



**Unaudited interim condensed financial statements
For the nine-month period ended 30 September 2025**

Registered office and principal place of business:

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Bank Al Markazi street
Post Box 1507, Ruwi
Postal Code 112
Sultanate of Oman

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BANK DHOFAR S.A.O.G.

THE BOARD OF DIRECTORS' REPORT FOR THE NINE MONTHS ENDED

30 September 2025

Dear Shareholders,

On behalf of the Board of Directors of Bank Dhofar S.A.O.G., I am pleased to present Bank's unaudited interim condensed financial statements for the period ended 30 September 2025.

Bank Dhofar SAOG - Financial Highlights

The first three quarters of 2025 marked continued progress in Bank Dhofar's strategic journey toward becoming a truly human-centric and future-ready institution.

The Bank further expanded its physical footprint to nearly 142 branches, establishing itself as the second largest branch network in the country reaffirming its commitment to remain close to customers and communities across Oman. Complementing this reach, the Bank introduced mobile banking vans, making access to banking services more convenient and inclusive, especially for customers in remote areas.

In the wealth management space, the Bank entered into an exclusive partnership with BlackRock, offering customers access to world-class investment solutions a collaboration where local expertise meets global excellence. Similarly, the Bank strengthened its leadership in payments through an exclusive partnership with Mastercard, bringing to market industry-leading credit card solutions tailored to customers' lifestyles, needs, and aspirations across segments.

On the digital front, the Bank launched a new Corporate Internet Banking platform with an intuitive interface and enhanced functionality, enabling businesses to seamlessly manage their daily banking operations without the need to visit branches.

Together, these milestones reflect the Bank's balanced focus on expanding physical reach, deepening partnerships, and enhancing digital experiences all aligned with its vision of delivering accessible, innovative, and human-centric banking.

For the third quarter ended 30 September 2025, the Bank reported a 10.40% growth in operational income, reaching RO 126.40 million, an increase of RO 11.90 million compared to RO 114.50 million recorded during the same period in 2024.

Interest income and income from Islamic financing rose to RO 217.25 million, reflecting a 4.95% increase over the corresponding period last year. Additionally, net fee and other income grew significantly by 35.82%, from RO 27.47 million in Q3 2024 to RO 37.31 million in Q3 2025.

The Bank's operating profit before expected credit losses stood at RO 65.87 million, marking a 14.78% increase from RO 57.39 million reported in the same period of the previous year.

Net profit for the period amounted to RO 36.02 million, up by 7.15% compared to RO 33.62 million in Q3 2024.

Total operating expenses increased by 6%, reaching to RO 60.54 million as against RO 57.12 million reported for prior period. Despite the increase in overall cost, the cost-to-income ratio improved to 47.89%, compared to 49.88% in Q3 2024, reflecting enhanced operational efficiency.

The Bank recognized expected credit losses (net of recoveries) of RO 24.53 million during the period, representing a 31.64% increase compared to RO 18.63 million reported for the same period last year.

As at 30 September 2025, net loans and advances (including Islamic finance receivables) reached to RO 4.24 billion marking a year on year growth of 13.67% from RO 3.73 billion as at 30 September 2024, and an increase by 7.89% from RO 3.93 recorded as at 31 December 2024.

Customer deposits reached to RO 3.96 billion as at 30 September 2025, reflecting a 13.15% increase from RO 3.50 billion reported for the same period last year, and a 5.33% from RO 3.76 billion reported as of 31 December 2024.

Earnings per share (EPS) for the period ended 30 September 2025 stood at RO 0.0088, an increase from RO 0.0080 recorded during the same period of 2024.

Dhofar Islamic - Financial Performance Highlights

Dhofar Islamic reported a positive growth in earning assets, financing, deposits and operating profit over the nine months of year 2025. Gross financing portfolio has increased to RO 835.62 million at 30 September 2025 from RO 733.59 million at 30 September 2024, thus registering a growth of 13.91% over last year. The gross Sukuk investment portfolio has increased from RO 99.39 million at 30 September 2024 to RO 170.47 million at 30 September 2025, reflecting a significant growth of 71.52% over last year.

The total customer deposits reached to RO 821.65 million at 30 September 2025, registering a growth of 17.92% compared to RO 696.80 million at 30 September 2024. The total assets have increased by 17.41% to RO 1,030.06 million as at 30 September 2025 from RO 877.33 million as at 30 September 2024.

Dhofar Islamic income from Financing, Placement and Investment for the period ended 30 September 2025 increased by 10.07% to RO 39.24 million from RO 35.65 million reported during the same period last year. The net profit income (after cost of funds) increased by 23.54% year-on-year reaching to RO 16.69 million during nine-months period ended 30 September 2025, against RO 13.51 million as at 30 September 2024.

Dhofar Islamic total income for the period ended 30 September 2025 stood at RO 22.05 million compared to RO 17.26 million as at 30 September 2024, posting an increase of 27.75%. The administrative cost has increased by 16.23% reaching RO 10.53 million compared to RO 9.06 million last year. Dhofar Islamic posted year to date Operating Profit (before ECL) of RO 11.52 million which is 40.32% above the last year operating profit of RO 8.21 million. Cost to income ratio continues to improve and reduced to 47.76% as at 30 September 2025 from 52.49% during the same period last year.

Dhofar Islamic registered a profit before tax of RO 2.75 million as at 30 September 2025, compared to RO 6.19 million as at 30 September 2024, reflecting a decline of 55.57% over last year. The drop in profit before tax is mainly attributed to the higher ECL charge during the year which stood at RO 8.77 million as at 30 September 2025, compared to RO 2.02 million last year.

Corporate Social Responsibility and Sustainability

In the third quarter of 2025, Bank Dhofar reaffirmed its dedication to social development and environmental stewardship by supporting a series of meaningful Corporate Social Responsibility (CSR) initiatives:

- Al Noor Association for the Blind – Empowering individuals with visual impairments through targeted support.
- Hybrid Car Rental for Dhofar Municipality – Provision of two eco-friendly vehicles for a five-year period to promote sustainable transportation.
- Sultan Qaboos University Student Activities Proposal – Funding student-led initiatives and academic engagement over one year.
- Green Office Program (EFP Oman) – Strategic sustainability partnership aimed at fostering environmentally responsible workplace practices

During the third quarter of 2025, Bank Dhofar advanced its sustainability agenda through a new partnership with EFP Oman to launch an internal recycling initiative, promoting responsible waste management across its operations. The Bank also expanded its hybrid fleet with eight additional vehicles, further reducing emissions and fuel consumption. Complementing these efforts, internal and external awareness campaigns were intensified, alongside a noticeable increase in press coverage highlighting the Bank's environmental initiatives.

These achievements reflect BankDhofar's continued commitment to sustainability, operational efficiency, and community engagement.

Recognitions and Awards

To enhance client experience, Bank Dhofar—an institution renowned for its commitment to innovation and customer satisfaction—continues to deliver comprehensive retail, corporate, and investment banking solutions tailored to evolving market needs. This dedication was recognized through a series of prestigious awards in 2025, underscoring the Bank's leadership and excellence in the financial sector. Notable accolades include:

- Fastest Growing Branch Network Award by World Business Outlook
- Best Bank – MENA 2025 at The Gazet International Awards
- Best Customer Centric Banking Brand – Oman 2025 by Global Brands Magazine (UK)
- Best Customer Experience – 2025 by Global Business and Finance Magazine
- Middle East Technology Excellence Award – Financial Technology 2025

Acknowledgment

On Behalf of the Board, I would like to express my profound appreciation to all stakeholders involved for their patronage and confidence they have reposed in the Bank's Board of Directors and Executive Management., I would like to express my gratitude to Dhofar Islamic's Sharia Supervisory Board for their contribution to the Sharia compliance. I express my gratitude to the Management and Staff for their unwavering and invaluable assistance in guiding the bank towards accomplishing its goals.

The Central Bank of Oman and the Financial Services Authority are also acknowledged by the Board of Directors for their persistent support and direction of Oman's banking and financial industry.

Finally, the Bank's Board of Directors and all of its employees would like to sincerely thank His Majesty Sultan Haitham Bin Tariq for his unwavering support of the economy, which cleared the path for a long-term, sustainable recovery.

Eng. Abdul Hafidh Salim Rajab Al-Ojaili
Chairman

BANK DHOFAR SAOG**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

		Unaudited 30-Sep-2025	Unaudited 30-Sep- 2024	Audited 31-Dec- 2024
	Notes	RO'000	RO'000	RO'000
Assets				
Cash and balances with Central Bank of Oman	5	154,195	129,575	197,174
Investment securities	8	723,261	560,935	648,485
Loans, advances, and financing to banks	6	125,951	218,125	196,479
Loans, advances, and financing to customers (conventional)	7 (a)	3,437,803	3,021,986	3,221,225
Islamic financing receivables	7 (b)	806,272	711,631	712,390
Other assets		89,835	77,301	80,939
Deferred tax assets		474	6,091	364
Property and equipment	10	14,112	9,065	15,404
Intangible assets	9	13,876	12,396	12,587
Total assets		5,365,779	4,747,105	5,085,047
Liabilities				
Due to banks	11	471,853	374,704	438,438
Deposits from customers (conventional)	12	3,141,645	2,805,803	3,066,881
Islamic customers deposits	12	821,646	696,804	695,980
Other liabilities		134,255	117,784	129,924
Tax liabilities		12,193	15,997	11,511
Employee benefit obligations		2,020	1,788	1,882
Subordinated loans	13	31,754	-	-
Total liabilities		4,615,366	4,012,880	4,344,616
Shareholders' equity				
Share capital	14	303,980	299,635	299,635
Share premium		95,656	95,656	95,656
Legal reserve		76,192	71,831	76,192
Special reserve		16,988	16,988	16,988
Special reserve –restructured loans		1,281	1,281	1,281
Special impairment reserve		12,184	12,184	12,184
Special revaluation reserve - investment		(709)	(709)	(709)
Investment revaluation reserve		785	(262)	(2,605)
Cash flow hedge reserve		25	670	645
Retained earnings		88,531	81,451	85,664
Total equity attributable to the equity holders of the Bank		594,913	578,725	584,931
Perpetual Tier 1 Capital Securities		155,500	155,500	155,500
Total equity		750,413	734,225	740,431
Total liabilities and equity		5,365,779	4,747,105	5,085,047
Contingent liabilities and commitments	20	825,289	665,213	718,428
Net assets per share (Rial Omani)	15	0.196	0.193	0.195

The interim condensed financial statements including notes and other explanatory information on pages 10 to 58 were approved by the Board of Directors and signed on their behalf by:

Eng. Abdul Hafidh Salim Rajab Al- Ojaili
Chairman

K. Gopakumar
Acting Chief Executive Officer

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

	Notes	Unaudited 9 months 30-Sep- 2025 RO'000	Unaudited 9 months 30-Sep- 2024 RO'000	Unaudited 3 months 30-Sep- 2025 RO'000	Unaudited 3 months 30-Sep-2024 RO'000
Interest income	16	178,004	171,346	59,993	56,318
Interest expense	17	(105,897)	(98,803)	(36,724)	(34,328)
Net interest income		72,107	72,543	23,269	21,990
Income from Islamic financing / Investments	16	39,244	35,649	13,528	12,160
Unrestricted investment account holders' share of profit and profit expense	17	(22,260)	(21,165)	(7,641)	(7,470)
Net income from Islamic financing and Investment activities		16,984	14,484	5,887	4,690
Fees and commission income	21	32,967	26,935	11,323	9,908
Fees and commission expense	21	(8,728)	(6,818)	(3,252)	(2,551)
Net fees and commission income		24,239	20,117	8,071	7,357
Other operating income		13,074	7,356	4,720	2,307
Operating income		126,404	114,500	41,947	36,344
Staff and administrative costs		(55,392)	(51,842)	(18,149)	(17,586)
Depreciation		(5,147)	(5,272)	(1,695)	(1,762)
Operating expenses		(60,539)	(57,114)	(19,844)	(19,348)
Net Impairment losses on financial assets		(26,802)	(22,406)	(9,064)	(6,940)
Recovery of bad debts written-off		2,644	3,817	735	3,278
Bad debts written off		(372)	(45)	(16)	(45)
Profit from operations after provision		41,335	38,752	13,758	13,289
Income tax expense		(5,315)	(5,137)	(1,403)	(1,792)
Profit for the period		36,020	33,615	12,355	11,497
Other comprehensive income:					
<i>Items that will not be reclassified to Profit and Loss:</i>					
Movement in fair value reserve - FVOCI equity instrument		1,835	269	4,674	835
Realised (loss) / gain FVOCI equity instrument		(27)	(367)	-	116
<i>Items that are or may be reclassified to profit or loss in subsequent periods:</i>					
Movement in fair value reserve - FVOCI debt Instruments		1,555	(473)	560	1,415
Change in fair value of cash flow hedge		(620)	670	(64)	670
Other comprehensive (loss) / income for the period		2,743	99	5,170	3,036
Total comprehensive income for the period		38,763	33,714	17,525	14,533
Earnings per share attributable to equity shareholders of the Bank (basic and diluted) (Rials Omani)	18	0.0088	0.0080	0.0027	0.0024

The accompanying notes on pages 10 to 58 form an integral part of these interim condensed financial statements.

BANK DHOFAR SAOG

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

Notes	Share capital	Share premium	Legal reserve	Special reserve	Special reserve restructured loan	Special impairment reserve	Special revaluation reserve	Cash flow hedge reserve	Investment revaluation reserve	Retained earnings	Total	Perpetual Tier 1 capital securities	Total equity
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balances as at 1 January 2025	299,635	95,656	76,192	16,988	1,281	12,184	(709)	645	(2,605)	85,664	584,931	155,500	740,431
Profit for the period	-	-	-	-	-	-	-	-	-	36,020	36,020	-	36,020
Other comprehensive income for the period:													
Cashflow hedge	-	-	-	-	-	-	-	(620)	-	-	(620)	-	(620)
Net changes of fair value reserve													
FVOCI equity instruments	-	-	-	-	-	-	-	-	1,835	(27)	1,808	-	1,808
FVOCI debt instruments	-	-	-	-	-	-	-	-	1,555	-	1,555	-	1,555
Total comprehensive income for the period	-	-	-	-	-	-	-	(620)	3,390	35,993	38,763	-	38,763
Perpetual Tier 1 capital securities:													
Payment towards perpetual additional Tier 1 coupon	-	-	-	-	-	-	-	-	-	(9,155)	(9,155)	-	(9,155)
Stock dividend	14	4,345	-	-	-	-	-	-	-	(4,345)	-	-	-
Cash dividend	14	-	-	-	-	-	-	-	-	(19,626)	(19,626)	-	(19,626)
Balances as at 30 September 2025	303,980	95,656	76,192	16,988	1,281	12,184	(709)	25	785	88,531	594,913	155,500	750,413

The accompanying notes on pages 10 to 58 form an integral part of these interim condensed financial statements.

BANK DHOFAR SAOG

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025 (CONTINUED)

Notes	Share capital	Share premium	Legal reserve	Special reserve	Special reserve restructured loan	Special impairment reserve	Special revaluation reserve	Cash flow hedge reserve	Investment revaluation reserve	Retained earnings	Total	Perpetual Tier 1 capital securities	Total equity
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balances as at 1 January 2024	299,635	95,656	71,831	16,988	1,281	12,184	(709)	-	(58)	80,646	577,454	155,500	732,954
Profit for the period	-	-	-	-	-	-	-	-	-	33,615	33,615	-	33,615
Other comprehensive income for the period:													
Cashflow hedge	-	-	-	-	-	-	-	670	-	-	670	-	670
Net changes of fair value reserve													
FVOCI equity instruments	-	-	-	-	-	-	-	-	269	(367)	(98)	-	(98)
FVOCI debt instruments	-	-	-	-	-	-	-	-	(473)	-	(473)	-	(473)
Total comprehensive income for the period	-	-	-	-	-	-	-	670	(204)	33,248	33,714	-	33,714
Perpetual Tier 1 capital securities:													
Payment towards perpetual additional Tier 1 coupon	-	-	-	-	-	-	-	-	-	(9,221)	(9,221)	-	(9,221)
Dividend	14	-	-	-	-	-	-	-	-	(23,222)	(23,222)	-	(23,222)
Balances as at 30 September 2024	299,635	95,656	71,831	16,988	1,281	12,184	(709)	670	(262)	81,451	578,725	155,500	734,225

The accompanying notes on pages 10 to 58 form an integral part of these interim condensed financial statements.

BANK DHOFAR SAOG

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025 (CONTINUED)

Notes	Share capital	Share premium	Legal reserve	Special reserve	Special reserve restructured loan	Special impairment reserve	Special revaluation reserve	Cash flow hedge reserve	Investment revaluation reserve	Retained earnings	Total	Perpetual Tier 1 capital securities	Total equity
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balances as at 1 January 2024	299,635	95,656	71,831	16,988	1,281	12,184	(709)	-	(58)	80,646	577,454	155,500	732,954
Profit for the period	-	-	-	-	-	-	-	-	-	43,609	43,609	-	43,609
Other comprehensive income for the period:													
Net changes of fair value reserve													
FVOCI equity instruments	-	-	-	-	-	-	-	645	(832)	(383)	(570)	-	(570)
FVOCI debt instruments	-	-	-	-	-	-	-	-	(1,715)	-	(1,715)	-	(1,715)
Total comprehensive income for the period	-	-	-	-	-	-	-	645	(2,547)	43,226	41,324	-	41,324
Transfer to legal reserve	-	-	4,361	-	-	-	-	-	-	(4,361)	-	-	-
Perpetual Tier 1 capital securities:													
Payment towards perpetual additional Tier 1 coupon	-	-	-	-	-	-	-	-	-	(10,625)	(10,625)	-	(10,625)
Dividend	14	-	-	-	-	-	-	-	-	(23,222)	(23,222)	-	(23,222)
Balances as at 31 December 2024	299,635	95,656	76,192	16,988	1,281	12,184	(709)	645	(2,605)	85,664	584,931	155,500	740,431

The accompanying notes on pages 10 to 58 form an integral part of these interim condensed financial statements

**INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep-2024 RO'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	41,335	38,752
<i>Adjustment for:</i>		
Depreciation, amortization and impairment	5,147	5,272
Net impairment on financial assets and recovery of bad debts written off	24,530	18,634
Dividend income	(4,430)	(511)
End of service provision for the period	358	282
(Gain) on disposal of property and equipment	-	(62)
Operating profit before operating assets and liabilities changes	66,940	62,367
<i>Net increase/(decrease) in:</i>		
Due to banks	33,415	(131,212)
Loans, advances and financing to banks	19,633	(37,636)
Loans & advances and financing to customers	(334,990)	13,333
Other assets	(9,302)	3,277
Customer deposits	200,430	203,384
Other liabilities	23,045	(12,251)
Cash generated from / (used in) operations before tax and end of service benefits	(829)	101,262
Taxes paid	(4,633)	(4,731)
End of service benefits paid	(220)	(233)
Net cash generated from / (used in) operating activities	(5,682)	96,298
CASH FLOW FROM INVESTING ACTIVITIES		
Net movement in investment securities	(71,413)	(101,662)
Dividend received investment securities	4,430	511
Sale proceeds of property	-	62
Purchase of property, equipment and intangible assets	(5,144)	(5,793)
Acquisition consideration in cash	(18,784)	-
Net cash generated from / (used in) investing activities	(90,911)	(106,882)
CASH FLOW FROM FINANCING ACTIVITIES		
Subordinated loan	31,000	-
Dividend Paid	(19,626)	(23,222)
Payment of AT1 coupon cost	(9,155)	(9,221)
Net cash generated from / (used in) financing activities	2,219	(32,443)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(94,374)	(43,027)
Cash and cash equivalents at beginning of the year	324,808	265,401
Cash and cash equivalents at end of the period	230,434	222,374
<i>Cash and cash equivalent comprise of:</i>		
Cash and balances with Central Bank of Oman	154,195	129,575
Capital deposit with Central Bank of Oman	(1,000)	(500)
Due from banks with a short-term maturity of 3 months or less	77,239	93,299
	230,434	222,374

The accompanying notes on pages 10 to 58 form an integral part of these interim condensed financial statements.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025****1. LEGAL STATUS AND PRINCIPAL ACTIVITIES****1.1 Bank Dhofar SAOG**

Bank Dhofar SAOG (the “Bank”) is incorporated in the Sultanate of Oman as a public joint stock company and is principally engaged in corporate, retail and investment banking activities through a network of 142 branches (30 September 2024: 127 branches) which comprises of 30 Islamic branches (30 September 2024: 24 Islamic branches) and 112 conventional branches (30 September 2024: 80 conventional branches). The Bank’s Islamic Banking Window, “Dhofar Islamic” has an allocated capital of RO 70 Million (30 September 2024: RO 70 million) from the core paid up capital of the shareholders. The Bank has a primary listing of its ordinary shares on the Muscat Stock Exchange (“MSX”), and the Bank’s Additional Tier I Perpetual Bonds are listed on the Muscat Stock Exchange (“MSX”). The Bank’s principal place of business is its Head Office located at Central Business District (“CBD”), Muscat, Sultanate of Oman.

The Bank employed 1,779 employees as of 30 September 2025 (30 September 2024: 1,736 employees).

1.2 Acquisition of the assets and liabilities of Bank of Baroda (BoB) Oman Branch

The acquisition of the assets and liabilities of Bank of Baroda (BoB) Oman Branch was completed as of 1 April 2025 (acquisition date). The acquisition resulted in all of BoB Oman branch rights, obligations, assets (including contracts and employees) and liabilities transferring to the bank by operation of law (as a going concern). The shareholders of BoB Oman Branch received their full consideration for the acquisition of the assets and liabilities, in the form of cash, in accordance with the terms of the business transfer agreement dated 27 January 2025 (as amended from time to time).

2 BASIS OF PREPARATION**2.1 Statement of compliance and basis of accounting.**

The unaudited interim condensed financial statements for the nine-month 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).

These unaudited interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Bank’s last annual financial statements as at and for the year ended 31 December 2024 (‘the last annual financial statements’).

They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank’s financial position and performance since the last annual financial statements.

2.2 Basis of measurement.

The financial statements have been prepared under the historical cost convention except for derivative financial instruments, financial instruments at fair value through profit or loss (FVTPL) and financial instruments at fair value through other comprehensive income (FVOCI).

2.3 Functional and presentation currency.

The financial statements are presented in Rial Omani (“RO”), which is the Bank’s functional (currency of primary economic environment in which the Bank operates) and presentation currency, rounded to the nearest million unless otherwise stated.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025****2.4 Use of estimates and judgments.**

In preparing these interim condensed financial statements in conformity with IFRSs requires management to make judgements estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments 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.

2.5 Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date i.e. the date from which control is transferred to the Bank. Under this method, identifiable assets and liabilities acquired from the merged entity (BoB Oman Branch) are measured at fair value at the merger date except for non-current assets classified as assets held for sale which are accounted for at fair value less costs to sell. Contingent liabilities of the acquired entity are not recognised in the consolidated balance sheet unless they represent a present obligation on the acquisition date and their fair value can be measured reliably. Transaction costs are recognised in profit and loss as cost are incurred.

The difference between the net fair value of the assets acquired and the total consideration paid can be positive (goodwill) or negative (bargain purchase). Goodwill is recognised in the Bank's balance sheet, while a gain on bargain purchase is recognised in profit or loss immediately.

In accordance with IFRS3, the Bank is in the process of initiating an independent Purchase Price Allocation (PPA) review of the fair values of the identifiable assets and liabilities acquired relative to the total consideration paid to identify any intangible assets, changes in fair values, or other adjustments which have not been identified at the acquisition date and which should be reflected as goodwill or an adjustment to any gain on bargain purchase already recognised. The Bank may recognise such adjustments within 12 months of the merger date.

3 Standards effective from 1 January 2025.

A number of new or amended standards became applicable for the current reporting period. The Bank did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

4 Standards issued but not yet effective.

A number of new standards and amendments have been issued by the International Accounting Standards Board (IASB) but are not yet mandatory for the period beginning 1 January 2025. The Bank is evaluating the impact on future financial statements, if any, on adopting these pronouncements.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

5. Cash and balances with the Central Bank of Oman

	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep-2024 RO'000	Audited 31-Dec-2024 RO'000
Cash in hand	48,306	41,559	46,628
Balances with the Central Bank of Oman	105,864	69,528	133,219
Placements with the Central Bank of Oman	-	18,486	17,325
Cash held by a custodian	25	2	2
	154,195	129,575	197,174

As at 30 September 2025 cash and balances with Central bank of Oman includes capital deposit amounting to RO 1 million (30 September 2024 - RO 0.5 million and 31 December 2024 – RO 0.5 million). This is not available for day-to-day operations of the Bank and cannot be withdrawn without the Central Bank of Oman approval.

6. Loans, advances and financing to banks (at amortised cost)

	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep-2024 RO'000	Audited 31-Dec-2024 RO'000
Syndicated loans to other banks	44,823	14,861	29,579
Placements with other banks	60,354	176,813	141,800
Current clearing accounts	20,837	26,650	25,193
	126,014	218,324	196,572
Less: impairment allowance	(63)	(199)	(93)
	125,951	218,125	196,479

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances and financing to customers (Conventional and Islamic)

(a) Conventional Banking	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep-2024 RO'000	Audited 31-Dec-2024 RO'000
Loans	3,230,950	2,857,605	3,054,196
Overdraft	150,236	139,484	140,489
Loans against trust receipts	178,052	129,545	140,504
Bills discounted	39,969	45,136	29,869
Advances against credit cards	18,320	15,217	14,379
	<u>3,617,527</u>	<u>3,186,987</u>	<u>3,379,437</u>
Gross Loans, advances and financing to customers	<u>3,617,527</u>	<u>3,186,987</u>	<u>3,379,437</u>
Less: Impairment allowance including reserved interest	<u>(179,724)</u>	<u>(165,001)</u>	<u>(158,212)</u>
	<u><u>3,437,803</u></u>	<u><u>3,021,986</u></u>	<u><u>3,221,225</u></u>
(b) Islamic Banking Window financing	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep-2024 RO'000	Audited 31-Dec-2024 RO'000
Housing finance	252,112	229,134	232,180
Corporate finance	556,328	481,535	479,226
Consumer finance	27,177	22,918	23,788
	<u>835,617</u>	<u>733,587</u>	<u>735,194</u>
Less: Impairment allowance	<u>(29,345)</u>	<u>(21,956)</u>	<u>(22,804)</u>
	<u><u>806,272</u></u>	<u><u>711,631</u></u>	<u><u>712,390</u></u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances, and financing to customers (continued)

(c) The movement in the allowance for expected credit losses is analysed below:

	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep-2024 RO'000	Audited 31-Dec-2024 RO'000
i. Allowance for expected credit losses (Conventional and Islamic)			
1 January	155,805	169,188	169,188
Reclassification of ECL related to accrued interest	-	(1,441)	(1,441)
ECL on acquired asset	399	-	-
Allowance made during the period	33,828	35,553	47,180
Released to the profit or loss during the period	(9,012)	(12,968)	(15,340)
Written off during the period	(5,524)	(30,053)	(43,782)
Balance at the end of the period	<u>175,496</u>	<u>160,279</u>	<u>155,805</u>
ii. Reserved interest			
1 January	25,211	35,023	35,023
Reserved during the period	17,138	16,175	22,784
Recoveries to profit or loss during the period	(8,028)	(12,752)	(15,514)
Written-off during the period	(748)	(11,768)	(17,082)
Balance at the end of the period	<u>33,573</u>	<u>26,678</u>	<u>25,211</u>
Total allowance for expected credit losses	<u>209,069</u>	<u>186,957</u>	<u>181,016</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances and financing to customers; (continued)

(c) The movement in the impairment allowance is analysed below; (continued):

i. Comparison of provision held as per IFRS 9 and required as per CBO norms

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 recognized as per IFRS 9 and reserve interest required as per CBO are given below based on CBO circular BM 1149.

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 loans accounts for regulatory reporting purposes.

As at 30 September 2025

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required 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* (7)=(3)-(4)- (10)	Net Carrying Amount as per IFRS 9 (8) = (3)- (5)	Interest recognised in P&L as per IFRS 9 (9)	Reserve interest as per CBO norms (10)
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)- (10)	(8) = (3)- (5)	(9)	(10)
Standard	Stage 1	3,585,378	45,294	11,260	34,034	3,540,084	3,574,118	-	-
	Stage 2	187,199	1,769	8,215	(6,446)	185,430	178,984	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		3,772,577	47,063	19,475	27,588	3,725,514	3,753,102	-	-
Special Mention	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	463,224	4,336	59,471	(55,135)	450,905	403,753	-	7,983
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		463,224	4,336	59,471	(55,135)	450,905	403,753	-	7,983
Substandard	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	26,221	7,020	10,049	(3,029)	18,670	16,172	-	531
Subtotal		26,221	7,020	10,049	(3,029)	18,670	16,172	-	531
Doubtful	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	22,314	8,575	8,101	474	13,054	14,213	-	685
Subtotal		22,314	8,575	8,101	474	13,054	14,213	-	685
Loss	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	168,808	119,573	78,400	41,173	24,861	90,408	-	24,374
Subtotal		168,808	119,573	78,400	41,173	24,861	90,408	-	24,374
Total loans and advances		4,453,144	186,567	175,496	11,071	4,233,004	4,277,648	-	33,573
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	2,317,271	147	2,724	(2,577)	2,317,124	2,314,547	-	-
	Stage 2	254,876	-	3,935	(3,935)	254,876	250,941	-	-
	Stage 3	2,943	-	1,445	(1,445)	2,943	1,498	-	-
Subtotal		2,575,090	147	8,104	(7,957)	2,574,943	2,566,986	-	-
Total (30 September 2025)	Stage 1	5,902,649	45,441	13,984	31,457	5,857,208	5,888,665	-	-
	Stage 2	905,299	6,105	71,621	(65,516)	891,211	833,678	-	7,983
	Stage 3	220,286	135,168	97,995	37,173	59,528	122,291	-	25,590
	Total	7,028,234	186,714	183,600	3,114	6,807,947	6,844,634	-	33,573

* Net of provision and reserve interest as per CBO norms

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances and financing to customers (continued)

(c) The movement in the impairment allowance is analysed below (continued):

i. Comparison of provision held as per IFRS 9 and required as per CBO norms

As at 30 September 2024

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required 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* (7)=(3)-(4)-(10)	Net Carrying Amount as per IFRS 9 (8) = (3)-(5)	Interest recognised in P&L as per IFRS 9 (9)	Reserve interest as per CBO norms (10)
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)-(10)	(8) = (3)-(5)	(9)	(10)
Standard	Stage 1	3,009,377	38,384	13,416	24,968	2,970,993	2,995,961	-	-
	Stage 2	291,589	3,336	19,431	(16,095)	288,253	272,158	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		3,300,966	41,720	32,847	8,873	3,259,246	3,268,119	-	-
Special Mention	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	416,327	4,929	43,239	(38,310)	407,917	373,088	-	3,481
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		416,327	4,929	43,239	(38,310)	407,917	373,088	-	3,481
Substandard	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	6,195	1,512	1,731	(219)	4,517	4,464	-	166
Subtotal		6,195	1,512	1,731	(219)	4,517	4,464	-	166
Doubtful	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	35,936	11,203	11,518	(315)	23,415	24,418	-	1,318
Subtotal		35,936	11,203	11,518	(315)	23,415	24,418	-	1,318
Loss	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	161,150	113,123	70,944	42,179	26,314	90,206	-	21,713
Subtotal		161,150	113,123	70,944	42,179	26,314	90,206	-	21,713
Total loans and advances		3,920,574	172,487	160,279	12,208	3,721,409	3,760,295	-	26,678
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	2,001,366	179	2,663	(2,484)	2,001,187	1,998,703	-	-
	Stage 2	275,359	-	5,565	(5,565)	275,359	269,794	-	-
	Stage 3	3,919	-	1,601	(1,601)	3,919	2,318	-	-
Subtotal		2,280,644	179	9,829	(9,650)	2,280,465	2,270,815	-	-
Total (30 September 2024)	Stage 1	5,010,743	38,563	16,079	22,484	4,972,180	4,994,664	-	-
	Stage 2	983,275	8,265	68,235	(59,970)	971,529	915,040	-	3,481
	Stage 3	207,200	125,838	85,794	40,044	58,165	121,406	-	23,197
Total		6,201,218	172,666	170,108	2,558	6,001,874	6,031,110	-	26,678

* Net of provision and reserve interest as per CBO norms

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

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances and financing to customers (continued)

(c) The movement in the impairment allowance is analysed below (continued):

i. Comparison of provision held as per IFRS 9 and required as per CBO norms

As at 31 December 2024

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required 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	Interest recognised in P&L as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)- (10)	(8) = (3)- (5)	(9)	(10)
Standard	Stage 1	3,155,963	43,336	8,910	34,426	3,112,627	3,147,053	-	-
	Stage 2	293,017	2,688	16,183	(13,495)	290,329	276,834	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		3,448,980	46,024	25,093	20,931	3,402,956	3,423,887	-	-
Special Mention	Stage 1	66	1	1	-	65	65	-	-
	Stage 2	473,597	4,489	46,836	(42,347)	464,832	426,761	-	4,276
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		473,663	4,490	46,837	(42,347)	464,897	426,826	-	4,276
Substandard	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	8,376	2,100	2,830	(730)	6,091	5,546	-	185
Subtotal		8,376	2,100	2,830	(730)	6,091	5,546	-	185
Doubtful	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	32,907	10,109	10,788	(679)	21,365	22,119	-	1,433
Subtotal		32,907	10,109	10,788	(679)	21,365	22,119	-	1,433
Loss	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	150,705	105,777	70,257	35,520	25,611	80,448	-	19,317
Subtotal		150,705	105,777	70,257	35,520	25,611	80,448	-	19,317
Total loans and advances		4,114,631	168,500	155,805	12,695	3,920,920	3,958,826	-	25,211
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,996,316	147	2,410	(2,263)	1,996,169	1,993,906	-	-
	Stage 2	306,717	-	2,222	(2,222)	306,717	304,495	-	-
	Stage 3	3,209	-	1,485	(1,485)	3,209	1,724	-	-
Subtotal		2,306,242	147	6,117	(5,970)	2,306,095	2,300,125	-	-
Total (31 December 2024)	Stage 1	5,152,345	43,484	11,321	32,163	5,108,861	5,141,024	-	-
	Stage 2	1,073,331	7,177	65,241	(58,064)	1,061,878	1,008,090	-	4,276
	Stage 3	195,197	117,986	85,360	32,626	56,276	109,837	-	20,935
	Total	6,420,873	168,647	161,922	6,725	6,227,015	6,258,951	-	25,211

* Net of provision and reserve interest as per CBO norms

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

7. Loans, advances and financing to customers (continued)

(d) Restructured Loans

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans, in particular customer finance loans.

At 30 September 2025

(Amounts in RO '000)

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required 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	Interest recognised in P&L as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)- (10)	(8) = (3)- (5)	(9)	(10)
Classified as performing	Stage 1	60,255	627	1,170	(543)	59,626	59,085	-	2
	Stage 2	311,370	2,833	51,192	(48,359)	308,537	260,178	-	-
Subtotal		371,625	3,460	52,362	(48,902)	368,163	319,263	-	2
Classified as non- performing	Stage 3	29,447	18,679	8,774	9,905	8,448	20,673	-	2,320
Sub total		29,447	18,679	8,774	9,905	8,448	20,673	-	2,320
Total (30 September 2025)	Stage 1	60,255	627	1,170	(543)	59,626	59,085	-	2
	Stage 2	311,370	2,833	51,192	(48,359)	308,537	260,178	-	-
	Stage 3	29,447	18,679	8,774	9,905	8,448	20,673	-	2,320
	Total	401,072	22,139	61,136	(38,997)	376,611	339,936	-	2,322

* Net of provision and reserve interest as per CBO norms

As at 30 September 2024

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required 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	Interest recognised in P&L as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)- (10)	(8) = (3)- (5)	(9)	(10)
Classified as performing	Stage 1	90,994	931	1,471	(540)	90,063	89,523	-	-
	Stage 2	287,041	2,821	38,431	(35,610)	284,220	248,610	-	-
Subtotal		378,035	3,752	39,902	(36,150)	374,283	338,133	-	-
Classified as non- performing	Stage 3	25,527	12,717	7,811	4,906	11,349	17,716	-	1,461
Sub total		25,527	12,717	7,811	4,906	11,349	17,716	-	1,461
Total (30 September 2024)	Stage 1	90,994	931	1,471	(540)	90,063	89,523	-	-
	Stage 2	287,041	2,821	38,431	(35,610)	284,220	248,610	-	-
	Stage 3	25,527	12,717	7,811	4,906	11,349	17,716	-	1,461
	Total	403,562	16,469	47,713	(31,244)	385,632	355,849	-	1,461

* Net of provision and reserve interest as per CBO norms

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances, and financing to customers (continued)

(d) Restructured Loans (continued)

At 31 December 2024

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required 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	Interest recognised in P&L as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)- (10)	(8) = (3)- (5)	(9)	(10)
Classified as performing	Stage 1	83,794	864	860	4	82,930	82,934	-	-
	Stage 2	379,872	3,704	41,934	(38,230)	376,168	337,938	-	-
Subtotal		463,666	4,568	42,794	(38,226)	459,098	420,872	-	-
Classified as non- performing	Stage 3	25,458	13,104	6,573	6,531	10,439	18,885	-	1,915
	Sub total	25,458	13,104	6,573	6,531	10,439	18,885	-	1,915
Total (31 December 2024)	Stage 1	83,794	864	860	4	82,930	82,934	-	-
	Stage 2	379,872	3,704	41,934	(38,230)	376,168	337,938	-	-
	Stage 3	25,458	13,104	6,573	6,531	10,439	18,885	-	1,915
	Total	489,124	17,672	49,367	(31,695)	469,537	439,757	-	1,915

* Net of provision and reserve interest as per CBO

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances, and financing to customer (continued)

(e) Comparison of allowance for expected credit losses charges as per IFRS 9 and as per CBO norms

i. Allowance for expected credit losses charge and provisions held

30 September 2025	As per CBO Norms RO'000	As per IFRS 9 RO'000	Difference RO'000
Provisions required as per CBO – BM 977/ held as per IFRS 9 (Note 1)	186,714	183,600	3,114
Gross NPL ratio	4.88%	4.88%	-
Net NPL ratio	1.27%	2.14%	(0.87)%

Gross NPL ratio (Non-performing Loans) is 4.88% and Net NPL ratio is 2.14% based on funded non-performing exposure over funded exposure.

Note 1: Excluding Interest Reserve of RO 25.59 million.

30 September 2024	As per CBO Norms RO'000	As per IFRS 9 RO'000	Difference RO'000
Provisions required as per CBO – BM 977/ held as per IFRS 9 (Note 1)	172,666	170,108	2,558
Gross NPL ratio	5.18%	5.18%	-
Net NPL ratio	1.38%	2.45%	(1.06)%

Gross NPL ratio (Non-performing Loans) are 5.18% and Net NPL ratio is 2.45% based on funded non-performing exposure over funded exposure.

Note 1: Excluding Interest Reserve of RO 23.20 million.

31 December 2024	As per CBO Norms RO'000	As per IFRS 9 RO'000	Difference RO'000
Provisions required as per CBO – BM 977/ held as per IFRS 9 (Note 1)	168,647	161,922	6,725
Gross NPL ratio	4.67%	4.67%	-
Net NPL ratio	1.29%	2.12%	(0.83) %

Gross NPL ratio (Non-performing Loans) are 4.67% and Net NPL ratio is 2.12% based on funded non-performing exposure over funded exposure.

Note 1: Excluding Interest Reserve of RO 20.94 million.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances, and financing to customers (continued)

(f) Stage wise exposure, allowance for expected credit losses and net exposures

The following table discloses the stage-wise gross exposure, impairment, and net exposure of only those financial assets that are tested for impairment under IFRS 9 as at, 30 September 2025:

Gross exposure	Stage 1	Stage 2	Stage 3	Total
Central Bank balances	105,864			105,864
Cash held by a custodian	25			25
Due from Banks	126,014	-		126,014
Sovereign	481,001			481,001
Investment Securities at amortized cost	37,014			37,014
Investment Securities at FVOCI	89,006	10,000		99,006
Loans and advances	3,585,378	650,423	217,343	4,453,144
Acceptances	30,551	3,635	-	34,186
Total funded gross exposure	4,454,853	664,058	217,343	5,336,254
Letters of credit/guarantee	729,937	92,409	2,943	825,289
Loan commitment / unutilized limits	717,859	148,832	-	866,691
Total non-funded gross exposure	1,447,796	241,241	2,943	1,691,980
Total gross exposure	5,902,649	905,299	220,286	7,028,234
Allowance for expected credit losses				
Due from Banks	63	-	-	63
Investment Securities at FVOCI	176	2,077	-	2,253
Loans and advances	11,260	67,686	96,550	175,496
Acceptances	4	1	-	5
Total funded impairment	11,503	69,764	96,550	177,817
Letters of credit/guarantee	951	1,286	1,445	3,682
Loan commitment/unutilized limits	1,530	571	-	2,101
Total non-funded impairment	2,481	1,857	1,445	5,783
Total impairment	13,984	71,621	97,995	183,600
Net exposure				
Central Bank balances	105,864	-	-	105,864
Cash held by a custodian	25	-	-	25
Due from Banks	125,951	-	-	125,951
Sovereign	481,001	-	-	481,001
Investment Securities at amortized Cost	37,014	-	-	37,014
Investment Securities at FVOCI	88,830	7,923	-	96,753
Loans and advances	3,574,118	582,737	120,793	4,277,648
Acceptances	30,547	3,634	-	34,181
Total funded net exposure	4,443,350	594,294	120,793	5,158,437
Letter of credit/guarantee	728,986	91,123	1,498	821,607
Loan commitment / unutilized limits	716,329	148,261	-	864,590
Total net non-funded exposure	1,445,315	239,384	1,498	1,686,197
Total net exposure	5,888,665	833,678	122,291	6,844,634

Gross exposure of loans and advances of RO 217.34 million under stage 3 includes reserved interest of RO 25.59 million.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances, and financing to customers (continued)

(f) Stage wise exposure, allowance for expected credit losses and net exposures (continued)

	Stage 1	Stage 2	Stage 3	RO'000 Total
Opening Balance – as at 1 January 2025				
Due from banks	93	-	-	93
Loans and advances to customers	8,707	63,223	83,875	155,805
Investment securities at FVOCI (Debt)	240	-	-	240
Loan commitments and financial guarantees	1,045	1,146	1,484	3,675
Acceptances	439	2	-	441
Unutilised	797	870	1	1,668
Total	11,321	65,241	85,360	161,922
Net transfer between stages				
Loans and advances to customers	7,107	(6,452)	(655)	-
Investment securities at FVOCI (Debt)	(87)	87	-	-
Loan commitments and financial guarantees	76	250	(326)	-
Unutilised	(13)	13	-	-
Total	7,083	(6,102)	(981)	-
Charge for the Period (net)				
Due from banks	(30)	-	-	(30)
Loans and advances to customers	(4,953)	10,915	18,854	24,816
Investment securities at FVOCI (Debt)	23	1,990	-	2,013
Loan commitments and financial guarantees	(170)	(110)	287	7
Acceptances	(435)	(1)	-	(436)
Unutilised	746	(312)	(1)	433
Adjustment	(1)	-	-	(1)
Total net of recovery	(4,820)	12,482	19,140	26,802
ECL on acquired asset	399	-	-	399
Written-off	-	-	(5,524)	(5,524)
Closing Balance – as at 30 September 2025				
- Due from banks	63	-	-	63
- Loans and advances to customers	11,260	67,686	96,550	175,496
- Investment securities at FVOCI (Debt)	176	2,077	-	2,253
- Loan commitments and financial guarantees	951	1,286	1,445	3,682
- Acceptances	4	1	-	5
- Unutilised	1,530	571	-	2,101
Total expected credit losses	13,984	71,621	97,995	183,600

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances, and financing to customers (continued)

(f) Stage wise exposure, allowance for expected credit losses and net exposures (continued)

The following table discloses the stage-wise gross exposure, impairment and net exposure of only those financial assets that are tested for impairment under IFRS 9 as at, 30 September 2024:

Gross exposure	Stage 1	Stage 2	Stage 3	Total
Central Bank balances	88,014	-	-	88,014
Cash held by a custodian	2	-	-	2
Due from Banks	218,324	-	-	218,324
Sovereign	451,121	-	-	451,121
Investment Securities at amortized cost	15,466	-	-	15,466
Investment Securities at FVOCI	29,462	-	-	29,462
Loans and advances	3,009,377	707,916	203,281	3,920,574
Acceptances	38,045	6,509	-	44,554
Total funded gross exposure	3,849,811	714,425	203,281	4,767,517
Letters of credit/guarantee	566,671	94,623	3,919	665,213
Loan commitment / unutilized limits	594,261	174,227	-	768,488
Total non-funded gross exposure	1,160,932	268,850	3,919	1,433,701
Total gross exposure	5,010,743	983,275	207,200	6,201,218
Allowance for expected credit losses				
Due from Banks	199	-	-	199
Investment Securities at FVOCI	86	-	-	86
Loans and advances	13,416	62,670	84,193	160,279
Acceptances	14	10	-	24
Total funded impairment	13,715	62,680	84,193	160,588
Letters of credit/guarantee	1,720	4,501	1,601	7,822
Loan commitment/unutilized limits	644	1,054	-	1,698
Total non-funded impairment	2,364	5,555	1,601	9,520
Total impairment	16,079	68,235	85,794	170,108
Net exposure				
Central Bank balances	88,014	-	-	88,014
Cash held by a custodian	2	-	-	2
Due from Banks	218,125	-	-	218,125
Sovereign	451,121	-	-	451,121
Investment Securities at amortized Cost	15,466	-	-	15,466
Investment Securities at FVOCI	29,376	-	-	29,376
Loans and advances	2,995,961	645,246	119,088	3,760,295
Acceptances	38,031	6,499	-	44,530
Total funded net exposure	3,836,096	651,745	119,088	4,606,929
Letter of credit/guarantee	564,951	90,122	2,318	657,391
Loan commitment / unutilized limits	593,617	173,173	-	766,790
Total net non-funded exposure	1,158,568	263,295	2,318	1,424,181
Total net exposure	4,994,664	915,040	121,406	6,031,110

Gross exposure of loans and advances of RO 203.28 million under stage 3 includes reserved interest of RO 26.68 million.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances and financing to customers (continued)

(f) Stage wise exposure, allowance for expected credit losses and net exposures (continued)

	Stage 1	Stage 2	Stage 3	RO'000 Total
Opening Balance – as at 1 January 2024				
Due from banks	444	-	-	444
Loans and advances to customers	12,986	56,042	98,719	167,747
Investment securities at FVOCI (Debt)	45	-	-	45
Loan commitments and financial guarantees	1,422	4,360	1,441	7,223
Acceptances	23	12	-	35
Unutilised	1,448	838	1	2,287
Total	16,368	61,252	100,161	177,781
Net transfer between stages				
Loans and advances to customers	2,672	(3,672)	1,000	-
Loan commitments and financial guarantees	1,125	(1,125)	-	-
Unutilised	21	(21)	-	-
Total	3,818	(4,818)	1,000	-
Charge for the Period (net)				
Due from banks	(245)	-	-	(245)
Loans and advances to customers	(2,242)	10,300	14,527	22,585
Investment securities at FVOCI (Debt)	41	-	-	41
Loan commitments and financial guarantees	(827)	1,292	160	625
Acceptances	(9)	(2)	-	(11)
Unutilised	(825)	237	(1)	(589)
Total net of recovery	(4,107)	11,827	14,686	22,406
Written-off	-	-	(30,053)	(30,053)
Closing Balance – as at 30 September 2024				
Due from banks	199	-	-	199
Loans and advances to customers	13,416	62,670	84,193	160,279
Investment securities at FVOCI (Debt)	86	-	-	86
Loan commitments and financial guarantees	1,720	4,501	1,601	7,822
Acceptances	14	10	-	24
Unutilised	644	1,054	-	1,698
Total expected credit losses	16,079	68,235	85,794	170,108

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances, and financing to customer (continued)

(f) Stage wise exposure, allowance for expected credit losses and net exposures (continued)

The following table discloses the stage-wise gross exposure, impairment, and net exposure of only those financial assets that are tested for impairment under IFRS 9 as at, 31 December 2024:

Gross exposure	Stage 1	Stage 2	Stage 3	Total
Central Bank balances	150,544			150,544
Cash held by a custodian	2	-	-	2
Due from Banks	196,572	-	-	196,572
Sovereign	480,313	-	-	480,313
Investment Securities at amortized cost	35,802	-	-	35,802
Investment Securities at FVOCI	47,761	-	-	47,761
Loans and advances	3,156,029	766,614	191,988	4,114,631
Acceptances	40,514	5,872	-	46,386
Total funded gross exposure	4,107,537	772,486	191,988	5,072,011
Letters of credit/guarantee	626,456	88,763	3,209	718,428
Loan commitment / unutilized limits	418,352	212,082	-	630,434
Total non-funded gross exposure	1,044,808	300,845	3,209	1,348,862
Total gross exposure	5,152,345	1,073,331	195,197	6,420,873
Allowance for expected credit losses				
Due from Banks	93	-	-	93
Investment Securities at FVOCI	240	-	-	240
Loans and advances	8,911	63,019	83,875	155,805
Acceptances	439	2	-	441
Total funded impairment	9,683	63,021	83,875	156,579
Letters of credit/guarantee	838	1,352	1,485	3,675
Loan commitment/unutilized limits	800	868	-	1,668
Total non-funded impairment	1,638	2,220	1,485	5,343
Total impairment	11,321	65,241	85,360	161,922
Net exposure				
Central Bank balances	150,544	-	-	150,544
Cash held by a custodian	2	-	-	2
Due from Banks	196,479	-	-	196,479
Sovereign	480,313	-	-	480,313
Investment Securities at amortized Cost	35,802	-	-	35,802
Investment Securities at FVOCI	47,521	-	-	47,521
Loans and advances	3,147,118	703,595	108,113	3,958,826
Acceptances	40,075	5,870	-	45,945
Total funded net exposure	4,097,854	709,465	108,113	4,915,432
Letter of credit/guarantee	625,618	87,411	1,724	714,753
Loan commitment / unutilized limits	417,552	211,214	-	628,766
Total net non-funded exposure	1,043,170	298,625	1,724	1,343,519
Total net exposure	5,141,024	1,008,090	109,837	6,258,951

Gross exposure of loans and advances of RO 191.99 million under stage 3 includes reserved interest of RO 20.94 million.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances, and financing to customers (continued)

(f) Stage wise exposure, allowance for expected credit losses and net exposures (continued)

	Stage 1	Stage 2	Stage 3	RO'000 Total
Opening Balance – as at 1 January 2024				
Due from banks	444	-	-	444
Loans and advances to customers	12,986	56,042	98,719	167,747
Investment securities at FVOCI (Debt)	45	-	-	45
Loan commitments and financial guarantees	1,422	4,360	1,441	7,223
Acceptance	23	12	-	35
Unutilised	1,448	838	1	2,287
Total	16,368	61,252	100,161	177,781
Net transfer between stages				
Loans and advances to customers	2,533	(4,098)	1,565	-
Loan commitments and financial guarantees	1,207	(1,209)	2	-
Unutilised	18	(18)	-	-
Total	3,758	(5,325)	1,567	-
Charge for the Period (net)				
Due from banks	(351)	-	-	(351)
Loans and advances to customers	(6,812)	11,279	27,373	31,840
Investment securities at FVOCI (Debt)	195	-	-	195
Loan commitments and financial guarantees	(1,584)	(2,005)	41	(3,548)
Acceptance	416	(10)	-	406
Unutilised	(669)	50	-	(619)
Total net of recovery	(8,805)	9,314	27,414	27,923
Written-off	-	-	(43,782)	(43,782)
Closing Balance – as at 31 December 2024				
Due from banks	93	-	-	93
Loans and advances to customers	8,707	63,223	83,875	155,805
Investment securities at FVOCI (Debt)	240	-	-	240
Loan commitments and financial guarantees	1,045	1,146	1,484	3,675
Acceptances	439	2	-	441
Unutilised	797	870	1	1,668
Total expected credit loss	11,321	65,241	85,360	161,922

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances, and financing to customers (continued)

(g) Reconciliation of financial assets and liabilities

30 September 2025	Notes	Designated as at FVTPL RO'000	FVOCI – equity instruments RO'000	FVOCI – debt instruments RO'000	Amortised cost RO'000	Total carrying amount RO'000
Cash and balances with CBO	5	-	-	-	154,195	154,195
Loans and advances to banks	6	-	-	-	125,951	125,951
Loans and advances to customers	7	-	-	-	4,244,075	4,244,075
Investment securities	8	7,390	101,103	194,854	419,914	723,261
Other assets		2,205	-	-	80,059	82,264
		<u>9,595</u>	<u>101,103</u>	<u>194,854</u>	<u>5,024,194</u>	<u>5,329,746</u>
Due to banks	11	-	-	-	471,853	471,853
Deposits from customers	12	-	-	-	3,963,291	3,963,291
Subordinated liabilities	13	-	-	-	31,754	31,754
Other liabilities		1,024	-	-	135,251	136,275
		<u>1,024</u>	<u>-</u>	<u>-</u>	<u>4,602,149</u>	<u>4,603,173</u>
30 September 2024	Notes	Designated as at FVTPL RO'000	FVOCI – equity instruments RO'000	FVOCI – debit instruments RO'000	Amortised cost RO'000	Total carrying amount RO'000
Cash and balances with CBO	5	-	-	-	129,575	129,575
Loans and advances to banks	6	-	-	-	218,125	218,125
Loans and advances to customers	7	-	-	-	3,733,617	3,733,617
Investment securities	8	1,767	63,204	126,953	369,011	560,935
Other assets		4,750	-	-	66,770	71,520
		<u>6,517</u>	<u>63,204</u>	<u>126,953</u>	<u>4,517,098</u>	<u>4,713,772</u>
Due to banks	11	-	-	-	374,704	374,704
Deposits from customers	12	-	-	-	3,502,607	3,502,607
Other liabilities		3,086	-	-	116,486	119,572
		<u>3,086</u>	<u>-</u>	<u>-</u>	<u>3,993,797</u>	<u>3,996,883</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

7. Loans, advances, and financing to customers *(continued)*

(g) Reconciliation of financial assets and liabilities *(continued)*

31 December 2024	Notes	Designated as at FVTPL RO'000	FVOCI – equity instruments RO'000	FVOCI – debt instruments RO'000	Amortised cost RO'000	Total carrying amount RO'000
Cash and balances with CBO	5	-	-	-	197,174	197,174
Loans and advances to banks	6	-	-	-	196,479	196,479
Loans and advances to customers	7	-	-	-	3,933,615	3,933,615
Investment securities	8	2,370	82,479	143,587	420,049	648,485
Other assets		6,095	-	-	69,742	75,837
		<u>8,465</u>	<u>82,479</u>	<u>143,587</u>	<u>4,817,059</u>	<u>5,051,590</u>
Due to banks	11	-	-	-	438,438	438,438
Deposits from customers	12	-	-	-	3,762,861	3,762,861
Other liabilities		4,469	-	-	127,337	131,806
		<u>4,469</u>	<u>-</u>	<u>-</u>	<u>4,328,636</u>	<u>4,333,105</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

8. Investment's securities

	Unaudited 30-Sep-25 RO'000	Unaudited 30-Sep-24 RO'000	Audited 31-Dec-24 RO'000
Equity investments:			
Measured at FVTPL	7,390	1,767	2,370
Measured at FVOCI	<u>101,103</u>	<u>63,204</u>	<u>82,479</u>
Gross equity investments	<u>108,493</u>	<u>64,971</u>	<u>84,849</u>
Debt investments:			
Measured at FVOCI	197,107	127,039	143,827
Measured at amortized cost	<u>419,914</u>	<u>369,011</u>	<u>420,049</u>
Gross debt investments	<u>617,021</u>	<u>496,050</u>	<u>563,876</u>
Total investment securities	725,514	561,021	648,725
Less: Impairment loss allowance	<u>(2,253)</u>	<u>(86)</u>	<u>(240)</u>
Total investment securities	<u>723,261</u>	<u>560,935</u>	<u>648,485</u>
	Unaudited 30-Sep-25 RO'000	Unaudited 30-Sep-24 RO'000	Audited 31-Dec-24 RO'000
Investment securities measured as at FVTPL	7,390	1,767	2,370
Investment securities measured at FVOCI	295,957	190,157	226,066
Debt investments measured at amortised cost	<u>419,914</u>	<u>369,011</u>	<u>420,049</u>
	<u>723,261</u>	<u>560,935</u>	<u>648,485</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

8. Investment securities (continued)

8.1 Categories of investments by measurement

30 September 2025	Designated at FVTPL RO'000	FVOCI RO'000	Amortized cost RO'000	Total RO'000
Quoted Equities:				
Foreign securities	-	34,436		34,436
Other services sector	-	2,382		2,382
Unit funds	6,614	-		6,614
Financial services sector	-	13,290		13,290
Industrial sector	-	50,243		50,243
	<u>6,614</u>	<u>100,351</u>	<u>-</u>	<u>106,965</u>
Unquoted Equities:				
Local securities	776	752	-	1,528
Unit funds	-	-	-	-
	<u>776</u>	<u>752</u>	<u>-</u>	<u>1,528</u>
Gross Equity investments	<u>7,390</u>	<u>101,103</u>	<u>-</u>	<u>108,493</u>
Quoted Debt:				
Government Bonds and Sukuk	-	98,101	309,900	408,001
Foreign Bonds	-	4,351	10,554	14,905
Local Bonds and Sukuks	-	32,690	26,460	59,150
	<u>-</u>	<u>135,142</u>	<u>346,914</u>	<u>482,056</u>
Unquoted Equities:				
Treasury Bills	-		73,000	73,000
Foreign bonds	-	61,965		61,965
	<u>-</u>	<u>61,965</u>	<u>73,000</u>	<u>134,965</u>
Gross debt investments	<u>-</u>	<u>197,107</u>	<u>419,914</u>	<u>617,021</u>
Total Investment Securities	<u>7,390</u>	<u>298,210</u>	<u>419,914</u>	<u>725,514</u>
Less: Impairment losses on investments	<u>-</u>	<u>(2,253)</u>	<u>-</u>	<u>(2,253)</u>
	<u>7,390</u>	<u>295,957</u>	<u>419,914</u>	<u>723,261</u>

The movements in investment securities are summarised as follows:

	FVOCI Debt instruments RO 000's	FVOCI Equity investment RO 000's	Amortised cost RO 000's	FVTPL RO 000's	Total RO 000's
At 1 January 2025	143,609	82,457	420,049	2,370	648,485
Additions	98,553	17,193	135,331	5,385	256,462
Disposals and redemption	(51,112)	(836)	(135,965)	(527)	(188,440)
Gain /(loss) from change in fair value	1,555	1,808	-	162	3,525
Amortisation of discount and premium	14	42	291	-	347
Movement in interest accrued	4,488	439	208	-	5,135
Total	197,107	101,103	419,914	7,390	725,514
Less: Impairment losses on investments	(2,223)	(30)	-	-	(2,253)
At 30 September 2025	194,884	101,073	419,914	7,390	723,261

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

8. Investment securities (continued)

8.1 Categories of investments by measurement (continued)

30 September 2024	Designated at FVTPL RO'000	FVOCI RO'000	Amortized cost RO'000	Total RO'000
Quoted Equities:				
Other services sector	-	33,237	-	33,237
Foreign security	-	2,173	-	2,173
Units funds	1,006	-	-	1,006
Financial services sector	-	12,433	-	12,433
Industrial sector	-	10,695	-	10,695
	<u>1,006</u>	<u>58,538</u>	<u>-</u>	<u>59,544</u>
Unquoted Equities:				
Local securities	761	4,667	-	5,428
Unit funds	-	-	-	-
	<u>761</u>	<u>4,667</u>	<u>-</u>	<u>5,428</u>
Gross Equity investments	<u>1,767</u>	<u>63,205</u>	<u>-</u>	<u>64,972</u>
Quoted Debt:				
Government Bonds and Sukuk	-	97,576	311,145	408,721
Foreign Bonds	-	-	5,253	5,253
Local Bonds and Sukuks	-	29,462	10,213	39,675
Treasury Bills	-	-	42,400	42,400
Gross debt investments	<u>-</u>	<u>127,038</u>	<u>369,011</u>	<u>496,049</u>
Total Investment Securities	<u>1,767</u>	<u>190,243</u>	<u>369,011</u>	<u>561,021</u>
Less: Impairment losses on investments	<u>-</u>	<u>(86)</u>	<u>-</u>	<u>(86)</u>
	<u>1,767</u>	<u>190,157</u>	<u>369,011</u>	<u>560,935</u>

The movements in investment securities are summarised as follows:

	FVOCI Debt instruments RO 000's	FVOCI Equity investment RO 000's	Amortised cost RO 000's	FVTPL RO 000's	Total RO 000's
At 1 January 2024	123,420	45,143	290,159	755	459,477
Additions	10,000	19,513	116,877	1,018	147,408
Disposals and redemption	(2,554)	(2,206)	(38,331)	(18)	(43,109)
Gain /(loss) from change in fair value	(846)	270	-	12	(564)
Amortisation of discount and premium	(6,414)	42	254	-	(6,118)
Movement in Interest Accrued	3,433	442	52	-	3,927
Total	<u>127,039</u>	<u>63,204</u>	<u>369,011</u>	<u>1,767</u>	<u>561,021</u>
Less: Impairment losses on investments	<u>(68)</u>	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>(86)</u>
At 30 September 2024	<u>126,971</u>	<u>63,186</u>	<u>369,011</u>	<u>1,767</u>	<u>560,935</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

8. Investment securities (continued)

8.1 Categories of investments by measurement (continued)

31 December 2024	Designated at FVTPL RO'000	FVOCI RO'000	Amortized cost RO'000	Total RO'000
Quoted Equities:				
Foreign securities	-	33,337	-	33,337
Other services sector	-	2,070	-	2,070
Unit funds	1,602	-	-	1,602
Financial services sector	-	13,098	-	13,098
Industrial sector	-	29,263	-	29,263
	<u>1,602</u>	<u>77,768</u>	<u>-</u>	<u>79,370</u>
Unquoted Equities:				
Local securities	768	4,711	-	5,479
Unit funds	-	-	-	-
	<u>768</u>	<u>4,711</u>	<u>-</u>	<u>5,479</u>
Gross Equity investments	<u>2,370</u>	<u>82,479</u>	<u>-</u>	<u>84,849</u>
Quoted Debt:				
Government Bonds and Sukuk	-	96,066	335,907	431,973
Foreign Bonds	-	-	5,334	5,334
Local Bonds and Sukuks	-	29,229	30,468	59,697
	<u>-</u>	<u>125,295</u>	<u>371,709</u>	<u>497,004</u>
Unquoted Equities:				
Treasury Bills	-	-	48,340	48,340
Foreign bonds	-	18,532	-	18,532
	<u>-</u>	<u>18,532</u>	<u>48,340</u>	<u>66,872</u>
Gross debt investments	<u>-</u>	<u>143,827</u>	<u>420,049</u>	<u>563,876</u>
Total Investment Securities	2,370	226,306	420,049	648,725
Less: Impairment losses on investments	-	(240)	-	(240)
	<u>2,370</u>	<u>226,066</u>	<u>420,049</u>	<u>648,485</u>

The movements in investment securities are summarised as follows:

	FVOCI Debt instruments RO 000's	FVOCI Equity investment RO 000's	Amortised cost RO 000's	FVTPL RO 000's	Total RO 000's
At 1 January 2024	123,420	45,143	290,159	755	459,477
Additions	48,539	40,011	203,305	1,601	293,456
Disposals and redemption	(24,383)	(2,483)	(73,869)	(18)	(100,753)
Gain /(loss) from change in fair value	(1,715)	(832)	-	32	(2,515)
Amortisation of discount and premium	(6,742)	57	333	-	(6,352)
Movement in interest accrued	4,708	583	121	-	5,412
Total	<u>143,827</u>	<u>82,479</u>	<u>420,049</u>	<u>2,370</u>	<u>648,725</u>
Less: Impairment losses on investments	<u>(218)</u>	<u>(22)</u>	<u>-</u>	<u>-</u>	<u>(240)</u>
At 31 December 2024	<u>143,609</u>	<u>82,457</u>	<u>420,049</u>	<u>2,370</u>	<u>648,485</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

9. Intangible assets

	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep-2024 RO'000	Audited 31-Dec-2024 RO'000
Cost			
01-Jan	42,463	39,003	39,003
Additions	3,618	2,513	3,484
Disposals	-	(43)	(24)
	<u>46,081</u>	<u>41,473</u>	<u>42,463</u>
Depreciation			
01-Jan	29,876	26,663	26,663
Charge for the year	2,329	2,420	3,220
Disposals	-	(6)	(7)
	<u>32,205</u>	<u>29,077</u>	<u>29,876</u>
Carrying Value	<u>13,876</u>	<u>12,396</u>	<u>12,587</u>

10. Property and equipment

	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep-2024 RO'000	Audited 31-Dec-2024 RO'000
Conventional	12,682	7,918	14,203
Islamic window	1,430	1,147	1,201
	<u>14,112</u>	<u>9,065</u>	<u>15,404</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

11. Due to banks

	Unaudited	Unaudited	Audited
	30-Sep-2025	30-Sep-2024	31-Dec-2024
	RO'000	RO'000	RO'000
Syndicated Inter bank borrowings	80,512	156,728	122,842
Interbank borrowings	389,420	215,622	313,965
Payable on demand	1,921	2,354	1,631
	471,853	374,704	438,438

At 30 September 2025 Inter Bank borrowings with no single counterparty represented 20% or more of the bank's total inter-bank borrowings (30 September 2024: two banks and 31 December 2024: no banks). The Bank did not had any defaults of principal, interest, or other breaches during the year on its borrowed funds.

12. Deposits from customers

Conventional Banking

	Unaudited	Unaudited	Audited
	30-Sep-2025	30-Sep-2024	31-Dec-2024
	RO'000	RO'000	RO'000
Current accounts	886,873	785,651	995,920
Savings accounts	539,531	454,338	486,194
Time and certificate deposits	1,697,523	1,551,353	1,570,276
Margin accounts	17,718	14,461	14,491
	3,141,645	2,805,803	3,066,881

Islamic Banking

	Unaudited	Unaudited	Audited
	30-Sep-2025	30-Sep-2024	31-Dec-2024
	RO'000	RO'000	RO'000
Current accounts	303,800	246,433	229,022
Savings accounts	129,633	96,954	99,548
Time deposits	378,399	347,797	360,120
Margin accounts	9,814	5,620	7,290
	821,646	696,804	695,980

The current accounts and time deposits include deposits from the Government of the Sultanate of Oman and its entities amounting to RO 1,524.193 billion (30 September 2024 - RO 1.379 billion, 31 December 2024 - RO 1.494 billion).

13. Subordinated loan

In April 2025, the Bank raised RO 31 million unsecured subordinated loan for a tenure of 66 months. This carries fixed interest rate of interest, payable half yearly with principal being repaid on maturity.

	Unaudited	Unaudited	Audited
	30-Sep-2025	30-Sep-2024	31-Dec-2024
	RO'000	RO'000	RO'000
Subordinated loan - RO	31,754	-	-
	31,754	-	-

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

14. Share capital

The authorised share capital consists of 5,000,000,000 ordinary shares of RO 0.100 each (30 September 2024: 5,000,000,000 ordinary shares of RO 0.100 each, 31 December 2024: 5,000,000,000 ordinary shares of RO 0.100 each).

At 30 September 2025, the issued and paid up share capital comprise of 3,039,798,532 ordinary shares of RO 0.100 each (30 September 2024: 2,996,351,436 ordinary shares of RO 0.100 each, 31 December 2024: 2,996,351,436 ordinary shares of RO 0.100 each).

The Board of Directors proposed a total cash dividend of 6.55%, (six and fifty five) baizas per share and stock dividend of 1.45% (one and fourty five) baizas per share , total of RO 23.971 million (2023: 7.75%; RO 23.222 million). The shareholders in the Annual General Meeting held on 23 March 2025, approved the cash dividend of 6.55% and stock dividend of 1.45%

Shareholders

The following shareholders of the Bank own 10% or more of the Bank's share capital: -

	Unaudited 30-Sep-25		Unaudited 30-Sep-24		Audited 31-Dec-24	
	No. of shares	%	No. of shares	%	No. of shares	%
Dhofar International Development and Investment Company SAOG	707,938,873	23.29%	721,757,594	24.09%	720,445,388	24.04%
Eng. Abdul Hafidh Salim Rajab Al Ojaili and his related Companies	759,797,455	24.99%	747,625,653	24.95%	748,937,859	24.99%
Social Protection Fund	303,976,813	10.00%	299,632,147	10.00%	299,912,988	10.01%
Sub Total	1,771,713,141	58.28%	1,769,015,394	59.04%	1,769,296,235	59.05%
Others	1,268,085,391	41.72%	1,227,336,042	40.96%	1,227,055,201	40.95%
Total	3,039,798,532	100.00%	2,996,351,436	100.00%	2,996,351,436	100.00%

The Bank's Islamic Banking Window, "Dhofar Islamic" has an allocated capital of RO 70 million in respect of Islamic Banking Window from the core paid up capital of the Bank as of 30 September 2025 (30 September 2024: RO 70 million, 31 December 2024: RO 70 million)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025****14. Share capital** *(Continued)***Tier 1 RO Securities**

- (a) In October 2022, the Bank issued Perpetual Tier 1 RO Capital Securities (the “Tier 1 RO Securities”), amounting to OMR 115,500,000, denominated in Riyal Omani. This Tier 1 RO Securities is listed on Muscat Stock Exchange.

The Tier 1 RO Securities constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 RO Securities do not have a fixed or final maturity date. They are redeemable by the Bank at its discretion in October 2027 (the “First Call Date”) or on any interest payment date thereafter subject to the prior consent of the regulatory authority.

The Tier 1 RO Securities bear interest on their nominal amount from the issue date to the First Call Date at a fixed annual rate of 6.75%. Thereafter the interest rate will be reset at five-year intervals. Interest will be payable semi-annually in arrears and treated as deduction from equity.

- (b) In December 2023, the Bank issued Perpetual Tier 1 RO Capital Securities (the “Tier 1 RO Securities”), amounting to OMR 40,000,000, denominated in Riyal Omani. This Tier 1 RO Securities is listed on Muscat Stock Exchange.

The Tier 1 RO Securities constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 RO Securities do not have a fixed or final maturity date. They are redeemable by the Bank at its discretion in December 2028 (the “First Call Date”) or on any interest payment date thereafter subject to the prior consent of the regulatory authority.

The Tier 1 RO Securities bear interest on their nominal amount from the issue date to the First Call Date at a fixed annual rate of 7.00%. Thereafter the interest rate will be reset at five-year intervals. Interest will be payable semi-annually in arrears and treated as deduction from equity.

The Bank at its sole discretion may elect not to distribute interest and this is not considered an event of default. If the Bank does not pay interest on the Tier 1 RO Securities, on a scheduled interest payment date (for whatever reason), then the Bank must not make any other distribution or payment on or with respect to its ordinary shares or any of its other Common Equity Tier 1 Instruments or securities, ranking junior to or pari passu with the Tier 1 RO Securities unless and until it has paid one interest payment in full on the Tier 1 RO Securities. The Tier 1 RO Securities also allow the Bank to write-down (in whole or in part) any amounts due to the holders of the Securities in certain circumstances.

These securities form part of Tier 1 Capital of the Bank and comply with Basel III and Central Bank of Oman Regulations (BM-1114).

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

15. Net assets per share

Net assets per share is calculated by dividing the net assets attributable to equity holders of the bank at the period end by the number of shares outstanding at period end as follows:

	Unaudited 30-Sep-2025	Unaudited 30-Sep-2024	Audited 31-Dec-2024
Net assets (RO)	594,913,000	578,725,000	584,931,437
Number of shares outstanding at the end of the period / year	3,039,798,532	2,996,351,436	2,996,351,436
Net assets per share (RO)	0.196	0.193	0.195

16. Interest income/ income from islamic financing and investments

Conventional Banking	Unaudited 9 months 30-Sep-2025	Unaudited 9 months 30-Sep-2024	Unaudited 3 months 30-Sep-2025	Unaudited 3 months 30-Sep-2024
Loans and advances	146,492	144,942	49,350	46,368
Due from banks	13,294	11,341	4,613	4,554
Investments	18,218	15,063	6,030	5,396
Total	178,004	171,346	59,993	56,318

Islamic Banking	Unaudited 9 months 30-Sep-2025 RO'000	Unaudited 9 months 30-Sep-2024 RO'000	Unaudited 3 months 30-Sep-2025 RO'000	Unaudited 3 months 30-Sep-2024 RO'000
Islamic financing receivables	34,431	31,729	11,822	10,777
Islamic due from banks	632	331	217	167
Investments	4,181	3,589	1,489	1,216
Total	39,244	35,649	13,528	12,160

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

17. Interest expense / Unrestricted investment account holder's share of profit and profit expense.

Conventional Banking	Unaudited 9 months 30-Sep- 2025 RO'000	Unaudited 9 months 30-Sep- 2024 RO'000	Unaudited 3 months 30-Sep- 2025 RO'000	Unaudited 3 months 30-Sep- 2024 RO'000
Customers' deposits	(84,220)	(78,950)	(29,594)	(28,123)
Bank borrowings	(21,677)	(19,853)	(7,130)	(6,205)
Total	(105,897)	(98,803)	(36,724)	(34,328)

Islamic Banking	Unaudited 9 months 30-Sep- 2025 RO'000	Unaudited 9 months 30-Sep- 2024 RO'000	Unaudited 3 months 30-Sep- 2025 RO'000	Unaudited 3 months 30-Sep- 2024 RO'000
Customers' deposits	(21,395)	(19,718)	(7,288)	(7,238)
Bank borrowing	(865)	(1,447)	(353)	(232)
Total	(22,260)	(21,165)	(7,641)	(7,470)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

18. Earnings per share (basic and diluted)

The calculation of basic and diluted earnings per share is based on profit for the nine-month period ended 30 September 2025 attributable to ordinary shareholders as follows:

	Unaudited 30-Sep-2025	Unaudited 30-Sep-2024
Profit for the period (RO) ('000)	36,020	33,615
Less: Additional Tier 1 Coupon (RO) ('000)	(9,155)	(9,221)
Profit for the period attributable to equity holders of the Bank (RO) ('000)	26,865	24,394
Weighted average number of shares outstanding during the period	3,039,798,532	3,039,798,532
Earnings per share basic and diluted (RO)	0.0088	0.0080

Earnings per share (basic and diluted) have been derived by dividing the profit for the period attributable to equity holders of the bank after coupon on Tier I capital securities by the weighted average number of shares outstanding during the period. As there are no dilutive potential shares issued by Bank, the diluted earnings per share is identical to the basic earnings per share.

For the purpose of earning per share calculation, the Bank has restated the previous year weighted average number of shares outstanding, to include 1.45% bonus shares and bonus element (43,447,096 shares) in respect of bonus shares issued during the year.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

19. Related parties' transactions

In the ordinary course of business, the Bank conducts certain transactions on mutually agreed terms with its Directors, shareholders and companies over which they are able to exert significant influence. The aggregate amounts of balances with such related parties are as follows:

	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep- 2024 RO'000	Audited 31-Dec- 2024 RO'000
Loans, advances and financing			
Shareholders holding 20% or more interest in the Bank and their related entities	105,518	85,386	111,844
Other related parties	73,071	76,628	86,883
	178,589	162,014	198,727
Subordinated Loan			
Shareholders holding 20% or more interest in the Bank and their related entities	10,243	-	-
Other related parties	15,364	-	-
	25,607	-	-
Deposits and other accounts			
Shareholders holding 20% or more interest in the Bank and their related entities	101,296	101,216	145,712
Other related parties	397,499	449,785	439,375
	498,795	551,001	585,087
Contingent liabilities and commitments			
Shareholders holding 20% or more interest in the Bank and their related entities	5,004	3,496	4,901
Other related parties	5,446	7,012	11,037
	10,450	10,508	15,938
Remuneration paid to Directors			
Chairman			
– remuneration paid	36	36	36
– sitting fees paid	5	4	7
Other Directors			
– remuneration paid	264	264	264
– sitting fees paid	59	52	69
	364	356	376
Other transactions			
Rental payment to related parties	546	530	564
Insurance	2,599	4,040	4,997
Other transactions	417	543	771
Remuneration and fees paid to Sharia' Board of Islamic Banking Window	45	46	53

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

19. Related parties' transactions (continued)

The details of senior member borrowings as per the guidance available in regulatory requirements of Central Bank of Oman are set out as follows:

Senior members

	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep- 2024 RO'000	Audited 31-Dec- 2024 RO'000
(a) Senior members			
Total exposure:			
Direct	178,589	162,014	198,727
Indirect	10,450	10,508	15,938
	189,039	172,522	214,665
Number of members	41	41	41

20. Contingent Liabilities and Commitment

Letters of credit, guarantees and other commitments provided by the Bank to the customers are as follows:

	Unaudited 30-Sep-2025 RO'000	Unaudited 30-Sep-2024 RO'000	Audited 31-Dec-2024 RO'000
Letters of credit	80,055	90,768	76,811
Guarantees and performance bonds	745,234	574,445	641,617
	825,289	665,213	718,428

At 30 September 2025, the Irrevocable unutilised limits towards the loans, advances and financing to customer amount to RO 866.70 million (30 September 2024: RO 768.52 and 31 December 2024: RO 630.43 million).

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

21. Disaggregation of net fees and commission income

	Retail banking	Corporate banking	Treasury and investment banking	Sub Total	Islamic Banking	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
30 September 2025						
Fee Income						
Transactional services	15,543	475	51	16,069	1,246	17,315
Trade services	39	3,135	1,778	4,952	700	5,652
Syndication and other financing related services	1,058	5,252	1,628	7,938	989	8,927
Advisory and asset management services	-	-	-	-	1,073	1,073
	<u>16,640</u>	<u>8,862</u>	<u>3,457</u>	<u>28,959</u>	<u>4,008</u>	<u>32,967</u>
Fee Expense						
Transactional Services	(7,945)	(71)	(225)	(8,241)	(181)	(8,422)
Syndication and Other Financing related services	-	-	(148)	(148)	(158)	(306)
	<u>(7,945)</u>	<u>(71)</u>	<u>(373)</u>	<u>(8,389)</u>	<u>(339)</u>	<u>(8,728)</u>
Net fee and commission income	<u>8,695</u>	<u>8,791</u>	<u>3,084</u>	<u>20,570</u>	<u>3,669</u>	<u>24,239</u>

	Retail banking	Corporate banking	Treasury and investment banking	Sub Total	Islamic Banking	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
30 September 2024						
Fee Income						
Transactional services	10,671	573	263	11,507	788	12,295
Trade services	10	3,376	2,052	5,438	630	6,068
Syndication and other financing related services	805	5,107	821	6,733	806	7,539
Advisory and asset management services	-	238	-	238	795	1,033
	<u>11,486</u>	<u>9,294</u>	<u>3,136</u>	<u>23,916</u>	<u>3,019</u>	<u>26,935</u>
Fee Expense						
Transactional Services	(5,565)	(61)	(190)	(5,816)	(222)	(6,038)
Syndication and Other Financing related services	-	-	(659)	(659)	(121)	(780)
	<u>(5,565)</u>	<u>(61)</u>	<u>(849)</u>	<u>(6,475)</u>	<u>(343)</u>	<u>(6,818)</u>
Net fee and commission income	<u>5,921</u>	<u>9,233</u>	<u>2,287</u>	<u>17,441</u>	<u>2,676</u>	<u>20,117</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

21. Disaggregation of net fees and commission income (continued)

	Retail banking	Corporate banking	Treasury and investment banking	Sub Total	Islamic Banking	Total
31 December 2024	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Fee Income						
Transactional services	14,891	535	319	15,745	1,029	16,774
Trade services	14	4,484	2,524	7,022	752	7,774
Syndication and other financing related services	1,240	6,920	3,420	11,580	1,234	12,814
Advisory and asset management services	-	227	-	227	825	1,052
	<u>16,145</u>	<u>12,166</u>	<u>6,263</u>	<u>34,574</u>	<u>3,840</u>	<u>38,414</u>
Fee Expense						
Transactional Services	(8,025)	(93)	(282)	(8,400)	(81)	(8,481)
Syndication and Other Financing related services	-	-	(1,151)	(1,151)	(209)	(1,360)
	<u>(8,025)</u>	<u>(93)</u>	<u>(1,433)</u>	<u>(9,551)</u>	<u>(290)</u>	<u>(9,841)</u>
Net fee and commission income	<u>8,120</u>	<u>12,073</u>	<u>4,830</u>	<u>25,023</u>	<u>3,550</u>	<u>28,573</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

22. Risk Management

The interim disclosures prepared as per guidance available in regulatory requirements of the Central Bank of Oman are set out as follows:

(a) Credit Risk

Customer concentrations

	Assets			Liabilities		
	Gross loans and financing to banks	Gross Loans, advances and financing to customers	Gross Investment Securities	Deposits from customers	Due to banks	Contingent liabilities
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
30 September 2025						
Personal	-	1,617,380	-	1,029,349	-	292
Corporate	126,014	2,115,709	243,618	1,027,925	471,853	824,789
Government	-	720,055	481,896	1,906,017	-	208
	<u>126,014</u>	<u>4,453,144</u>	<u>725,514</u>	<u>3,963,291</u>	<u>471,853</u>	<u>825,289</u>
30 September 2024						
Personal	-	1,546,195	-	1,011,228	-	106
Corporate	218,324	1,894,834	109,355	1,054,371	374,704	664,824
Government	-	479,545	451,666	1,437,008	-	283
	<u>218,324</u>	<u>3,920,574</u>	<u>561,021</u>	<u>3,502,607</u>	<u>374,704</u>	<u>665,213</u>
31 December 2024						
Personal	-	1,550,440	-	995,105	-	239
Corporate	196,572	1,998,284	168,412	783,019	438,438	279,397
Government	-	565,907	480,313	1,984,737	-	438,792
	<u>196,572</u>	<u>4,114,631</u>	<u>648,725</u>	<u>3,762,861</u>	<u>438,438</u>	<u>718,428</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

22. Risk Management *(continued)*

(a) Credit Risk *(continued)*

Credit Quality Analysis:

The financial assets have been segregated into various portfolios like exposure to Banks, Sovereign, Wholesale Banking and Retail customers. Exposure to Retail customer includes personal loans, housing loans and credit cards. Exposure to Wholesale Banking customer includes exposure other than retail and bank exposure.

The following table sets out information about the credit quality of financial assets measured at amortised cost and FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

The following table provides the exposure to non-trading financial assets measured at amortized cost & FVOCI. Exposure to financial asset includes outstanding as at, 30 September 2025:

	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000
30 September 2025				
<i>Exposure</i>				
Banks and cash held with a custodian	278,619	1,527	-	280,146
Sovereigns	481,001	-	-	481,001
Wholesale banking	3,445,198	888,791	179,698	4,513,687
Retail banking	1,571,811	4,981	40,588	1,617,380
Investments	126,020	10,000	-	136,020
Total	5,902,649	905,299	220,286	7,028,234
Provision for expected credit losses	13,984	71,621	97,995	183,600
	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000
30 September 2024				
<i>Exposure</i>				
Banks and cash held with a custodian	347,646	54	-	347,700
Sovereigns	451,121	-	-	451,121
Wholesale banking	2,671,164	972,887	167,223	3,811,274
Retail banking	1,495,884	10,334	39,977	1,546,195
Investments	44,928	-	-	44,928
Total	5,010,743	983,275	207,200	6,201,218
Provision for expected credit losses	16,079	68,235	85,794	170,108
	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000
31 December 2024				
<i>Exposure</i>				
Banks and cash held with a custodian	347,118	-	-	347,118
Sovereigns	480,313	-	-	480,313
Wholesale banking	2,734,806	1,067,031	157,602	3,959,439
Retail banking	1,506,545	6,300	37,595	1,550,440
Investments	83,563	-	-	83,563
Total	5,152,345	1,073,331	195,197	6,420,873
Provision for expected credit losses	11,321	65,241	85,360	161,922

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025****22. Risk Management** *(continued)***(a) Credit Risk** *(continued)***Inputs, assumptions, and techniques used for estimating impairment****a. Significant increase in credit risk (SICR)**

The assessment of SICR since origination of a financial asset considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking information. Quantitative models may not always be able to capture all reasonable and supportable information that may indicate a significant increase in credit risk. Qualitative factors may be assessed to supplement the gap.

For retail exposures, significant increase in credit risk is more objective and is estimated at account level. The assessment is done using days past due information as well change in the rating grade of the borrower. The process of identifying the significant increase in credit risk has been automated and based on the days past due or deterioration in the rating grade of the borrower significant increase in credit risk is assessed. For non-retail exposures, the Bank uses both quantitative and qualitative criteria. Under quantitative criteria, Bank uses the days past due parameter or change in the rating grade to assess significant increase in credit risk. Under qualitative criteria, Bank uses various criteria like change in value or quality of collateral, modification of terms including extension of moratorium, deferment of payment, waiver of covenants (restructure), frequent change in senior management, deferment / delay in commencement of commercial operations etc. to assess the significant increase in credit risk.

Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Bank formulates three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. Dynamic scenario weights are calculated in the ECL application, derived based on the distribution fitting to the historical default rate and the macroeconomic projection. External information considered includes economic data and forecasts published by monetary authorities. A comprehensive review is performed at least annually on the design of the scenarios by the Bank's senior management.

b. Liquidity Risk

The Central Bank of Oman has issued guidelines on the implementation of Basel III liquidity framework which are Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The LCR is a short time ratio designed to increase resilience against a liquidity shortage of up to 30 days. The Bank is in compliance of the regulatory limit of LCR as at, 30 September 2025, with LCR of 126.23% calculated on weighted average value for the period ended (30 September 2024: 162.03%) (31 December 2024: 157.54%).

The Net Stable Funding Ratio (NSFR) is a longer-term structural ratio designed to address liquidity mismatches and reduce funding risk over a one-year horizon. It is effective January 2018, with a minimum ratio of 100% as per the regulatory guidance. The Bank is meeting the regulatory limit of NSFR as at, 30 September 2025, with a NSFR of 104.11% calculated on weighted average value for the period ended (30 September 2024: 115.23%) (31 December 2024: 109.68%).

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

22. Risk Management *(continued)*

b. Liquidity Risk *(continued)*

Maturity profile of assets and liabilities

	Due on demand and up to 30 days	More than 1 month to 6 months	More than 6 months to 12 months	More than 1 year to 5 years	Over 5 years	Total
30 September 2025	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Cash and balances with Central Bank of Oman	78,859	16,822	17,513	22,569	18,432	154,195
Loan and advances to customer	410,075	318,565	284,246	997,069	2,234,120	4,244,075
Loans and advances to banks	61,269	18,285	11,550	34,847	-	125,951
Investment Securities	75,347	193,365	47,742	317,226	89,581	723,261
Other assets	-	-	-	-	82,259	82,259
Total Assets Funded	625,550	547,037	361,051	1,371,711	2,424,392	5,329,741
Spot and Forward Purchases (notional value)	77,979	143,422	96,655	170,106	0	488,162
Total Assets Funded and Non Funded	703,529	690,459	457,706	1,541,817	2,424,392	5,817,903
Due to banks	298,946	92,400	-	80,507	-	471,853
Deposits from customers	440,678	875,587	779,371	1,061,901	805,754	3,963,291
Other liabilities	16,517	16,285	9,881	6,296	99,489	148,468
Subordinated loans	-	-	-	-	31,754	31,754
Total liabilities	756,141	984,272	789,252	1,148,704	936,997	4,615,366
Spot and Forward Purchases (notional value)	77,878	143,465	96,746	170,326	-	488,415
Loan commitments	298,094	447,140	-	-	-	745,234
Letter of credit	32,022	48,033	-	-	-	80,055
Guarantees and performance bonds	346,676	520,015	-	-	-	866,691
Total Liabilities Funded and Non Funded	1,510,811	2,142,925	885,998	1,319,030	936,997	6,795,761
Cumulative Liabilities	1,510,811	3,653,736	4,539,734	5,858,764	6,795,761	
Gap	807,282	1,452,466	428,292	(222,787)	(1,487,395)	
Cumulative Gap	807,282	2,259,748	2,688,040	2,465,253	977,858	

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

22. Risk Management *(continued)*

b. Liquidity Risk *(continued)*

Maturity profile of assets and liabilities

	Due on demand and up to 30 days	More than 1 month to 6 months	More than 6 months to 12 months	More than 1 year to 5 years	Over 5 years	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
30 September 2024						
Cash and balances with Central Bank of Oman	72,065	8,846	10,587	23,659	14,418	129,575
Loan and advances to customer	301,118	324,680	128,603	818,515	2,160,701	3,733,617
Loans and advances to banks	64,730	140,525	-	12,870	-	218,125
Investments securities	19,595	121,222	62,607	296,593	60,918	560,935
Other assets	-	-	-	-	71,496	71,496
Total Assets Funded	457,508	595,273	201,797	1,151,637	2,307,533	4,713,748
Spot and Forward Purchases (notional value)	307,469	140,951	100,591	72,779	-	621,790
Total Assets Funded and Non Funded	764,977	736,224	302,388	1,224,416	2,307,533	5,335,538
Due to banks	211,068	7,700	-	155,936	-	374,704
Deposits from customers	419,898	559,557	606,830	1,183,380	732,942	3,502,607
Other liabilities	30,404	17,092	12,435	8,047	67,591	135,569
Subordinated loans	-	-	-	-	-	-
Total liabilities	661,370	584,349	619,265	1,347,363	800,533	4,012,880
Spot and Forward Purchases (notional value)	307,452	140,923	100,598	72,912	-	621,885
Loan commitments	307,408	461,108	-	-	-	768,516
Letter of credit	36,307	54,461	-	-	-	90,768
Guarantees and performance bonds	229,778	344,667	-	-	-	574,445
Total Liabilities Funded and Non Funded	1,542,315	1,585,508	719,863	1,420,275	800,533	6,068,494
Cumulative Liabilities	1,542,315	3,127,823	3,847,686	5,267,961	6,068,494	
Gap	777,338	849,284	417,475	195,859	(1,507,000)	
Cumulative Gap	777,338	1,626,622	2,044,097	2,239,956	732,956	

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

22. Risk Management *(continued)*

b. Liquidity Risk *(continued)*

Maturity profile of assets and liabilities

	Due on demand and up to 30 days	More than 1 month to 6 months	More than 6 months to 12 months	More than 1 year to 5 years	Over 5 years	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
31 December 2024						
Cash and balances with Central Bank of Oman	96,030	21,389	18,097	36,361	25,297	197,174
Loan and advances to customer	492,126	294,435	137,996	818,908	2,190,150	3,933,615
Loans and advances to banks	140,140	28,875	22,747	4,810	-	196,572
Investments securities	38,896	153,217	63,435	321,837	71,340	648,725
Other assets	46,386	-	-	-	34,994	81,380
Total Assets Funded	813,578	497,916	242,275	1,181,916	2,321,781	5,057,466
Spot and Forward Purchases (notional value)	306,466	118,976	72,309	104,335	-	602,086
Total Assets Funded and Non-Funded	1,120,044	616,892	314,584	1,286,251	2,321,781	5,659,552
Future Interest cash inflows	21,055	99,369	89,553	470,304	413,860	1,094,141
Due to banks	223,971	91,630	-	122,837	-	438,438
Deposits from customers	348,808	771,787	638,361	1,187,587	816,318	3,762,861
Other liabilities	24,632	18,284	9,223	8,004	64,438	124,581
Total liabilities	597,411	881,701	647,584	1,318,428	880,756	4,325,880
Spot and Forward Purchases (notional value)	306,430	118,957	72,313	104,495	-	602,195
Loan commitments	252,174	378,260	-	-	-	630,434
Letter of credit	30,724	46,087	-	-	-	76,811
Guarantees and performance bonds	256,647	384,970	-	-	-	641,617
Total Liabilities Funded and Non-Funded	1,443,386	1,809,975	719,897	1,422,923	880,756	6,276,937
Future Interest cash outflows	10,402	65,812	73,445	175,191	259,465	584,315
Cumulative Liabilities Gap	1,443,386 (323,342)	3,253,361 (1,193,083)	3,973,258 (405,313)	5,396,181 (136,672)	6,276,937 1,441,025	
Cumulative Gap	(323,342)	(1,516,425)	(1,921,738)	(2,058,410)	(617,385)	

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

23. Capital risk management

The Bank manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders within acceptable risk return framework. The Bank's overall strategy remains unchanged from prior year.

The capital base of the Bank consists of debt, which includes borrowings and equity attributable to shareholders of the Bank

Capital adequacy

The ratio of equity to risk weighted assets, as formulated by the Basel II and Basel III, for three- month period ended 30 September 2025 is 16.75% (30 September 2024 – 17.06%, 31 December 2024 – 16.51%).

Capital structure	Unaudited 30-Sep-25 RO'000	Unaudited 30-Sep-24 RO'000	Audited 31-Dec-24 RO'000
Common Equity Tier (CET) I/ TIER I CAPITAL			
Paid up capital	303,980	299,635	299,635
Legal reserve	76,192	71,831	76,192
Share premium	95,656	95,656	95,656
Special reserve	16,988	16,988	16,988
Stock Dividend	-	-	4,345
Retained earnings	61,693	57,424	61,693
CET I/Tier I Capital	554,509	541,534	554,509
Additional Tier I regulatory adjustments:			
Deferred tax assets	(474)	(6,091)	(364)
Negative investment revaluation reserve	(7,661)	(3,679)	(5,686)
Regulatory provision adjustment	(17,658)	-	(17,658)
Total CET 1 capital	528,716	531,764	530,801
Additional Tier I capital (AT1)	155,500	155,500	155,500
Total Tier 1 Capital (T1=CET1+AT1)	684,216	687,264	686,301
TIER II CAPITAL			
Investment revaluation reserve	3,827	1,693	1,608
General provision	13,984	22,786	17,429
Subordinated Loan	31,000	-	-
Total Tier II capital	48,811	24,479	19,037
Total eligible capital	733,027	711,743	705,338
Risk weighted assets			
Banking book	3,962,946	3,824,923	3,830,473
Trading book	137,054	89,977	166,075
Operational risk	275,000	257,700	275,000
Total	4,375,000	4,172,600	4,271,548
Total Tier 1 Capital (T1=CET1+AT1)	684,216	687,264	686,301
Tier II capital	48,811	24,479	19,037
Total regulatory capital	733,027	711,743	705,338
Common Equity Tier 1 ratio	12.08%	12.74%	12.43%
Tier I capital ratio	15.64%	16.47%	16.07%
Total capital ratio	16.75%	17.06%	16.51%

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

24. Fair value information

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 September 2025	Level 1 RO'000	Level 2 RO'000	Level 3 RO'000	Total RO'000	Cost RO'000
<i>Financial asset</i>					
Investments at FVOCI	224,587	10,908	62,717	298,212	292,020
Investments at FVTPL	6,614	-	776	7,390	7,462
Investments amortised cost	47,463	-	-	47,463	46,031
<i>Derivative financial instruments</i>					
Commodities Purchase Contracts	-	77	-	77	-
IRS customer	-	604	-	604	-
Forward purchase contracts	-	-	-	-	-
Forward sales contracts	-	1,524	-	1,524	-
Total assets	278,664	13,113	63,493	355,270	345,513
30 September 2024	Level 1 RO'000	Level 2 RO'000	Level 3 RO'000	Total RO'000	Cost RO'000
<i>Financial assets</i>					
Investments at FVOCI	185,573	2	4,667	190,242	189,787
Investments at FVTPL	-	-	1,767	1,767	2,007
Investments amortised cost					
<i>Derivative financial instruments</i>					
Cash flow hedge	-	789	-	789	-
Commodities Purchase Contracts	-	801	-	801	-
IRS customer	-	2,365	-	2,365	-
Forward purchase contracts	-	50	-	50	-
Forward sales contracts	-	745	-	745	-
Total assets	185,573	4,752	6,434	196,759	191,794

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

24. Fair value information (continued)

At 31 December 2024	Level 1 RO'000	Level 2 RO'000	Level 3 RO'000	Total RO'000	Cost RO'000
Financial assets					
Investments at FVOCI	192,347	10,716	23,243	226,306	228,062
Investments at FVTPL	1,602	-	768	2,370	2,589
<i>Derivative financial instruments</i>					
Cash flow hedge	-	759	-	759	-
Commodities purchase contracts	-	305	-	305	-
Forward foreign exchange contracts	-	1,112	-	1,112	-
IRS customer	-	3,919	-	3,919	-
Total	193,949	16,811	24,011	234,771	230,651
Financial liabilities					
<i>Derivative financial instruments</i>					
Commodities sale contracts	-	228	-	228	-
Forward foreign exchange contracts	-	322	-	322	-
Interest rate swaps	-	3,919	-	3,919	-
Total	-	4,469	-	4,469	-

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index process and expected price volatilities and correlations.

Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

30 September 2025	Positive Fair Value	Negative Fair Value	Notional Amount Total	RO'000		
				Notional amounts by term to maturity		
				within 3 months	4-12 months	> 12 months
Derivatives:						
Cash flow hedge	-	25	76,018	-	-	76,018
Commodities purchase contracts	77	-	1,628	-	1,628	-
Commodities Sale contracts	-	76	1,628	-	1,628	-
Interest rate swaps	-	604	161,032	-	-	161,032
IRS customer	604	-	161,032	-	-	161,032
Forward purchase contracts	-	319	1,073,110	327,757	576,768	168,585
Forward sales contracts	1,524	-	1,071,630	327,147	576,204	168,279
Total	2,205	1,024	2,546,078	654,904	1,156,228	734,946

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

24. Fair value information (continued)

30 September 2024	Positive Fair Value	Negative Fair Value	Notional Amount Total	RO'000		
				Notional amounts by term to maturity		
				within 3 months	4-12 months	> 12 months
Derivatives:						
Cash flow hedge	789	-	153,018	-	-	153,018
Commodities Purchase Contracts	801	-	17,507	2,043	15,464	-
Commodities Sale Contracts	-	721	17,428	2,042	15,386	-
Interest rate swaps		2,365	48,906	-	-	48,906
IRS customer	2,365	-	48,906	-	-	48,906
Forward purchase contracts	50	-	621,790	375,656	173,355	72,779
Forward sales contracts	745	-	621,885	375,624	173,349	72,912
Total	<u>4,750</u>	<u>3,086</u>	<u>1,529,440</u>	<u>755,365</u>	<u>377,554</u>	<u>396,521</u>

31 December 2024	Positive fair value	Negative Fair Value	Notional amount total	RO 000's		
				Notional amounts by term to maturity		
				within 3 months	4-12 months	> 12 months
Derivatives:						
Cash flow hedge	759	-	153,018	-	-	153,018
Commodities purchase contracts	305	-	15,788	8,657	7,131	-
Commodities sale contracts	-	228	15,711	8,625	7,086	-
Interest rate swaps	-	3,919	94,129	-	-	94,129
IRS with customer	3,919	-	94,129	-	-	94,129
Forward purchase contracts	-	322	1,028,567	458,167	290,743	279,657
Forward sales contracts	1,112	-	1,027,522	457,918	290,126	279,478
Total	<u>6,095</u>	<u>4,469</u>	<u>2,428,864</u>	<u>933,367</u>	<u>595,086</u>	<u>900,411</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025****25 . Segmental information**

The Bank is organised into four main business segments:

- 1) Retail banking – incorporating, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- 2) Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products;
- 3) Treasury and investments;
- 4) Islamic Banking

Other operations comprise investment management and institutional finance neither of which constitutes a separately reportable segment which are included in “Treasury and investments” segment. Transactions between the business segments are on normal commercial terms and conditions. There are no material items of income or expense between the business segments. Segment total revenue presented in the table below is the total Interest income, income from Islamic financing/investments, net fees and commission income and other operating income.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the statement of financial position. The profit for the period also includes inter segment revenues

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

25. Segmental information (continued)

Included in the segment information the consolidated results of the Bank as below:

30 September 2025	Retail banking	Corporate banking	Treasury and investments	Islamic Banking	Inter Segment	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Segment operating revenues	28,449	39,671	4,282	-	(294)	72,108
Net income from Islamic financing	-	-	-	16,690	294	16,984
Other revenues	10,518	9,144	12,287	5,363	-	37,312
Segment operating revenues	38,967	48,815	16,569	22,053	-	126,404
Operating expenses including depreciation	(29,738)	(16,280)	(3,991)	(10,530)	-	(60,539)
Net Impairment losses on financial assets	796	(16,557)	2	(8,771)	-	(24,530)
Profit from operations after provision	10,025	15,978	12,580	2,752	-	41,335
Tax expenses	(1,370)	(2,184)	(1,348)	(413)	-	(5,315)
Profit for the period	8,655	13,794	11,232	2,339	-	36,020
Segment assets	1,428,294	2,423,702	756,826	1,061,559	(93,212)	5,577,169
Less: Impairment allowance	(32,549)	(147,181)	(158)	(31,502)	-	(211,390)
Total segment assets	1,395,745	2,276,521	756,668	1,030,057	(93,212)	5,365,779
Segment Liabilities	976,124	2,306,636	510,287	909,748	(93,212)	4,609,583
Add: Impairment allowance	2,282	2,111	1,094	296	-	5,783
Total segment Liabilities	978,406	2,308,747	511,381	910,044	(93,212)	4,615,366

Segmental profit for the current period considers the impact of Fund Transfer Pricing (FTP).

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

25. Segmental information *(continued)*

Included in the segment information the consolidated results of the Bank as below:

30 September 2024	Retail banking	Corporate banking	Treasury and investments	Islamic Banking	Inter Segment	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Segment operating revenues	24,892	46,669	2,827	-	(977)	73,411
Net income from Islamic financing	-	-	-	12,640	977	13,617
Other revenues	7,145	8,641	7,928	3,758	-	27,472
Segment operating revenues	32,037	55,310	10,755	16,398	-	114,500
Operating expenses including depreciation	(27,522)	(17,021)	(3,514)	(9,057)	-	(57,114)
Net Impairment losses on financial assets	(1,446)	(15,146)	(24)	(2,018)	-	(18,634)
Profit from operations after provision	3,069	23,143	7,217	5,323	-	38,752
Tax expenses	(398)	(3,004)	(937)	(798)	-	(5,137)
Profit for the period	2,671	20,139	6,280	4,525	-	33,615
Segment assets	1,376,162	1,999,875	736,760	899,368	(104,794)	4,934,371
Less: Impairment allowance	(33,511)	(131,488)	(224)	(22,043)	-	(187,266)
Total segment assets	1,342,651	1,868,387	736,536	877,325	(104,794)	4,720,105
Segment Liabilities	813,563	2,097,072	432,913	764,606	(104,794)	4,747,105
Add: Impairment allowance	2	8,343	867	308	-	9,520
Total segment Liabilities	813,565	2,105,415	433,780	764,914	(104,794)	4,012,880

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25. Segmental information *(continued)*

Included in the segment information the consolidated results of the Bank is as below:

31 December 2024	Retail banking	Corporate banking	Treasury and investments	Islamic Banking	Inter Segment	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Segment operating revenues	32,882	59,424	4,726	-	(977)	96,055
Net income from Islamic financing	-	-	-	17,137	977	18,114
Other revenues	9,537	11,084	12,906	5,146	-	38,673
Segment operating revenues	42,419	70,508	17,632	22,283	-	152,842
Operating expenses including depreciation	(37,756)	(24,148)	(5,167)	(11,780)	-	(78,851)
Net Impairment losses on financial assets	(223)	(21,452)	380	(2,509)	-	(23,804)
Profit from operations after provision	4,440	24,908	12,845	7,994	-	50,187
Tax expenses	(566)	(3,176)	(1,637)	(1,199)	-	(6,578)
Profit for the period	3,874	21,732	11,208	6,795	-	43,609
Segment assets	1,401,782	2,250,378	782,445	922,713	(90,481)	5,266,837
Less: Impairment allowance	(32,065)	(126,590)	(179)	(22,956)	-	(181,790)
Total segment assets	1,369,717	2,123,788	782,266	899,757	(90,481)	5,085,047
Segment Liabilities	833,932	2,347,492	464,134	784,196	(90,481)	4,339,273
Add: Impairment allowance	1	5,021	-	321	-	5,343
Total segment Liabilities	833,933	2,352,513	464,134	784,517	(90,481)	4,344,616

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025**

26. Business combination – Purchase consideration and identifiable net assets acquired

The business combination with BoB Oman branch has been accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at estimated fair value on the acquisition date.

The purchase has been allocated to the acquired assets and liabilities using their preliminary fair values at the acquisition date. The calculation of the purchase consideration and its allocation to the net assets of the acquired entity is based on their respective fair values as of the acquisition date and the resulting bargain purchase is detailed below.

Gain on bargain purchase is based on provisional purchase price allocation and represents the difference between purchase consideration and fair value of identifiable net assets. The allocation of the purchase price may be modified within a period of twelve months from the date of business combination, as more information is obtained about the fair value of assets acquired and liabilities assumed, including alignment in business models as appropriate. The gain on bargain purchase is therefore a preliminary recognition.

The fair value of identifiable assets and liabilities of BoB Oman branch as at the acquisition date and subsequent preliminary fair value adjustments are as follows:

Assets	RO'000
Cash and balances with Central Bank of Oman	31,599
Due from affiliates and other Banks	148
Investment securities	34,730
Loans and advances (net)	25,342
Other assets	626
Property and equipment	23
Total assets	92,468
Liabilities	
Customers' deposits	63,338
Other liabilities	4,353
Total liabilities	67,691
Fair value of net identifiable assets at merger date	24,777
Preliminary fair value adjustments (net) as at 30 September 2025	0
Estimated fair value of net identifiable assets at 30 September 2025 (a)	24,777
Less: Total Consideration Paid in Cash (b)	24,777
Gain on bargain purchase (a) – (b)	-