the Board of Directors on 30 October 2025.

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 September 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	Unaudited 30-Sep-24	Unaudited 30-Sep-25		Unaudited 30-Sep-25	Unaudited 30-Sep-24	Audited 31-Dec-24
US\$'000	US\$'000	US\$'000		RO'000	RO'000	RO'000
			Directors and senior management			
5,499	5,883	5,756	Loans, advances and financing, net	2,216	2,265	2,117
7,701	8,925	9,364	Customers' deposits	3,605	3,436	2,965
			Major shareholders, it's parent company & it's subsidiaries			
3,055	3,270	1,888	Due from banks	727	1,259	1,176
			Other assets			
997	673	-	- Fair value of swaps	-	259	384
2,184	2,340	3,738	Due to banks	1,439	901	841
			Bank's investment fund			
688	429	725	Investments securities	279	165	265

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

Audited 31-Dec-24	Unaudited 30-Sep-24	Unaudited 30-Sep-25		Unaudited 30-Sep-25	Unaudited 30-Sep-24	Audited 31-Dec-24
US\$'000	US\$'000	US\$'000		RO'000	RO '000	RO '000
			Directors and senior management			
517	400	348	Interest and profit income	134	154	199
309	234	257	Interest and profit expense	99	90	119
779	-	-	- Board remuneration proposed	-	-	300
105	72	88	Board sitting fees	34	28	41
80	-	60	Shariah supervisory board expenses	23	-	31
			Major shareholders, it's parent company and it's subsidiaries			
1,678	(2,003)	-	(loss)/gain on fair value of interest rate swaps	-	(771)	646

As at 30 September, 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 nine months period ended 30 September 2025 was RO 1.656 million equivalent to US\$ 4.30 million (30 September 2024: RO 1.426 million equivalent to US\$ 3.71 million).

The interim condensed financial statements were approved by the Board of Directors on 30 October 2025.

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 2,706,800,323 shares are issued and fully paid up - 1,949,657,466 shares at 100 baiza per share, 400,000,000 shares at 125 baiza and 357,142,857 shares at 140 baiza (31 December 2024 and 30 September 2024: 2,349,657,466 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. Further, during April 2025, 115,179,287 MCBs were 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.

In August 2025, the Bank successfully completed the rights issue of 357,142,857 shares amounting to RO 50 million as a result of which the Bank's capital increased to RO 294.966 million

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 September 30, 2025, shareholding of Royal Court Affairs was 473,690,046 shares equivalent to 17.50% (31 December 2024: NIL), Al Hosn Investment Company SAOC was 357,076,325 shares equivalent to 13.19% (31 December 2024: 357,076,325 shares equivalent to 15.20%) and Social Protection Fund was 281,468,032 shares equivalent to 10.40% (31 December 2024: 256,491,550 shares equivalent to 10.92%).

11. INTEREST INCOME

Interest bearing assets earned interest at an overall annualised rate of 5.92% for nine months period ended 30 September 2025 (30 September 2024 - 6.06%)

Unaudited 30-Sep-24	Unaudited 30-Sep-25		Unaudited 30-Sep-25	Unaudited 30-Sep-24
US\$ '000	US\$ '000		RO '000	RO '000
274,162	284,107	Loans and advances	109,381	105,552
20,361	24,566	Investments	9,458	7,839
3,539	2,306	Due from banks	888	1,363
<u>298,062</u>	<u>310,979</u>		<u>119,727</u>	<u>114,754</u>
62,145	77,060	Islamic financing	29,668	23,926
9,863	9,657	Islamic investment and due from banks	3,718	3,797
<u>72,008</u>	<u>86,717</u>		<u>33,386</u>	<u>27,723</u>
<u>370,070</u>	<u>397,696</u>		<u>153,113</u>	<u>142,477</u>

12. INTEREST EXPENSE

The average annualised cost of funds for nine months period ended 30 September 2025 is 3.93% (30 September 2024: 4.35%)

Unaudited 30-Sep-24	Unaudited 30-Sep-25		Unaudited 30-Sep-25	Unaudited 30-Sep-24
US\$ '000	US\$ '000		RO '000	RO '000
112,879	111,958	Time deposits	43,104	43,458
50,098	52,543	Demand and saving deposits	20,229	19,288
1,924	3,255	Borrowings	1,253	741
19,163	9,935	Inter-bank deposits	3,825	7,378
<u>184,064</u>	<u>177,691</u>		<u>68,411</u>	<u>70,865</u>
47,753	53,704	Islamic customer deposits	20,676	18,385
96	208	Islamic Inter-bank borrowings	80	37
<u>47,849</u>	<u>53,912</u>		<u>20,756</u>	<u>18,422</u>
<u>231,913</u>	<u>231,603</u>		<u>89,167</u>	<u>89,287</u>

13. OTHER OPERATING INCOME

Unaudited 30-Sep-24	Unaudited 30-Sep-25		Unaudited 30-Sep-25	Unaudited 30-Sep-24
US\$ '000	US\$ '000		RO '000	RO '000
(747)	(218)	Loss on sale of investments, net	(84)	(287)
10,747	7,265	Foreign exchange gain, net	2,797	4,137
5,304	9,623	Dividend income	3,705	2,042
15,281	2,457	Unrealized gains on FVTPL investments	946	5,883
5	4,626	Other income	1,781	2
<u>30,590</u>	<u>23,753</u>		<u>9,145</u>	<u>11,777</u>

The interim condensed financial statements were approved by the Board of Directors on 30 October 2025.

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:

Particulars	30-Sep-25			30-Sep-24		
	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	1,214	582	1,796	1,168	691	1,859
Fees income	3,894	8,385	12,279	2,392	8,678	11,070
Commission income	307	1,382	1,689	151	1,113	1,264
Total fee and commission	5,415	10,349	15,764	3,711	10,482	14,193
Fee expense	(1,982)	-	(1,982)	(1,513)	-	(1,513)
Fee and commission, net	3,433	10,349	13,782	2,198	10,482	12,680
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Disaggregated income						
Service charges	3,153	1,512	4,665	3,033	1,796	4,829
Fees income	10,114	21,779	31,893	6,212	22,541	28,753
Commission	797	3,590	4,387	393	2,890	3,283
Total fee and commission	14,064	26,881	40,945	9,638	27,227	36,865
Fee expense	(5,148)	-	(5,148)	(3,930)	-	(3,930)
Fee and commission, net	8,916	26,881	35,797	5,708	27,227	32,935

The interim condensed financial statements were approved by the Board of Directors on 30 October 2025.

15. NET IMPAIRMENT ON FINANCIAL ASSETS

Unaudited 30-Sep-24 US\$ '000	Unaudited 30-Sep-25 US\$ '000		Unaudited 30-Sep-25 RO '000	Unaudited 30-Sep-24 RO '000
		Net Impairment charge		
(148)	122	Due from banks	47	(57)
37,408	42,515	Loans & advances and financing	16,368	14,402
-	4	Investment securities	2	-
68	(63)	Other assets	(24)	26
(608)	172	Loan commitments and financial guarantees	66	(234)
722	2,626	Loans written off	1,011	278
(2,364)	(1,194)	Recovery of loans written off earlier	(460)	(910)
35,078	44,182		17,010	13,505
(11,702)	(15,816)	Less: Interest reserved during the period	(6,089)	(4,505)
23,376	28,366		10,921	9,000

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-Sep-24 US\$ '000	Unaudited 30-Sep-25 US\$ '000		Unaudited 30-Sep-25 RO '000	Unaudited 30-Sep-24 RO '000	Audited 31-Dec-24 RO '000
108,210	80,077	84,345	Profit for the period	32,473	30,829	41,662
(31,741)	(21,878)	(24,421)	Less: AT1 interest paid during the year	(9,402)	(8,423)	(12,220)
76,469	58,199	59,924	Profit attributable to equity shareholders	23,071	22,406	29,442
2,349,657	2,349,657	2,706,800	Weighted average number of outstanding shares during the period for Basic EPS (in 000's)	2,706,800	2,349,657	2,349,657
2,421,148	2,421,148	2,857,725	Weighted average number of outstanding shares during the period for diluted EPS (in 000's)	2,857,725	2,421,148	2,421,148
3	2	2	Basic Earnings per share (cents/baizas)	9	10	13
3	2	2	Diluted Earnings per share (cents/baizas)	8	9	12

16.2 NET ASSETS VALUE PER SHARE

Audited 31-Dec-24 US\$ '000	Unaudited 30-Sep-24 US\$ '000	Unaudited 30-Sep-25 US\$ '000		Unaudited 30-Sep-25 RO '000	Unaudited 30-Sep-24 RO '000	Audited 31-Dec-24 RO '000
983,514	972,733	1,128,920	Net assets	434,635	374,502	378,653
2,349,657	2,349,657	2,706,800	Issued and paid up shares (in'000)	2,706,800	2,349,657	2,349,657
42	41	42	Net assets value per share (cents/baizas)	161	159	161

The interim condensed financial statements were approved by the Board of Directors on 30 October 2025.

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-Sep-25			30-Sep-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	17,627	33,689	51,316	17,918	25,971	43,889	24,070	34,129	58,199
Net income from islamic financing and investments	6,846	5,784	12,630	6,362	2,939	9,301	9,360	6,343	15,703
Net interest income and income from islamic financing and investments	24,473	39,473	63,946	24,280	28,910	53,190	33,430	40,472	73,902
Other operating income	3,839	19,088	22,927	2,639	21,818	24,457	3,576	30,827	34,403
Net operating income	28,312	58,561	86,873	26,919	50,729	77,647	37,006	71,299	108,305
Segment assets	960,036	3,015,358	3,975,394	811,251	2,657,539	3,468,790	844,515	2,910,413	3,754,928
Segment liabilities	1,470,217	1,879,658	3,349,875	1,260,325	1,654,597	2,914,922	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	45,783	87,505	133,288	46,540	67,458	113,998	62,520	88,646	151,166
Net income from islamic financing and investments	17,782	15,023	32,805	16,525	7,634	24,159	24,312	16,474	40,786
Net interest income and income from islamic financing and investments	63,565	102,528	166,093	63,065	75,092	138,157	86,832	105,120	191,952
Other operating income	9,971	49,579	59,550	6,854	56,671	63,525	9,288	80,069	89,357
Net operating income	73,536	152,107	225,643	69,919	131,763	201,682	96,120	185,189	281,309
Segment assets	2,493,599	7,832,099	10,325,698	2,107,145	6,902,698	9,009,843	2,193,546	7,559,514	9,753,060
Segment liabilities	3,818,745	4,882,230	8,700,975	3,273,572	4,297,652	7,571,224	3,288,784	5,014,876	8,303,660

The interim condensed financial statements were approved by the Board of Directors on 30 October 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 prices).

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-Sep-25				30-Sep-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	21,084	237,373	-	258,457	15,797	190,162	-	205,959	3,099	221,848	-	224,947
Investments at FVOCI	72,288	51,666	4,782	128,736	38,150	66,329	5,641	110,120	33,254	80,626	5,409	119,289
<i>Derivative financial instruments</i>												
Interest rate swaps	-	28	-	28	-	625	-	625	-	1,947	-	1,947
Forward foreign exchange contracts	367	-	-	367	214	-	-	214	1,575	-	-	1,575
	93,739	289,067	4,782	387,588	54,161	257,116	5,641	316,918	37,928	304,421	5,409	347,758
Financial liabilities												
<i>Derivative financial instruments</i>												
Interest rate swaps	-	-	-	-	-	643	-	643	-	117	-	117
Forward foreign exchange contracts	13	-	-	13	1,491	-	-	1,491	63	-	-	63
	13	-	-	13	1,491	643	-	2,134	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	US\$ '000
Investments at FVTPL	54,765	616,552	-	671,317	41,032	493,929	-	534,961	8,049	576,228	-	584,277
Investments at FVOCI	187,760	134,198	12,421	334,379	99,089	172,283	14,652	286,024	86,374	209,419	14,050	309,843
<i>Derivative financial instruments</i>												
Interest rate swaps	-	73	-	73	-	1,623	-	1,623	-	5,058	-	5,058
Forward foreign exchange contracts	953	-	-	953	557	-	-	557	4,091	-	-	4,091
	243,478	750,823	12,421	1,006,722	140,678	667,835	14,652	823,165	98,514	790,705	14,050	903,269
Financial liabilities												
<i>Derivative financial instruments</i>												
Interest rate swaps	-	-	-	-	-	1,669	-	1,669	-	304	-	304
Forward foreign exchange contracts	35	-	-	35	3,873	-	-	3,873	164	-	-	164
	35	-	-	35	3,873	1,669	-	5,542	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 30 October 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
At 30 September 2025	RO '000	RO '000	RO '000
Derivatives for hedging:			
Interest rate swaps	28	-	17,710
Derivatives:			
Forward purchase contracts	152	-	144,597
Forward sales contracts	214	13	144,597
Derivatives for hedging:	US\$ 000	US\$ 000	US\$ 000
Interest rate swaps	73	-	46,000
Derivatives:			
Forward purchase contracts	396	-	375,577
Forward sales contracts	555	34	375,577
At 30 September 2024	RO '000	RO '000	RO '000
Derivatives for hedging:			
Interest rate swaps	625	643	134,904
Derivatives:			
Forward purchase contracts	-	1,491	276,057
Forward sales contracts	214	-	277,151
Derivatives for hedging:	US\$ 000	US\$ 000	US\$ 000
Interest rate swaps	1,623	1,669	350,400
Derivatives:			
Forward purchase contracts	-	3,873	717,031
Forward sales contracts	557	-	719,872
At 31 December 2024	RO '000	RO '000	RO '000
Derivatives for hedging:			
Interest rate swaps	1,947	117	50,204
Derivatives:			
Forward purchase contracts	1,459	17	118,073
Forward sales contracts	116	46	118,073
Derivatives for hedging:	US\$ 000	US\$ 000	US\$ 000
Interest rate swaps	5,058	304	130,400
Derivatives:			
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-Sep-24 US\$ '000	Unaudited 30-Sep-25 US\$ '000		Unaudited 30-Sep-25 RO '000	Unaudited 30-Sep-24 RO '000	Audited 31-Dec-24 RO '000
332,943	316,910	373,358	Financial guarantees	143,743	122,010	128,183
160,099	143,857	154,584	Letters of credit	59,515	55,385	61,638
126,787	196,117	311,117	Loan commitments	119,780	75,505	48,813
11,653	7,309	5,682	Capital commitments	2,188	2,814	4,486
631,482	664,193	844,741		325,226	255,714	243,120

21. ASSETS AND LIABILITIES MATURITY

As at 30 September 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	1,123,457	326,588	1,037,547	1,487,802	3,975,394
Liabilities and equity	(837,921)	(1,295,681)	(571,397)	(1,270,395)	(3,975,394)
Net liquidity gap	285,536	(969,093)	466,150	217,407	-
Net liquidity gap in US\$ '000	741,652	(2,517,125)	1,210,779	564,694	-

As at 30 September 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	1,085,581	250,199	629,122	1,503,888	3,468,790
Liabilities and equity	(814,691)	(907,699)	(590,143)	(1,156,257)	(3,468,790)
Net liquidity gap	270,890	(657,500)	38,979	347,631	-
Net liquidity gap in US\$ '000	703,609	(1,707,791)	101,244	902,938	-
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 30 October 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: 13.5% including capital conservation buffer of 2.5%). The capital adequacy ratio working is as follows:

The following table sets out the capital adequacy position

	Unaudited 30-Sep-25 RO '000	Unaudited 30-Sep-24 RO '000	Audited 31-Dec-24 RO '000
Common Equity Tier 1 (CET1)	372,496	332,581	334,090
Additional Tier 1	190,884	179,366	179,366
Tier 1	563,380	511,947	513,456
Tier 2	6,536	8,060	7,752
Total regulatory capital	569,916	520,007	521,208
Risk weighted assets			
Credit risk	3,045,829	2,911,355	3,024,407
Market risk	203,928	144,382	189,824
Operational risk	185,130	174,724	174,724
Total risk weighted assets	3,434,887	3,230,461	3,388,955
Capital adequacy ratio			
CET1 capital expressed as a percentage of total risk-weighted assets	10.84%	10.30%	9.86%
Total tier I capital expressed as a percentage of total risk-weighted assets	16.40%	15.85%	15.15%
Tier II capital expressed as a percentage of total risk-weighted assets	0.19%	0.25%	0.23%
Total regulatory capital expressed as a percentage of total risk-weighted assets	16.59%	16.10%	15.38%

	Unaudited 30-Sep-25 US\$ '000	Unaudited 30-Sep-24 US\$ '000	Audited 31-Dec-24 US\$ '000
Common Equity Tier 1 (CET1)	967,522	863,847	867,767
Additional Tier 1	495,803	465,886	465,886
Tier 1	1,463,325	1,329,733	1,333,653
Tier 2	16,978	20,934	20,134
Total regulatory capital	1,480,303	1,350,667	1,353,787
Risk weighted assets			
Credit risk	7,911,244	7,561,961	7,855,604
Market risk	529,683	375,019	493,050
Operational risk	480,857	453,828	453,828
Total risk weighted assets	8,921,784	8,390,808	8,802,482
Capital adequacy ratio			
CET1 capital expressed as a percentage of total risk-weighted assets	10.84%	10.30%	9.86%
Total tier I capital expressed as a percentage of total risk-weighted assets	16.40%	15.85%	15.15%
Tier II capital expressed as a percentage of total risk-weighted assets	0.19%	0.25%	0.23%
Total regulatory capital expressed as a percentage of total risk-weighted assets	16.59%	16.10%	15.38%

23. COMPARATIVE FIGURES

Corresponding figures have been rearranged and reclassified in order to conform with the presentation for the current period for the purpose of comparison and for better presentation.