



Bank Muscat SAOG

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025



**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Contents	Page No.
1 Interim condensed consolidated statement of financial position	1
2 Interim condensed consolidated statement of comprehensive income	2
3 Interim condensed consolidated statement of changes in equity	3
4 Interim condensed consolidated statement of cash flows	4
5 Notes to the interim condensed consolidated financial statements	5-26

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>
		<i>30-Jun-2025</i>	<i>31-Dec-2024</i>	<i>30-Jun-2024</i>
	<i>Notes</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>
Assets				
Cash and balances with Central Banks		507,664	476,739	823,144
Due from banks	3	469,062	714,791	841,201
Loans and advances	4	9,075,040	8,616,285	8,664,189
Islamic financing receivables	4	1,649,124	1,621,163	1,544,233
Investments securities	5	2,203,349	2,107,980	2,053,205
Investment in associate	6	9,413	9,660	9,157
Other assets	7	178,136	277,792	177,765
Property, equipment and software		81,884	87,545	78,068
Total assets		14,173,672	13,911,955	14,190,962
Liabilities and equity				
Liabilities				
Deposits from banks	8	1,134,187	978,178	1,568,010
Customers' deposits	9	8,322,091	8,193,168	8,258,225
Islamic customers' deposits	9	1,556,841	1,583,900	1,304,782
Sukuk		16,826	16,842	16,842
Euro medium term notes		195,139	195,139	195,139
Other liabilities	10	437,930	430,737	441,921
Taxation		58,265	69,158	50,145
Total liabilities		11,721,279	11,467,122	11,835,064
Equity				
Equity attributable to equity holders of parent:				
Share capital	11	750,640	750,640	750,640
Share premium		156,215	156,215	156,215
General reserve		410,258	410,258	410,258
Legal reserve		183,032	183,032	160,474
Revaluation reserve		4,904	4,904	4,904
Cash flow hedge reserve		4,142	5,901	7,160
Cumulative changes in fair value		62,737	43,806	54,836
Foreign currency translation reserve		(3,548)	(3,690)	(3,617)
Retained earnings		378,693	388,447	309,708
Total equity attributable to the equity holders		1,947,073	1,939,513	1,850,578
Perpetual Tier I capital		505,320	505,320	505,320
Total equity		2,452,393	2,444,833	2,355,898
Total liabilities and equity		14,173,672	13,911,955	14,190,962
Net assets per share (in RO)		0.259	0.258	0.247
Contingent liabilities and commitments	12	1,771,391	1,811,518	1,686,755

The interim condensed consolidated financial statements were approved by the Board of Directors on 29 July 2025.
The attached notes 1 to 28 form part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

		<i>Unaudited</i> <i>-for six months period ended-</i>		<i>Unaudited</i> <i>-for three months period ended-</i>	
	<i>Notes</i>	<i>30-Jun-2025</i>	<i>30-Jun-2024</i>	<i>30-Jun-2025</i>	<i>30-Jun-2024</i>
		<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>
Interest income	13	297,640	302,903	148,900	151,529
Interest expense	14	(109,515)	(128,248)	(53,794)	(64,463)
Net interest income		188,125	174,655	95,106	87,066
Income from Islamic financing / investments	13	52,852	49,446	26,368	24,472
Distribution to depositors	14	(34,534)	(33,474)	(17,034)	(16,364)
Net income from Islamic financing		18,318	15,972	9,334	8,108
Net interest income and income from Islamic financing		206,443	190,627	104,440	95,174
Commission and fee income (net)	15	47,515	46,951	24,035	22,489
Other operating income	16	34,319	28,320	19,127	15,529
Operating income		288,277	265,898	147,602	133,192
Operating expenses					
Other operating expenses		(96,561)	(92,076)	(47,236)	(45,273)
Depreciation		(11,520)	(10,051)	(5,812)	(5,053)
		(108,081)	(102,127)	(53,048)	(50,326)
Share of results from an associate	6	226	546	187	250
Net impairment losses on financial assets	17	(30,161)	(29,959)	(15,124)	(13,736)
		(138,016)	(131,540)	(67,985)	(63,812)
Profit before taxation		150,261	134,358	79,617	69,380
Tax expense		(24,443)	(22,243)	(12,360)	(11,505)
Profit for the period		125,818	112,115	67,257	57,875
Other comprehensive (expense) / income					
Net other comprehensive (expense) / income to be reclassified to profit or loss in subsequent periods, net of tax:					
Translation of net investments in foreign operations		142	25	158	35
Change in fair value through other comprehensive income (FVOCI) debt instruments		3,063	(634)	2,323	(334)
Share of other comprehensive income of an associate		(30)	18	(10)	(15)
Change in fair value of cash flow hedge		(1,759)	3,906	(913)	1,045
		1,416	3,315	1,558	731
Net other comprehensive (expense) / income not to be reclassified to profit or loss in subsequent periods, net of tax:					
Change in fair value of FVOCI equity instruments		16,111	13,501	14,929	8,919
		16,111	13,501	14,929	8,919
Other comprehensive income / (expense) for the period		17,527	16,816	16,487	9,650
Total comprehensive income for the period		143,345	128,931	83,744	67,525
Total comprehensive income for the period attributable to:					
Equity holders of Parent Company		143,345	128,931	83,744	67,525
Profit attributable to:					
Equity holders of Parent Company		125,818	112,115	67,257	57,875
Earnings per share (in RO)					
- Basic and diluted	18	0.015	0.013	0.006	0.006

Items in other comprehensive income are disclosed net of tax.

The attached notes 1 to 28 form part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

Attributable to equity holders of parent

(Unaudited)	<i>Share capital</i>	<i>Share premium</i>	<i>General reserve</i>	<i>Legal reserve</i>	<i>Revaluation reserve</i>	<i>Cash flow hedge reserve</i>	<i>Cumulative changes in fair value</i>	<i>Foreign currency translation reserve</i>	<i>Retained profits</i>	<i>Total</i>	<i>Perpetual Tier I Capital</i>	<i>Total</i>
	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>
Balance at 1 January 2025	750,640	156,215	410,258	183,032	4,904	5,901	43,806	(3,690)	388,447	1,939,513	505,320	2,444,833
Profit for the period	-	-	-	-	-	-	-	-	125,818	125,818	-	125,818
Other comprehensive (expense) income	-	-	-	-	-	(1,759)	19,144	142	-	17,527	-	17,527
Total comprehensive (expense) income	-	-	-	-	-	(1,759)	19,144	142	125,818	143,345	-	143,345
Transfer within equity upon disposal of FVOCI equity investments	-	-	-	-	-	-	(213)	-	213	-	-	-
Dividends paid (note 11)	-	-	-	-	-	-	-	-	(123,856)	(123,856)	-	(123,856)
Interest paid on Perpetual Tier 1 Capital	-	-	-	-	-	-	-	-	(11,929)	(11,929)	-	(11,929)
Balance as at 30 June 2025	750,640	156,215	410,258	183,032	4,904	4,142	62,737	(3,548)	378,693	1,947,073	505,320	2,452,393

Attributable to equity holders of parent

(Unaudited)	<i>Share capital</i>	<i>Share premium</i>	<i>General reserve</i>	<i>Legal reserve</i>	<i>Revaluation reserve</i>	<i>Cash flow hedge reserve</i>	<i>Cumulative changes in fair value</i>	<i>Foreign currency translation reserve</i>	<i>Impairment reserve / restructured loan reserve</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Perpetual Tier I Capital</i>	<i>Total</i>
	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>
Balance at 1 January 2024	750,640	156,215	410,258	160,474	4,904	3,254	41,825	(3,642)	2,136	323,471	1,849,535	505,320	2,354,855
Profit for the period	-	-	-	-	-	-	-	-	-	112,115	112,115	-	112,115
Other comprehensive (expense) income	-	-	-	-	-	3,906	12,885	25	-	-	16,816	-	16,816
Total comprehensive (expense) income	-	-	-	-	-	3,906	12,885	25	-	112,115	128,931	-	128,931
Transfer within equity upon disposal of FVOCI equity investments	-	-	-	-	-	-	126	-	-	(126)	-	-	-
Dividends paid (note 11)	-	-	-	-	-	-	-	-	-	(116,349)	(116,349)	-	(116,349)
Transfer from restructured loan reserve to retained earnings	-	-	-	-	-	-	-	-	(2,136)	2,136	-	-	-
Interest paid on Perpetual Tier 1 Capital	-	-	-	-	-	-	-	-	-	(11,539)	(11,539)	-	(11,539)
Balance as at 30 June 2024	750,640	156,215	410,258	160,474	4,904	7,160	54,836	(3,617)	-	309,708	1,850,578	505,320	2,355,898

Appropriations to legal reserve is made on an annual basis.

The attached notes 1 to 28 form part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

	<i>Unaudited 30-Jun-2025 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>
Operating activities		
Profit for the period before taxation	150,261	134,358
Adjustments for :		
Depreciation	11,520	10,051
Net impairment losses on financial assets	30,161	29,959
Share of results from associates	(226)	(546)
(Profit) Loss on sale of property and equipment	7	3
(Profit) Loss on sale of investments	(3,962)	(838)
Dividend income	(15,206)	(7,351)
Operating profit before working capital changes	172,555	165,636
Due from banks	202,533	(167,355)
Loans and advances	(483,639)	(338,588)
Islamic financing receivables	(34,381)	(22,322)
Other assets	98,193	27,775
Deposits from banks	156,009	467,921
Customers' deposits	128,923	88,150
Islamic customers' deposits	(27,059)	37,065
Other liabilities	8,897	(35,773)
Cash from / (used in) operating activities	222,031	222,509
Income taxes paid	(35,408)	(33,888)
Net cash from / (used in) operating activities	186,623	188,621
Investing activities		
Dividend from an associate	443	296
Dividend income	15,206	7,351
Purchase of investments	(583,832)	(131,395)
Proceeds from sale of investments	438,353	47,504
Net movement in property and equipment	(5,866)	(10,822)
Net cash from / (used in) investing activities	(135,696)	(87,066)
Financing activities		
Dividends paid	(123,856)	(116,349)
Issuance of Sukuk	-	16,525
Repayment of Sukuk	-	(45,597)
Interest on Perpetual Tier I capital	(11,929)	(11,539)
Net cash from / (used in) financing activities	(135,785)	(156,960)
Net change in cash and cash equivalents	(84,858)	(55,405)
Cash and cash equivalents at 1 January	1,230,584	1,760,708
Cash and cash equivalents at 30 June	1,145,726	1,705,303
Cash and cash equivalent comprises of the following:		
Cash and balances with Central Banks	507,164	822,642
Treasury bills	377,230	623,904
Due from banks	261,332	258,757
	1,145,726	1,705,303

The attached notes 1 to 28 form part of these interim condensed consolidated financial statements.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025****1. LEGAL STATUS AND PRINCIPAL ACTIVITIES**

Bank Muscat SAOG (the Bank or the Parent Company) is a joint stock company incorporated in the Sultanate of Oman and is engaged in commercial and investment banking activities through a network of 192 branches (30 June 2024 : 185 branches) within the Sultanate of Oman and one branch each in Riyadh, Kingdom of Saudi Arabia and Kuwait. The Bank has representative offices in Dubai, United Arab Emirates, Singapore and Tehran, Iran. The Bank operates in Oman under a banking license issued by the Central Bank of Oman (CBO) and is covered by its deposit insurance scheme. The Bank has its primary listing on the Muscat Stock Exchange.

As at 30 June 2025, the Bank operates in 6 countries (2024: 6 countries) and employed 4,406 employees (30 June 2024: 4,278 employees).

During 2013, the Parent Company inaugurated "Meethaq Islamic banking window" ("Meethaq") in the Sultanate of Oman to carry out banking and other financial activities in accordance with Islamic Shari'a rules and regulations. Meethaq operates under an Islamic banking license granted by the CBO on 13 January 2013. Meethaq's Shari'a Supervisory Board is entrusted to ensure Meethaq's adherence to Shari'a rules and principles in its transactions and activities. The principal activities of Meethaq include: accepting customer deposits; providing Shari'a compliant financing based on various Shari'a compliant modes; undertaking Shari'a compliant investment activities permitted under the CBO's Regulated Islamic Banking Services as defined in the licensing framework. Meethaq has 32 branches (June 2024 - 29 branches) in the Sultanate of Oman.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**2.1 BASIS OF PREPARATION**

The unaudited interim condensed consolidated financial statements for the six months period ended 30 June 2025 of the Bank are prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', applicable regulations of the Central Bank of Oman (CBO) and the Financial Services Authority (FSA).

The unaudited interim condensed financial statements have been prepared on the historical cost basis, modified to include the revaluation of freehold land and buildings and the measurement at fair value of derivative financial instruments, FVOCI investment securities and investment recorded at fair value through profit or loss. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The Islamic window operation of the Parent Company; "Meethaq" uses Financial Accounting Standards ("FAS"), issued by Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), for preparation and reporting of its financial information. Meethaq's financial information is included in the results of the Bank, after adjusting financial reporting differences, if any, between AAOIFI and IFRS.

The functional currency of the Bank is the Rial Omani (RO). These unaudited interim condensed consolidated financial statements of the Bank are prepared in Rial Omani, rounded to the nearest thousands, except as indicated.

The unaudited interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Bank's annual consolidated financial statements as at 31 December 2024. In addition, results of the Bank for the period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year 2025.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025****2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)****2.1 BASIS OF PREPARATION (continued)****2.2 NEW STANDARDS, IMPLEMENTATIONS AND AMENDMENTS IN EXISTING STANDARDS**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Bank. The above amendments are effective from 1 January 2025.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
3. DUE FROM BANKS

	<i>Unaudited 30-Jun-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>
At amortised cost			
Nostro balances	30,175	52,301	204,370
Inter-bank placements	261,367	534,392	442,122
Loans to banks	96,217	77,654	132,487
	387,759	664,347	778,979
At FVOCI			
Loans to banks	86,654	55,812	67,356
	474,413	720,159	846,335
Less: impairment loss allowance	(5,351)	(5,368)	(5,134)
	469,062	714,791	841,201

4. LOANS AND ADVANCES / ISLAMIC FINANCING RECEIVABLES
Loans and advances

	<i>Unaudited 30-Jun-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>
At amortised cost			
Loans	4,594,093	4,264,504	4,461,648
Overdrafts and credit cards	299,264	353,003	316,502
Loans against trust receipts	219,324	184,467	174,740
Bills purchased and discounted	286,732	212,834	175,455
Other advances	217,227	210,304	203,374
Personal and housing loans	3,954,285	3,961,061	3,855,324
	9,570,925	9,186,173	9,187,043
At FVOCI			
Loans	47,782	-	-
	9,618,707	9,186,173	9,187,043
Less: impairment loss allowance	(543,667)	(569,888)	(522,854)
	9,075,040	8,616,285	8,664,189

Islamic financing receivables - at amortised cost

	<i>Unaudited 30-Jun-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>
Housing finance	552,126	550,802	548,464
Corporate finance	1,125,095	1,094,190	1,014,328
Consumer finance	68,838	65,752	62,994
	1,746,059	1,710,744	1,625,786
Less: impairment loss allowance	(96,935)	(89,581)	(81,553)
	1,649,124	1,621,163	1,544,233

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
4. LOANS AND ADVANCES / ISLAMIC FINANCING RECEIVABLES (continued)

Movement in impairment loss is analysed below:

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
1 January	659,469	565,327	565,327
Impairment for credit losses	44,813	102,315	44,321
Interest reserved during the period	14,549	25,720	12,468
Recoveries from impairment for credit losses	(12,999)	(27,335)	(14,021)
Reserve interest recovered during the period	(4,715)	(4,195)	(2,058)
(Written off) / reversed during the period	(2,744)	(3,538)	(2,144)
Transfer from / (to) Memorandum portfolio	(57,816)	1,182	565
Foreign currency translation difference	43	(16)	(45)
Other movements	2	9	(6)
At 30 June / 31 December	640,602	659,469	604,407

At 30 June 2025, loans and advances on which contractual interest is not being accrued or has not been recognised amounted to RO 416.76 million (31 December 2024: RO 420.4 million, 30 June 2024: RO 406.9 million). Contractual interest reserved and recovery thereof is shown under net interest income and income from Islamic financing in the statement of comprehensive income.

The maturity profile of loans and advances / Islamic financing receivables was as follows

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
On demand or within one month	1,134,298	877,714	1,010,212
Two to three months	872,768	669,797	913,669
Four to twelve months	870,796	936,447	740,629
One to five years	2,758,181	2,593,010	2,428,628
More than five years	5,088,121	5,160,480	5,115,284
	10,724,164	10,237,448	10,208,422

5. INVESTMENT SECURITIES

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
Equity investments:			
Measured as at FVTPL	182,843	27,866	22,491
Designated as at FVOCI	278,624	233,730	221,832
Equity investments	461,467	261,596	244,323
Debt investments:			
Measured at FVOCI	384,517	218,202	126,760
Measured at amortised cost	1,360,865	1,631,006	1,685,054
Gross debt investments	1,745,382	1,849,208	1,811,814
Less: Impairment loss allowance	(3,500)	(2,824)	(2,932)
Debt investments	1,741,882	1,846,384	1,808,882
Investment securities	2,203,349	2,107,980	2,053,205

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
5. INVESTMENT SECURITIES (continued)

As at 30 June 2025 (unaudited)	FVTPL RO' 000	FVOCI RO' 000	Amortised Cost RO' 000	Total RO' 000
Quoted equities:				
Foreign securities	152,299	197,450	-	349,749
Other services sector	-	69,773	-	69,773
Unit funds	8,734	-	-	8,734
Financial services sector	-	9,209	-	9,209
Industrial sector	-	1,126	-	1,126
	<u>161,033</u>	<u>277,558</u>	<u>-</u>	<u>438,591</u>
Unquoted equities:				
Foreign securities	18,493	-	-	18,493
Local securities	3,317	1,066	-	4,383
	<u>21,810</u>	<u>1,066</u>	<u>-</u>	<u>22,876</u>
Equity investments	<u>182,843</u>	<u>278,624</u>	<u>-</u>	<u>461,467</u>
Quoted debt:				
Government bonds	-	-	1,082,616	1,082,616
Treasury bills	-	97,608	14,658	112,266
Foreign bonds	-	137,098	-	137,098
Local bonds	-	119,811	28,627	148,438
	<u>-</u>	<u>354,517</u>	<u>1,125,901</u>	<u>1,480,418</u>
Unquoted debt:				
Treasury bills	-	30,000	234,964	264,964
	<u>-</u>	<u>30,000</u>	<u>234,964</u>	<u>264,964</u>
Gross debt investments	<u>-</u>	<u>384,517</u>	<u>1,360,865</u>	<u>1,745,382</u>
Less: Impairment loss allowance	-	(2,758)	(742)	(3,500)
Debt investments	<u>-</u>	<u>381,759</u>	<u>1,360,123</u>	<u>1,741,882</u>
Investment securities	<u>182,843</u>	<u>660,383</u>	<u>1,360,123</u>	<u>2,203,349</u>

As at 31 December 2024 (Audited)	FVTPL RO' 000	FVOCI RO' 000	Amortised Cost RO' 000	Total RO' 000
Quoted equities:				
Foreign securities	611	169,500	-	170,111
Other services sector	-	52,151	-	52,151
Unit funds	8,799	-	-	8,799
Financial services sector	-	9,773	-	9,773
Industrial sector	-	1,048	-	1,048
	<u>9,410</u>	<u>232,472</u>	<u>-</u>	<u>241,882</u>
Unquoted equities:				
Foreign securities	14,894	-	-	14,894
Local securities	3,562	1,258	-	4,820
	<u>18,456</u>	<u>1,258</u>	<u>-</u>	<u>19,714</u>
Equity investments	<u>27,866</u>	<u>233,730</u>	<u>-</u>	<u>261,596</u>
Quoted debt:				
Government bonds	-	2,354	1,110,190	1,112,544
Treasury bills	-	-	99,781	99,781
Foreign bonds	-	118,718	-	118,718
Local bonds	-	97,130	71,017	168,147
	<u>-</u>	<u>218,202</u>	<u>1,280,988</u>	<u>1,499,190</u>
Unquoted debt:				
Treasury bills	-	-	350,018	350,018
	<u>-</u>	<u>-</u>	<u>350,018</u>	<u>350,018</u>
Gross debt investments	<u>-</u>	<u>218,202</u>	<u>1,631,006</u>	<u>1,849,208</u>
Less: impairment loss allowance	-	(2,378)	(446)	(2,824)
Debt investments	<u>-</u>	<u>215,824</u>	<u>1,630,560</u>	<u>1,846,384</u>
Investment securities	<u>27,866</u>	<u>449,554</u>	<u>1,630,560</u>	<u>2,107,980</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
5. INVESTMENT SECURITIES (continued)

The movement in impairment of debt investments is summarised as follows

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
At 1 January	2,824	2,350	2,350
Provided /(reversed) during the period / year	677	474	582
Exchange difference / others	(1)	-	-
At 30 June / 31 December	<u>3,500</u>	<u>2,824</u>	<u>2,932</u>

6. INVESTMENT IN ASSOCIATE
SICO BSC (c)

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
At 1 January	9,660	8,889	8,889
Dividend received	(443)	(297)	(296)
Share of results	226	996	546
Share of other comprehensive income	(30)	72	18
At 30 June / 31 December	<u>9,413</u>	<u>9,660</u>	<u>9,157</u>

7. OTHER ASSETS

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>Unaudited</i>
Acceptances (note 10)	114,905	92,801	99,526
Less: impairment loss allowance	(1,516)	(1,598)	(1,142)
Net Acceptances	113,389	91,203	98,384
Other debtors and prepaid expenses	40,813	30,304	32,397
Positive fair value of derivatives	20,216	26,680	35,554
Deferred tax asset	1,442	1,370	1,903
Others	2,276	128,235	9,527
	<u>178,136</u>	<u>277,792</u>	<u>177,765</u>

8. DEPOSITS FROM BANKS

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
Inter bank borrowings	444,497	350,591	938,813
Vostro balances	58,290	63,461	72,872
Other money market deposits	631,400	564,126	556,325
	<u>1,134,187</u>	<u>978,178</u>	<u>1,568,010</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
9. CUSTOMERS' DEPOSITS
Conventional customers' deposits

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
Deposit accounts	2,826,698	2,851,535	2,807,864
Savings accounts	3,232,600	3,112,239	3,105,756
Current accounts	1,792,533	1,736,252	1,766,278
Call accounts	416,545	445,197	531,734
Margin accounts	53,715	47,945	46,593
	<u>8,322,091</u>	<u>8,193,168</u>	<u>8,258,225</u>

Islamic customers' deposits

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
Deposit accounts	913,840	993,388	897,946
Savings accounts	321,178	288,893	287,905
Current accounts	98,233	91,658	93,335
Call accounts	218,208	203,665	19,474
Margin accounts	5,382	6,296	6,122
	<u>1,556,841</u>	<u>1,583,900</u>	<u>1,304,782</u>

The maturity profile of customer's deposits (including Islamic customers' deposits) was as follows:

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
On demand or within one month	830,018	805,816	852,584
Two to three months	812,515	1,171,843	773,868
Four to twelve months	2,791,809	2,196,700	2,431,993
One to five years	3,844,161	4,109,006	3,983,017
More than five years	1,600,429	1,493,703	1,521,545
	<u>9,878,932</u>	<u>9,777,068</u>	<u>9,563,007</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
10. OTHER LIABILITIES

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
Other liabilities and accrued expenses	178,588	198,226	196,937
Acceptances (note 7)	114,905	92,801	99,526
Impairment on financial guarantees	39,750	40,977	50,016
Impairment on undrawn commitments and unutilised limits	11,940	12,410	13,399
Lease liabilities	47,866	48,845	44,407
Negative fair value of derivatives	13,801	16,197	17,889
Unearned discount and interest	15,560	8,869	5,624
Employee end of service benefits	7,762	7,450	7,233
Deferred tax liability	7,758	4,962	6,890
	437,930	430,737	441,921

11. SHARE CAPITAL

The authorised share capital of the Bank is 8,000,000,000 shares of RO 0.100 each (31 December 2024: 8,000,000,000 of RO 0.100 each). At 30 June 2025, 7,506,397,062 shares of RO 0.100 each (31 December 2024: 7,506,397,062 shares of RO 0.100 each) have been issued and fully paid. The Bank's shares are listed in Muscat, Bahrain and London stock exchanges. Listing in London stock exchange is through Global Depository Receipts issued by the Bank.

In the Bank's annual general meeting held on 26 March 2025 the shareholders approved a dividend of 16.5% in the form of cash. Thus shareholders received cash dividend of RO 0.0165 per ordinary share of RO 0.100 each aggregating to RO 123.856 million on Bank's existing share capital.

The shareholding structure of the Bank is as follows:

Investor Name	<i>Ownership percentage %</i>	
	<i>30-Jun-2025</i>	<i>31-Dec-24</i>
Royal Court Affairs	27.31%	27.31%
Ominvest Group	15.00%	15.00%
Muscat Overseas Group	5.63%	5.67%
Social Protection Fund	4.99%	4.99%
Pension Funds Trust Accounts	19.61%	19.64%
Others*	27.46%	27.39%
Total	100.00%	100.00%

* The other shareholdings of the Bank are widely spread.

12. CONTINGENT LIABILITIES

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
CONTINGENT LIABILITIES			
Letters of credit	454,374	517,178	450,661
Guarantees	1,317,017	1,294,340	1,236,094
	1,771,391	1,811,518	1,686,755
COMMITMENTS			
Irrevocable credit commitments	248,432	258,572	298,547
Purchase of property and equipment	4,274	1,543	3,099
Partly paid shares	7,273	8,114	8,519
	259,979	268,229	310,165

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
13. INTEREST INCOME / INCOME ON ISLAMIC FINANCING / INVESTMENT

	<i>Unaudited -for six months period ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited -for six months period ended- 30-Jun-2024 RO' 000</i>	<i>Unaudited -for three months ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited -for three months ended- 30-Jun-2024 RO' 000</i>
Loans and advances	244,856	243,418	123,591	121,341
Due from banks	16,831	24,311	7,675	11,882
Investments	35,953	35,174	17,634	18,306
	297,640	302,903	148,900	151,529
Islamic financing receivables	45,527	43,793	22,891	21,898
Islamic due from banks	626	1,370	227	432
Islamic investment	6,699	4,283	3,250	2,142
	52,852	49,446	26,368	24,472
	350,492	352,349	175,268	176,001

14. INTEREST EXPENSE / DISTRIBUTION TO DEPOSITORS

	<i>Unaudited -for six months period ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited -for six months period ended- 30-Jun-2024 RO' 000</i>	<i>Unaudited -for three months ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited -for three months ended- 30-Jun-2024 RO' 000</i>
Customers' deposits	82,950	98,485	40,799	49,050
Bank borrowings	21,916	25,114	10,670	13,088
Euro medium term notes	4,649	4,649	2,325	2,325
	109,515	128,248	53,794	64,463
Islamic customers' deposits	30,721	23,415	15,334	11,703
Sukuk	456	1,213	230	512
Islamic bank borrowings	3,357	8,846	1,470	4,149
	34,534	33,474	17,034	16,364
	144,049	161,722	70,828	80,827

15. COMMISSION AND FEES INCOME (NET)

	<i>Unaudited -for six months period ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited -for six months period ended- 30-Jun-2024 RO' 000</i>	<i>Unaudited -for three months ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited -for three months ended- 30-Jun-2024 RO' 000</i>
Transactional income	46,222	42,195	23,534	20,927
Trade income	7,151	6,502	3,782	3,205
Syndication and other loan related income	8,700	7,694	5,092	3,777
Advisory, asset management and private equity services related income	5,137	5,482	2,305	2,814
	67,210	61,873	34,713	30,723
Fees and commission expense	(19,695)	(14,922)	(10,678)	(8,234)
	47,515	46,951	24,035	22,489

16. OTHER OPERATING INCOME

	<i>Unaudited -for six months period ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited -for six months period ended- 30-Jun-2024 RO' 000</i>	<i>Unaudited -for three months ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited -for three months ended- 30-Jun-2024 RO' 000</i>
Foreign exchange	15,121	20,022	7,981	10,387
Changes in fair value of financial assets	3,637	50	3,853	(142)
Net realised gain (loss) on sale of fair value investments	325	788	105	173
Dividend income	15,206	7,351	7,264	5,079
Other income	30	109	(76)	32
	34,319	28,320	19,127	15,529

Dividend income recognised on FVOCI investments during the period ended 30 June 2025 is RO 9,310 thousands. (30 June 2024: RO 7,218 thousands), out of which RO 322 thousands (30 June 2024: RO 76 thousands) pertains to investments sold during this period.

17. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	<i>Unaudited -for six months period ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited -for six months period ended- 30-Jun-2024 RO' 000</i>	<i>Unaudited -for three months ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited -for three months ended- 30-Jun-2024 RO' 000</i>
(Impairment) / reversal of impairment for credit losses:				
- Cash and Central bank balances	-	2	-	-
- Due from banks	18	(422)	(25)	(414)
- Loans and advances to customers	(44,813)	(44,321)	(24,620)	(27,471)
- Financial guarantees	1,249	3,461	2,366	4,869
- Acceptances	82	382	(606)	401
- Loan commitments / unutilised limits	471	(3,202)	1,282	(387)
- Investments	(677)	(582)	(541)	(18)
	(43,670)	(44,682)	(22,144)	(23,020)
Recoveries from impairment for credit losses	12,999	14,021	6,859	8,915
Recoveries from loans previously written off	510	702	161	369
	13,509	14,723	7,020	9,284
	(30,161)	(29,959)	(15,124)	(13,736)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

18. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Group conducts transactions with certain of its directors, shareholders, senior management and companies in which they have a significant interest. The Group engages in transactions with related parties only on arm's length terms and in accordance with relevant laws and regulations. Terms of these transactions are approved by the Bank's Board and Management. The balances in respect of related parties included in the consolidated statement of financial position as at the reporting date are as follows:

	<i>Unaudited 30-Jun-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>
a) Directors and senior management			
Loans and advances	392	526	648
Current, deposit and other accounts	3,123	3,103	3,444
b) Major shareholders and others			
Loans and advances (gross)			
- Shareholders holding 20% or more interest in the Bank and their related entities	13,988	31,806	44,136
- Other related parties	107,216	116,269	126,268
	<u>121,204</u>	<u>148,075</u>	<u>170,404</u>
Current, deposit and other accounts			
- Shareholders holding 20% or more interest in the Bank and their related entities	64,710	10,938	31,529
- Other related parties	32,629	32,593	31,968
	<u>97,339</u>	<u>43,531</u>	<u>63,497</u>
Customers' liabilities under documentary credits, guarantees and other commitments			
- Shareholders holding 20% or more interest in the Bank and their related entities	-	-	-
- Other related parties	5,233	5,030	5,184
	<u>5,233</u>	<u>5,030</u>	<u>5,184</u>

The income and expenses in respect of related parties included in the interim condensed consolidated financial statements are as follows:

	<i>Unaudited -for six months period ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>	<i>Unaudited -for three months period ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>
a) Directors and senior management				
Interest income	10	15	4	7
Interest expenditure	53	59	25	27
b) Major shareholders and others				
Interest income				
- Shareholders holding 20% or more interest in the Bank and their related entities	449	819	183	422
- Other related parties	2,940	3,662	1,455	1,664
	<u>3,389</u>	<u>4,481</u>	<u>1,638</u>	<u>2,086</u>
Interest expenditure				
- Shareholders holding 20% or more interest in the Bank and their related entities	139	115	108	77
- Other related parties	585	503	293	281
	<u>724</u>	<u>618</u>	<u>401</u>	<u>358</u>

Loans, advances or receivables and non-funded exposure due from related parties or holders of 10 percent or more of Banks shares, or their family members, less all provisions and write-offs, is further analysed as follows:

	<i>Unaudited 30-Jun-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>
Royal Court Affairs	13,988	31,806	44,136
Omnivest Group	74,728	79,118	94,242
HE Sheikh Mustahail Ahmed Al Mashani Group Companies	37,913	42,372	37,486
Others	200	335	372
	<u>126,829</u>	<u>153,631</u>	<u>176,236</u>

Items of expense which were paid to related parties or holders of 10 percent or more of the bank's shares, or their family members, during the period can be further analysed as follows:

	<i>Unaudited -for six months period ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>	<i>Unaudited -for three months period ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>
Royal Court Affairs	139	115	108	77
Omnivest Group	423	314	211	190
HE Sheikh Mustahail Al Mashani Group Companies	161	189	81	91
Others	54	59	26	27
	<u>777</u>	<u>677</u>	<u>426</u>	<u>385</u>

Directors remuneration and sitting fees during the period ended 30 June 2025 is RO 187 thousands (30 June 2024: RO 179 thousands)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
19. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders (after adjusting for interest on perpetual tier I capital) for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Unaudited -for six months period ended- 30-Jun-2025 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>	<i>Unaudited for three months period ended 30-Jun-2025 RO' 000</i>	<i>Unaudited 30-Jun-2024 RO' 000</i>
Profit for the period	125,818	112,115	58,561	54,240
Less: interest on Perpetual Tier I capital	(11,929)	(11,539)	(11,929)	(11,539)
Profit attributable to ordinary shareholders of parent company for basic earnings per share (RO 000's)	113,889	100,576	46,632	42,701
	7,506,397	7,506,397	7,506,397	7,506,397
Basic earnings per share (RO)	0.015	0.013	0.006	0.006

There are no instruments that are dilutive in nature, hence the basic and diluted earnings per share are same for both the periods. Interest on Perpetual Tier I capital is adjusted in computation of earnings per share on payment basis.

20. DERIVATIVES

As at 30 June 2025 (unaudited)	<i>Positive fair value RO' 000</i>	<i>Negative fair value RO' 000</i>	<i>Notional total RO' 000</i>	<i>Notional amounts by term to maturity</i>		
				<i>within 3 months RO' 000</i>	<i>4-12 months RO' 000</i>	<i>> 12 months RO' 000</i>
Cash flow hedge	4,873	-	288,750	-	-	288,750
Interest rate swaps	8,253	8,148	324,498	-	3,415	321,083
Commodities purchase contracts	2,998	173	67,525	49,799	17,726	-
Commodities sale contracts	180	2,937	67,238	49,512	17,726	-
Forward purchase contracts	1,649	313	1,271,987	566,029	331,192	374,766
Forward sales contracts	2,263	2,230	1,269,693	564,556	330,587	374,550
Total	20,216	13,801	3,289,691	1,229,896	700,646	1,359,149

As at 31 December 2024 (audited)	<i>Positive fair value RO' 000</i>	<i>Negative fair value RO' 000</i>	<i>Notional total RO' 000</i>	<i>Notional amounts by term to maturity</i>		
				<i>Within 3 months RO' 000</i>	<i>4-12 months RO' 000</i>	<i>> 12 months RO' 000</i>
Cash flow hedge	6,943	-	288,750	-	-	288,750
Interest rate swaps	10,508	10,391	365,902	-	25,052	340,850
Commodities purchase contracts	856	2,564	89,770	50,381	38,216	1,173
Commodities sale contracts	2,607	826	89,771	50,382	38,216	1,173
Forward purchase contracts	7	2,332	1,028,911	203,598	521,074	304,239
Forward sales contracts	5,759	84	1,024,664	200,310	520,887	303,467
Total	26,680	16,197	2,887,768	504,671	1,143,445	1,239,652

As at 30 June 2024 (unaudited)	<i>Positive fair value RO' 000</i>	<i>Negative fair value RO' 000</i>	<i>Notional total RO' 000</i>	<i>Notional amounts by term to maturity</i>		
				<i>Within 3 months RO' 000</i>	<i>4-12 months RO' 000</i>	<i>> 12 months RO' 000</i>
Cash flow hedge	8,424	-	288,750	-	-	288,750
Interest rate swaps	12,929	12,808	383,546	282	642	382,622
Commodities purchase contracts	1,998	1,664	84,260	54,455	29,087	718
Commodities sale contracts	1,702	1,955	84,260	54,455	29,087	718
Forward purchase contracts	66	1,345	1,880,055	1,078,150	670,250	131,655
Forward sales contracts	10,435	117	1,869,427	1,068,726	669,979	130,722
Total	35,554	17,889	4,590,298	2,256,068	1,399,045	935,185

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
21. SEGMENTAL INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive committee that are used to make strategic decisions. The committee considers the business from both a geographic and product perspective. Geographically, management considers the performance of whole bank in Oman and International markets. The Oman market is further segregated into corporate, consumer, wholesale and Islamic banking as all of these business lines are located in Oman. Segment information in respect of geographical locations is as follows:

<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>		<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
<i>30-Jun-2024</i>	<i>30-Jun-2024</i>	<i>30-Jun-2024</i>		<i>30-Jun-2025</i>	<i>30-Jun-2025</i>	<i>30-Jun-2025</i>
<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>		<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>
<i>Total</i>	<i>International</i>	<i>Oman</i>		<i>Oman</i>	<i>International</i>	<i>Total</i>
302,903	7,462	295,441	Interest income	291,918	5,722	297,640
(128,248)	(4,591)	(123,657)	Interest expense	(106,515)	(3,000)	(109,515)
49,446	-	49,446	Income from Islamic financing	52,852	-	52,852
(33,474)	-	(33,474)	Distribution to depositors	(34,534)	-	(34,534)
46,951	1,114	45,837	Commission and fee income (net)	46,226	1,289	47,515
28,320	3,070	25,250	Other operating income	23,290	11,029	34,319
265,898	7,055	258,843		273,237	15,040	288,277
			Operating expenses			
(92,076)	(1,850)	(90,226)	Other operating expenses	(94,564)	(1,997)	(96,561)
(10,051)	(118)	(9,933)	Depreciation	(11,279)	(241)	(11,520)
(102,127)	(1,968)	(100,159)		(105,843)	(2,238)	(108,081)
546	546	-	Share of income from an associate	-	226	226
(29,959)	1,256	(31,215)	Net impairment losses on financial assets	(30,614)	453	(30,161)
(22,243)	(1,033)	(21,210)	Tax expense	(22,271)	(2,172)	(24,443)
(153,783)	(1,199)	(152,584)		(158,728)	(3,731)	(162,459)
112,115	5,856	106,259	Profit (Loss) for the period	114,509	11,309	125,818
			Other information			
14,190,962	334,694	13,856,268	Total assets	13,667,911	505,761	14,173,672
11,835,064	188,907	11,646,157	Total liabilities	11,531,318	189,961	11,721,279

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
21. SEGMENTAL INFORMATION (continued)

The Bank reports the segment information by the following business segments Corporate, Consumer, Wholesale, International and Islamic banking. The following table shows the distribution of the Bank's operating income, net profit and total assets by business segments:

30 June 2025 (unaudited)	Corporate banking RO '000	Consumer banking RO '000	Wholesale banking RO '000	International banking* RO '000	Subtotal RO '000	Islamic banking RO '000	Total RO '000
Segment revenue							
Net interest income	70,992	90,306	24,109	2,718	188,125	-	188,125
Net income from Islamic financing					-	18,318	18,318
Commission, fees and other income	12,995	31,922	20,948	12,313	78,178	3,656	81,834
Operating income	83,987	122,228	45,057	15,031	266,303	21,974	288,277
Segment costs							
Operating expenses	(19,143)	(68,246)	(9,467)	(3,147)	(100,003)	(8,078)	(108,081)
Share of income from associate	-	-	-	226	226	-	226
Impairment (net)	(15,184)	(7,529)	(446)	453	(22,706)	(7,455)	(30,161)
Tax expense	(8,100)	(7,578)	(5,733)	(2,076)	(23,487)	(956)	(24,443)
	(42,427)	(83,353)	(15,646)	(4,544)	(145,970)	(16,489)	(162,459)
Segment profit for the period	41,560	38,875	29,411	10,487	120,333	5,485	125,818
Segment assets	4,884,952	4,185,568	2,554,569	489,114	12,114,203	2,059,469	14,173,672
Segment liabilities	4,166,990	4,430,972	1,106,847	189,951	9,894,760	1,826,519	11,721,279

30 June 2024 (unaudited)	Corporate banking RO '000	Consumer banking RO '000	Wholesale banking RO '000	International banking* RO '000	Subtotal RO '000	Islamic banking RO '000	Total RO '000
Segment revenue							
Net interest income	67,978	84,362	19,449	2,866	174,655	-	174,655
Net income from Islamic financing					-	15,972	15,972
Commission, fees and other income	10,869	33,966	23,717	4,188	72,740	2,531	75,271
Operating income	78,847	118,328	43,166	7,054	247,395	18,503	265,898
Segment costs							
Operating expenses	(18,580)	(64,415)	(8,900)	(2,842)	(94,737)	(7,390)	(102,127)
Share of income from associate	-	-	-	546	546	-	546
Impairment (net)	(17,338)	(6,899)	(743)	1,258	(23,722)	(6,237)	(29,959)
Tax expense	(7,140)	(7,821)	(5,577)	(1,033)	(21,571)	(672)	(22,243)
	(43,058)	(79,135)	(15,220)	(2,071)	(139,484)	(14,299)	(153,783)
Segment profit for the period	35,789	39,193	27,946	4,983	107,911	4,204	112,115
Segment assets	4,733,600	4,088,893	3,186,739	318,844	12,328,076	1,862,886	14,190,962
Segment liabilities	4,153,912	4,252,460	1,592,800	194,796	10,193,968	1,641,096	11,835,064

Note: * International banking includes overseas operations and cost allocations from Oman operations

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
22. ASSET LIABILITY MATURITY

The asset and liability maturity profile was as follows:

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
ASSETS			
On demand or within one month	2,394,934	2,213,494	2,627,950
Two to three months	1,176,172	1,196,781	1,218,200
Four to twelve months	1,287,633	1,493,064	1,512,628
One to five years	3,877,029	3,520,679	3,431,070
More than five years	5,437,904	5,487,937	5,401,114
	<u>14,173,672</u>	<u>13,911,955</u>	<u>14,190,962</u>
LIABILITIES AND EQUITY			
On demand or within one month	1,376,982	1,305,516	1,859,648
Two to three months	1,059,413	1,406,066	1,053,357
Four to twelve months	3,146,757	2,476,022	2,703,536
One to five years	4,536,529	4,781,784	4,691,352
More than five years	4,053,991	3,942,567	3,883,069
	<u>14,173,672</u>	<u>13,911,955</u>	<u>14,190,962</u>
MISMATCH			
On demand or within one month	1,017,952	907,978	768,302
Two to three months	116,759	(209,285)	164,843
Four to twelve months	(1,859,124)	(982,958)	(1,190,908)
One to five years	(659,500)	(1,261,105)	(1,260,282)
More than five years	1,383,913	1,545,370	1,518,045
	<u>-</u>	<u>-</u>	<u>-</u>

Mismatch represents difference between assets and liabilities for each maturity band.

23. CAPITAL ADEQUACY

The following table sets out the capital adequacy position of the Bank as per Basel III regulatory requirements

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
Common Equity Tier I capital	1,696,972	1,706,821	1,611,361
Perpetual Tier I capital	505,320	505,320	505,320
Tier I capital	<u>2,202,292</u>	<u>2,212,141</u>	<u>2,116,681</u>
Tier II capital	64,559	90,875	83,752
Total regulatory capital	<u>2,266,851</u>	<u>2,303,016</u>	<u>2,200,433</u>
Total risk weighted assets	11,830,279	11,504,174	11,067,248
Of which: Credit risk weighted assets	10,173,263	10,044,480	9,989,330
Of which: Market risk weighted assets	697,288	499,966	173,087
Of which: Operational risk weighted assets	959,728	959,728	904,832
Capital ratios :			
Common Equity Tier 1	14.34%	14.84%	14.56%
Tier 1	18.62%	19.23%	19.13%
Total capital	19.16%	20.02%	19.88%

24. LIQUIDITY

The following table sets out the Liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) of the Bank:

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
LCR	164%	190%	148%
NSFR	112%	117%	115%

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
25 LEVERAGE RATIO

Under its Basel III guidelines, Basel Committee for Banking Supervision (BCBS) introduced a non-risk sensitive Leverage Ratio to address excessive build-up of on and off-balance sheet exposures, which was the root cause of the Financial/Credit crisis of 2008. The ratio is calculated by dividing the Tier I capital of the bank by the Bank's total assets (sum of all on and off-balance sheet assets). Being a DSIB the Bank is required to maintain a higher Leverage ratio of 5% considering the systemic importance.

Table 1: Summary comparison of accounting assets vs leverage ratio exposure measure as at the reporting dates:

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
1 Total consolidated assets as per published financial statements	14,173,672	13,911,955	14,190,962
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(42,125)	(42,398)	(49,088)
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-
4 Adjustments for derivative financial instruments	92,583	97,731	139,053
5 Adjustment for securities financing transactions (i.e., repos and similar secured lending)	-	-	-
6 Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	1,063,883	1,038,521	1,007,982
7 Other adjustments	-	-	-
8 Leverage ratio exposure	15,288,013	15,005,809	15,288,909

Table 2: Leverage ratio common disclosure template

	<i>Unaudited</i> <i>30-Jun-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>30-Jun-2024</i> <i>RO' 000</i>
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	14,173,672	13,911,955	14,190,962
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(42,125)	(42,398)	(49,088)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	14,131,547	13,869,557	14,141,874
Derivative Exposures			
4 Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	20,298	26,186	36,790
5 Add-on amounts for PFE associated with all derivatives transactions	72,285	71,545	102,262
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-	-
8 (Exempted CCP leg of client-cleared trade exposures)	-	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-
11 Total derivative exposures (sum of lines 4 to 10)	92,583	97,731	139,053
Securities financing transaction exposures			
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-
14 CCR exposure for SFT assets	-	-	-
15 Agent transaction exposures	-	-	-
16 Total securities financing transaction exposures (sum of lines 12 to 15)	-	-	-
Other Off-balance sheet exposures			
17 Off-balance sheet exposure at gross notional amount	2,141,341	2,171,005	2,093,348
18 (Adjustments for conversion to credit equivalent amounts)	(1,077,459)	(1,132,484)	(1,085,366)
19 Off-balance sheet items (sum of lines 17 and 18)	1,063,882	1,038,521	1,007,982
Capital and total exposures			
20 Tier 1 capital	2,202,292	2,212,141	2,116,681
21 Total exposures (sum of lines 3, 11, 16 and 19)	15,288,012	15,005,809	15,288,909
Leverage Ratio			
22 Basel III leverage ratio (%)	14.4%	14.7%	13.8%

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
26. CREDIT QUALITY ANALYSIS
26.1 Financial instruments by stages

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:

RO'000

<i>30 June 2025</i>	Stage 1	Stage 2	Stage 3	Total
Gross exposure				
Central Bank balances	285,764	-	-	285,764
Due from Banks	473,852	561	-	474,413
Loans and advances / Islamic financing receivables	9,518,289	1,429,718	416,759	11,364,766
Investment Securities at FVOCI	384,517	-	-	384,517
Investment Securities at amortized Cost	1,355,311	5,554	-	1,360,865
Total funded gross exposure	12,017,733	1,435,833	416,759	13,870,325
Financial guarantee contracts	1,294,163	454,697	22,531	1,771,391
Acceptances	95,636	18,296	973	114,905
Loan Commitment/Unutilised limits	2,216,860	364,150	-	2,581,010
Total non-funded gross exposure	3,606,659	837,143	23,504	4,467,306
Total gross exposure	15,624,392	2,272,976	440,263	18,337,631
Impairment				
Due from Banks	5,347	4	-	5,351
Loans and advances / Islamic financing receivables	39,382	242,690	358,530	640,602
Investment Securities at FVOCI	2,758	-	-	2,758
Investment Securities at amortized Cost	659	83	-	742
Total funded impairment	48,146	242,777	358,530	649,453
Financial guarantee contracts	5,356	13,419	20,975	39,750
Acceptances	579	615	322	1,516
Loan Commitment/Unutilised limits	7,039	4,901	-	11,940
Total non-funded impairment	12,974	18,935	21,297	53,206
Total impairment	61,120	261,712	379,827	702,659
Net exposure				
Central Bank balances	285,764	-	-	285,764
Due from Banks	468,505	557	-	469,062
Loans and advances / Islamic financing receivables	9,478,907	1,187,028	58,229	10,724,164
Investment Securities at FVOCI	381,759	-	-	381,759
Investment Securities at amortized Cost	1,354,652	5,471	-	1,360,123
Total funded net exposure	11,969,587	1,193,056	58,229	13,220,872
Financial guarantee contracts	1,288,807	441,278	1,556	1,731,641
Acceptances	95,057	17,681	651	113,389
Loan Commitment/Unutilised limits	2,209,821	359,249	-	2,569,070
Total net non-funded exposure	3,593,685	818,208	2,207	4,414,100
Total net exposure	15,563,272	2,011,264	60,436	17,634,972

Stage 1: 85.2% of gross exposure in scope for IFRS 9 is in Stage 1 and has not experienced a significant increase in credit risk since origination.

Stage 2: 12.4% of gross exposure is in Stage 2 and has seen an increase in credit risk since origination. These assets are the key driver of increase in impairment allowances under IFRS9.

Stage 3: 2.4% of gross exposure is in Stage 3 which is credit impaired including defaulted assets and some forbearance assets.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
26. CREDIT QUALITY ANALYSIS (continued)
26.1 Financial instruments by stages

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:

RO'000

31-Dec-24	Stage 1	Stage 2	Stage 3	Total
Gross exposure				
Central Bank balances	258,757	-	-	258,757
Due from Banks	719,145	1,014	-	720,159
Loans and advances / Islamic financing receivables	8,893,107	1,583,378	420,432	10,896,917
Investment Securities at FVOCI	218,148	54	-	218,202
Investment Securities at amortized Cost	1,625,644	5,362	-	1,631,006
Total funded gross exposure	11,714,801	1,589,808	420,432	13,725,041
Financial guarantee contracts	1,329,262	458,924	23,332	1,811,518
Acceptances	69,209	23,533	59	92,801
Loan Commitment/Unutilised limits	2,416,924	467,253	-	2,884,177
Total non-funded gross exposure	3,815,395	949,710	23,391	4,788,496
Total gross exposure	15,530,196	2,539,518	443,823	18,513,537
Impairment				
Due from Banks	5,357	11	-	5,368
Loans and advances / Islamic financing receivables	33,083	269,788	356,598	659,469
Investment Securities at FVOCI	2,378	-	-	2,378
Investment Securities at amortized Cost	357	89	-	446
Total funded impairment	41,175	269,888	356,598	667,661
Financial guarantee contracts	4,243	14,780	21,954	40,977
Acceptances	501	1,045	52	1,598
Loan Commitment/Unutilised limits	4,930	7,480	-	12,410
Total non-funded impairment	9,674	23,305	22,006	54,985
Total impairment	50,849	293,193	378,604	722,646
Net exposure				
Central Bank balances	258,757	-	-	258,757
Due from Banks	713,788	1,003	-	714,791
Loans and advances / Islamic financing receivables	8,860,024	1,313,590	63,834	10,237,448
Investment Securities at FVOCI	215,770	54	-	215,824
Investment Securities at amortized Cost	1,625,287	5,273	-	1,630,560
Total funded net exposure	11,673,626	1,319,920	63,834	13,057,380
Financial guarantee contracts	1,325,019	444,144	1,378	1,770,541
Acceptances	68,708	22,488	7	91,203
Loan Commitment/Unutilised limits	2,411,994	459,773	-	2,871,767
Total net non-funded exposure	3,805,721	926,405	1,385	4,733,511
Total net exposure	15,479,347	2,246,325	65,219	17,790,891

Stage 1: 83.9% of gross exposure in scope for IFRS 9 is in Stage 1 and has not experienced a significant increase in credit risk since origination.

Stage 2: 13.7% of gross exposure is in Stage 2 and has seen an increase in credit risk since origination. These assets are the key driver of increase in impairment allowances under IFRS9.

Stage 3: 2.4% of gross exposure is in Stage 3 which is credit impaired including defaulted assets and some forbearance assets.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
26. CREDIT QUALITY ANALYSIS (continued)
26.2 COMPARISON OF IFRS 9 WITH CENTRAL BANK OF OMAN (CBO) NORMS

The following tables are as per the requirements of CBO circular BM 1149:

a. Impairment charge and provisions held

RO '000

<i>As at 30 June 2025 (Unaudited)</i>	<i>As per CBO norms</i>	<i>As per IFRS 9</i>	<i>Difference</i>
Impairment loss charged to statement of comprehensive income (net of recoveries)*	30,161	30,161	-
Provisions required as per CBO norms / held as per IFRS 9 *	532,186	702,659	(170,473)
Gross NPL ratio **	3.67%	3.67%	-
Net NPL ratio **	0.38%	0.34%	0.04%

* Note: Impairment loss and provisions held above includes unallocated provision created by the bank

** NPL ratios are calculated on the basis of funded non performing loans and funded exposures

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

RO '000

<i>Asset classification as per CBO norms</i>	<i>Asset classification as per IFRS 9</i>	<i>Gross amount</i>	<i>Provision as per CBO norms</i>	<i>Reserve interest as per CBO norms</i>	<i>Provision as per IFRS 9</i>	<i>Difference</i>	<i>Net carrying amount</i>	<i>Interest recognised as per IFRS 9</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (4)+(5)-(6)	(8) = (3)-(6)	(9)
Standard	Stage 1	9,992,141	142,107	-	44,729	97,378	9,947,412	-
	Stage 2	1,034,715	10,477	-	189,191	(178,714)	845,524	-
	Stage 3	-	-	-	-	-	-	-
	Sub total	11,026,856	152,584	-	233,920	(81,336)	10,792,936	-
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	395,564	4,260	-	53,503	(49,243)	342,061	-
	Stage 3	-	-	-	-	-	-	-
	Sub total	395,564	4,260	-	53,503	(49,243)	342,061	-
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	21,299	5,129	785	5,914	-	15,385	-
	Sub total	21,299	5,129	785	5,914	-	15,385	-
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	20,390	8,675	595	13,755	(4,485)	6,635	-
	Sub total	20,390	8,675	595	13,755	(4,485)	6,635	-
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	398,574	298,797	61,361	360,158	-	38,416	-
	Sub total	398,574	298,797	61,361	360,158	-	38,416	-
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	5,632,251	-	-	16,391	(16,391)	5,615,860	-
	Stage 2	842,697	-	-	19,018	(19,018)	823,679	-
	Stage 3	-	-	-	-	-	-	-
	Sub total	6,474,948	-	-	35,409	(35,409)	6,439,539	-
Total	Stage 1	15,624,392	142,107	-	61,120	80,987	15,563,272	-
	Stage 2	2,272,976	14,737	-	261,712	(246,975)	2,011,264	-
	Stage 3	440,263	312,601	62,741	379,827	(4,485)	60,436	-
	Total	18,337,631	469,445	62,741	702,659	(170,473)	17,634,972	-

c. Restructured loans

RO '000

<i>Asset classification as per CBO norms</i>	<i>Asset classification as per IFRS 9</i>	<i>Gross amount</i>	<i>Provision as per CBO norms*</i>	<i>Reserve interest as per CBO norms</i>	<i>Provision as per IFRS 9</i>	<i>Difference</i>	<i>Net carrying amount</i>	<i>Interest recognised as per IFRS 9</i>
(1)	(2)	(3)	(4)	(5)	(6)	(4)+(5)-(6)	(8) = (3)-(6)	(9)
Classified as performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	62,511	625	-	7,191	(6,566)	55,320	-
	Stage 3	-	-	-	-	-	-	-
	Sub total	62,511	625	-	7,191	(6,566)	55,320	-
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	98,160	69,364	11,226	81,501	(911)	16,659	-
	Sub total	98,160	69,364	11,226	81,501	(911)	16,659	-
Total	Stage 1	-	-	-	-	-	-	-
	Stage 2	62,511	625	-	7,191	(6,566)	55,320	-
	Stage 3	98,160	69,364	11,226	81,501	(911)	16,659	-
	Total	160,671	69,989	11,226	88,692	(7,477)	71,979	-

In addition to the above, the loan outstanding of customers whose credit facilities were rescheduled as per the COVID19 guidelines of Central Bank of Oman amounted to RO 767.45 million (Stage 1: RO 88.102 million, Stage 2: RO 560.67 million and Stage 3: RO 118.678 million) with an impairment allowance (incl. overlays) of RO 190.701 million (Stage 1: RO 5.129 million, Stage 2: RO 80.515 million, Stage 3: RO 105.057 million).

**NOTES TO THE INTERIM NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
26. CREDIT QUALITY ANALYSIS (continued)
26.2 COMPARISON OF IFRS 9 WITH CENTRAL BANK OF OMAN (CBO) NORMS

The following tables are as per the requirements of CBO circular BM 1149:

a. Impairment charge and provisions held

RO '000

<i>As at 31 December 2024 (Audited)</i>	<i>As per CBO norms</i>	<i>As per IFRS 9</i>	<i>Difference</i>
Impairment loss charged to statement of comprehensive income (net of recoveries)*	64,406	64,406	-
Provisions required as per CBO norms / held as per IFRS 9 *	531,509	722,646	(191,137)
Gross NPL ratio **	3.86%	3.86%	-
Net NPL ratio **	0.65%	0.61%	0.04%

* Note: Impairment loss and provisions held above includes unallocated provision created by the Bank

** NPL ratios are calculated on the basis of funded non performing loans and funded exposures

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

RO '000

<i>Asset classification as per CBO norms As at 31 December 2024</i>	<i>Asset classification as per IFRS 9</i>	<i>Gross amount</i>	<i>Provision as per CBO norms</i>	<i>Reserve interest as per CBO norms</i>	<i>Provision as per IFRS 9</i>	<i>Difference</i>	<i>Net carrying amount</i>	<i>Interest recognised as per IFRS 9</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7) = (4)+(5)-(6)</i>	<i>(8) = (3)-(6)</i>	<i>(9)</i>
Standard	Stage 1	9,612,252	135,259	-	38,440	96,819	9,573,812	-
	Stage 2	1,218,718	12,278	-	172,058	(159,780)	1,046,660	-
	Stage 3	-	-	-	-	-	-	-
		10,830,970	147,537	-	210,498	(62,961)	10,620,472	-
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	365,674	8,477	1,222	97,741	(88,042)	267,933	-
	Stage 3	-	-	-	-	-	-	-
		365,674	8,477	1,222	97,741	(88,042)	267,933	-
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	20,987	5,049	789	5,838	-	15,149	-
		20,987	5,049	789	5,838	-	15,149	-
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	28,079	12,534	1,318	18,184	(4,332)	9,895	-
		28,079	12,534	1,318	18,184	(4,332)	9,895	-
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	394,757	278,198	76,385	354,582	1	40,175	-
		394,757	278,198	76,385	354,582	1	40,175	-
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	5,917,944	-	-	12,409	(12,409)	5,905,535	-
	Stage 2	955,126	-	-	23,394	(23,394)	931,732	-
	Stage 3	-	-	-	-	-	-	-
		6,873,070	-	-	35,803	(35,803)	6,837,267	-
Total	Stage 1	15,530,196	135,259	-	50,849	84,410	15,479,347	-
	Stage 2	2,539,518	20,755	1,222	293,193	(271,216)	2,246,325	-
	Stage 3	443,823	295,781	78,492	378,604	(4,331)	65,219	-
		18,513,537	451,795	79,714	722,646	(191,137)	17,790,891	-

c. Restructured loans

<i>Asset classification as per CBO norms as at 31 December 2024</i>	<i>Asset classification as per IFRS 9</i>	<i>Gross amount</i>	<i>Provision as per CBO norms</i>	<i>Reserve interest as per CBO norms</i>	<i>Provision as per IFRS 9</i>	<i>Difference</i>	<i>Net carrying amount</i>	<i>Interest recognised as per IFRS 9</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7) = (4)+(5)-(6)</i>	<i>(8) = (3)-(6)</i>	<i>(9)</i>
Classified as performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	62,113	621	-	6,288	(5,667)	55,825	-
	Stage 3	-	-	-	-	-	-	-
		62,113	621	-	6,288	(5,667)	55,825	-
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	103,918	68,685	12,028	85,026	(4,313)	18,892	-
		103,918	68,685	12,028	85,026	(4,313)	18,892	-
Total	Stage 1	-	-	-	-	-	-	-
	Stage 2	62,113	621	-	6,288	(5,667)	55,825	-
	Stage 3	103,918	68,685	12,028	85,026	(4,313)	18,892	-
		166,031	69,306	12,028	91,314	(9,980)	74,717	-

In addition to the above, the loan outstanding of customers whose credit facilities were rescheduled as per the COVID19 guidelines of Central Bank of Oman amounted to RO 814.071 million (Stage 1: RO 90.919 million, Stage 2: RO 655.995 million and Stage 3: RO 67.157 million) with an impairment allowance of RO 184.233 million (Stage 1: RO 4.282 million, Stage 2: RO 126.345 million and Stage 3: RO 53.606 million).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
27. FAIR VALUE INFORMATION

Based on the valuation methodology outlined below, the fair values of all on-balance sheet financial instruments at reporting dates are considered by the Board and Management not to be materially different to their book values:

As of 30 June 2025 (Unaudited)	Designated as at FVTPL RO' 000	Designated as at FVOCI RO' 000	Amortised cost RO' 000	Total carrying value RO' 000	Fair value RO' 000	Level
Cash and balances with Central Banks	-	-	507,664	507,664	507,664	3
Due from banks	-	86,654	382,408	469,062	465,181	2,3
Loans and advances and Islamic financing receivables	-	47,782	10,676,382	10,724,164	10,463,416	3
Investment securities	182,843	660,383	1,360,123	2,203,349	2,199,809	1,2,3
Positive fair value of derivatives	20,216	-	-	20,216	20,216	2
	203,059	794,819	12,926,577	13,924,455	13,656,286	
Deposits from banks	-	-	1,134,187	1,134,187	1,148,108	3
Customers' deposits and Islamic customer deposits	-	-	9,878,932	9,878,932	10,150,006	3
Sukuk	-	-	16,826	16,826	17,157	1
Euro medium term notes	-	-	195,139	195,139	200,426	1
Negative fair value of derivatives	13,801	-	-	13,801	13,801	2
	13,801	-	11,225,084	11,238,885	11,529,498	

As of 31 December 2024 (Audited)	Designated as at FVTPL RO' 000	Designated as at FVOCI RO' 000	Amortised cost RO' 000	Total carrying value RO' 000	Fair value RO' 000	Level
Cash and balances with Central Banks	-	-	476,739	476,739	476,739	3
Due from banks	-	55,812	658,979	714,791	725,753	2,3
Loans and advances and Islamic financing receivables	-	-	10,237,448	10,237,448	9,989,651	3
Investment securities	27,866	449,554	1,630,560	2,107,980	2,109,880	1,2,3
Positive fair value of derivatives	26,680	-	-	26,680	26,680	2
	54,546	505,366	13,003,726	13,563,638	13,328,703	
Deposits from banks	-	-	978,178	978,178	989,687	3
Customers' deposits and Islamic customer deposits	-	-	9,777,068	9,777,068	10,037,515	3
Sukuk	-	-	16,842	16,842	16,842	1
Euro medium term notes	-	-	195,139	195,139	201,314	1
Negative fair value of derivatives	16,197	-	-	16,197	16,197	2
	16,197	-	10,967,227	10,983,424	11,261,555	

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**
27. FAIR VALUE INFORMATION (continued)

The following table presents the Bank's assets and liabilities that are measured at fair value at the reporting dates:

<i>As of 30 June 2025</i>	<i>Level 1 RO'000</i>	<i>Level 2 RO'000</i>	<i>Level 3 RO'000</i>	<i>Total RO'000</i>
Assets				
Derivatives	-	20,216	-	20,216
FVOCI Due from banks	-	86,654	-	86,654
FVOCI Loans and advances and Islamic financing receivables	-	47,782	-	47,782
FVTPL Equity	161,033	-	21,810	182,843
FVTPL Debt	-	-	-	-
FVOCI Equity	277,558	-	1,066	278,624
FVOCI Debt	351,759	-	30,000	381,759
Total Assets	790,350	154,652	52,876	997,878
Liabilities				
Derivatives	-	13,801	-	13,801
<i>As of 31 December 2024</i>	<i>Level 1 RO'000</i>	<i>Level 2 RO'000</i>	<i>Level 3 RO'000</i>	<i>Total RO'000</i>
Assets				
Derivatives	-	26,680	-	26,680
FVOCI Due from banks	-	55,812	-	55,812
FVTPL Equity	9,410	-	18,456	27,866
FVOCI Equity	232,472	-	1,258	233,730
FVOCI Debt	215,824	-	-	215,824
Total Assets	457,706	82,492	19,714	559,912
Liabilities				
Derivatives	-	16,197	-	16,197

The following table demonstrate the movement of the Bank's level 3 investments:

At 1 January 2025	1,258	18,456	19,714
Realised gain on sale	-	283	283
Gain (loss) from change in fair value	(192)	(6)	(198)
Disposals and redemption	-	(1,237)	(1,237)
Exchange differences	-	30	30
	1,066	21,810	22,876

<i>As of 31 December 2024 (Audited)</i>	<i>FVOCI Equity RO'000</i>	<i>FVTPL Equity RO'000</i>	<i>Total RO'000</i>
At 1 January	1,546	15,154	16,700
Realised gain on sale	0	1,392	1,392
Gain (loss) from change in fair value	(288)	(154)	(442)
Additions	-	4,653	4,653
Disposals and redemption	0	(2,513)	(2,513)
Exchange differences	0	(76)	(76)
	1,258	18,456	19,714

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2025**

27. FAIR VALUE INFORMATION (continued)

As of 30 June 2025, 9% (31 December 2024: 11%) of the level 3 equity securities were valued on the basis of fair valuation carried out in accordance with appropriate valuation techniques based on income approach (discounting of cash flows), market approach (using prices or other relevant information generated by market transactions of identical or similar entities), cost approach or a combination thereof. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, using the best information available in the circumstances. These might include banks own data and would consider all information about market participant assumptions that is reasonably available.

As of 30 June 2025, 91% (31 December 2024: 89%) of the level 3 equity securities were valued on the basis of latest available capital accounts statements of the investee companies received from independent fund managers as at 31 March 2025 or at a later date and adjusted for subsequent cash flows till 30 June 2025 or based on net asset values received from independent fund managers as at 31 March 2025 or at a later date.

The debt investments were valued on fair value basis. Valuation is based on Risk adjusted discount rate (yield) considering a reasonable range of estimates. A significant decrease in the credit quality would result in a lower fair value with significant increase in the spread above the risk-free rate and vice-versa. The Bank holds adequate provisioning on the above investments as of the reporting date.

There are no transfers of securities between Level 1, 2 and 3 during the period. Further, there is no change in the techniques used for fair valuation of level 3 securities during the period.

28. Comparative figures

No material corresponding figures for 2024 included for comparative purposes were reclassified.