

Chairman’s Report for Q1 2026

Dear Shareholders,

On behalf of the Board of Directors, I am delighted to present the results achieved by the Bank for the first quarter ending 31 March 2026. The Bank has consistently demonstrated resilient performance, reinforcing its leadership position in Oman’s financial services sector across multiple business segments.

Financial Review

The Bank posted a net profit of RO 63.95 million for the period compared to RO 58.56 million reported during the same period in 2025, an increase of 9.2 per cent.

Net Interest Income from Conventional Banking and Net Income from Islamic Financing stood at RO 104.14 million for the three months period ended 31 March 2026 compared to RO 102.00 million for the same period in 2025, an increase of 2.1 per cent.

Non-interest income was RO 41.13 million for the three months period ended 31 March 2026 as compared to RO 38.67 million for the same period in 2025, an increase of 6.4 per cent.

Operating expenses for the three months period ended 31 March 2026 was RO 57.78 million as compared to RO 55.03 million for the same period in 2025, an increase of 5.0 per cent.

Net impairment losses on financial assets for the three months period ended 31 March 2026 was RO 11.24 million as against RO 15.04 million for the same period in 2025.

Net Loans and advances including Islamic financing receivables increased by 6.4 per cent to RO 11,211 million as against RO 10,541 million as at 31 March 2025.

Customer deposits including Islamic Customer deposits increased by 4.9 per cent to RO 10,492 million as against RO 10,003 million as at 31 March 2025.

Strategic Initiatives & Key Developments

Bank Muscat held its Annual Ordinary General Meeting (AGM) and the Extraordinary General Meeting (EGM) of the shareholders on 17th March 2026. During the AGM, the shareholders approved the recommendation to distribute cash dividend of 18 Baiza for each share for the financial year ended 31st December, 2025. At the EGM, the shareholders approved the proposed increase of the authorized share capital of the Bank from RO 800 million to RO 1.2 billion and amended the Articles of Association accordingly.

During the first quarter, the Bank sustained its strong momentum, delivering resilient financial performance while advancing its commitment to providing sustainable and customer-centric banking solutions. This progress reflects the Bank's continuous focus on understanding and meeting our customers’ evolving aspirations, supported by ongoing investments in advanced technologies that enhance operational efficiency, strengthen competitiveness, and reinforce our leadership position in the sector.

The Bank continued to optimize and strengthen the Sultanate’s largest branch network through the strategic consolidation and relocation of selected branches. It introduced new branches designed to the highest modern standards, featuring sophisticated layouts, and customer-friendly environments. These developments bring the total number of branches, including retail, corporate, Meethaq Islamic Banking, to approximately 177 branches, in addition to 23 Hisabi centres. This extensive network is further supported by 915 service machines, including ATMs, CDMs, FFMs, and MFKs, enabling seamless and convenient banking experiences. The Bank also introduced a new Bulk Cash Deposit Machine (BCDM), enabling real-time cash deposit capabilities for cash-handling partners, enhancing operational efficiency, reducing manual handling, and ensuring faster fund availability to improve service levels.

Further reinforcing customer value proposition, the Bank expanded its premium service offerings by introducing exclusive complimentary and discounted VIP lounge access at the Ministry of Housing & Urban Planning for Asalah debit and credit cardholders. Additionally, three new Asalah centres were inaugurated in Maabela North, willayat of

Seeb, Al Ghubra South, willayat of Bausher in Muscat Governorate, and also in wilayat of Buraimi in Buraimi Governorate, alongside the expansion of dedicated Al Jawhar service desks across our branch network to 73 locations.

The Bank's digital transformation journey continues to deliver strong results. The number of registered users across Internet and Mobile Banking channels recorded a growth of 14.6%. Following the successful launch of the Maal Card, acceptance across POS terminals in the Sultanate has reached 86%, marking a significant milestone in expanding digital payment adoption.

The Bank also announced the launch of an instant digital loan service through its Mobile Banking application with competitive rates. The new service is dedicated to government employees and it enables them to avail personal loans with disbursement of the approved amount instantly, without the need to visit branches or complete paper-based procedures.

In the first quarter, the Bank also introduced digital onboarding for POS merchants, enabling businesses under Najahi and retail enterprises to seamlessly onboard through the Bank Muscat Internet Banking platform. The Tap 'N' Go (SoftPOS) solution has witnessed exceptional growth, with almost 1 million transactions, representing a remarkable increase compared to the first quarter of 2025. Overall merchant transaction volumes increased by 8.5%, while total transactions recorded a robust growth of 24% over the same period.

The Corporate Banking Portal was further enhanced to deliver an improved and more seamless customer experience, with additional functionalities such as enabling custody account via corporate banking channel, pre-load cards and mandates' status tracking through IB channel. The Bank also continued to strengthen its corporate base through the successful onboarding of key strategic corporate customers onto advanced transaction banking solutions.

The Bank signed an agreement with the Oman Development Bank (ODB) and Muscat Finance Company to activate e-mandate service through Bank Muscat's Application Programming Interface (API) platform. The Bank provided financing to leading government-related entities (GREs) in Technology and oil & gas sector to the tune of approx. US \$300 million, reinforcing its commitment to core strategic sectors aligned with national development goals.

The Bank continued to maintain a strong pipeline of financial advisory mandates with key GREs and leading private sector organizations and successfully completed a structured financing of RO 96 million for a private sector organization against a portfolio of securities. It has been appointed as Issue Manager and Joint Global Coordinator for the IPO of a large GRE.

The total assets under management (AUM) grew by 13.9% compared to the same period in 2025, to reach US \$4 billion during Q1 of 2026. Being the largest open-ended fund in Oman, Money Market Fund grew its assets under management to US \$676 million, a growth of 65% over similar period in 2025. During the same quarter, the proprietary investment portfolio delivered a resilient performance despite volatile capital market conditions, supported by disciplined asset allocation across diversified exposures in local, regional and international markets.

The Sharia'a Supervisory Board (SSB) convened its first and second meeting of 2026, demonstrating active oversight and engagement. During the meetings, the Board issued the annual Sharia'a Compliance Report for 2025, approved Meethaq's financial statements for the year 2025, among other decisions. They also issued a number of resolutions and fatwas covering policy enhancements, and developments of products and services.

The first quarter witnessed the introduction of Meethaq High Yield OMR Savings Account, based on the Mudarabah structure, aimed to cater to customer maintaining higher balances and seeking enhanced returns compared to traditional savings account. The account offers flexibility and easy access to funds, serving as an alternative to fixed deposits through tiered profit rates without any lock in period.

CSR & Sustainability

Highlighting its continued commitment to responsible banking practices and transparent ESG disclosures, the Bank published its 14th Sustainability Report for 2025 in Q1,

demonstrating its efforts toward sustainable value creation for stakeholders.

The Bank also announced the 2026 Green Sports Programme, offering support to another 20 local sports teams across all governorates in areas such as turf installation, lighting, and water desalination systems.

The Bank continued its support for the “Fak Kurba” initiative, organized by the Omani Lawyers Association in coordination with relevant authorities, contributing to the resolution of 2,200 cases since 2018 up to date, including 297 cases supported during the current cycle.

During Ramadhan, the Bank successfully organized the 11th edition of Al Wathbah Souq in collaboration with the SMEs Development Authority, attracting strong visitor turnout and featuring over 100 entrepreneurs and home-based businesses.

Reinforcing its focus on youth development, the Bank partnered with Oman Sail to launch the Youth Uplifting Programme, engaging 168 students, including persons with disabilities, through a series of sessions designed to promote environmental awareness, healthy lifestyles, leadership skills, and financial literacy.

Awards and Accolades

The Bank’s strong performance and commitment to excellence were further underscored by a distinguished portfolio of international and local accolades during the period. On the global level, the Bank was recognized among Forbes Middle East’s 100 Most Valuable Companies in the Middle East 2026, in addition to securing multiple prestigious titles from Global Finance, including Best Private Bank in Oman, Best FX Provider in Oman, and Best Trade Finance Provider in Oman for 2026. The Bank also earned top distinctions from Euromoney, being named Oman’s Best Private Bank and Oman’s Best for Alternative Investments under the Private Banking Awards 2026. International Investor Magazine honoured the Bank with several MENA awards, namely Best Investment Bank, Best Bank for SMEs, and Best Sustainable Finance Initiative for 2026.

Locally, the Bank’s strong brand equity and societal impact were recognized through accolades such as Oman’s Most Trusted Brand 2025 in the banking category by APEX Media, Top Brand in Oman 2026 by AIWA magazine, and the Excellence in Women Empowerment Award by United Media Services.

Meethaq Islamic Banking also continued to affirm its leadership in Islamic finance, receiving Oman’s Most Trusted Brand 2025 in the Islamic banking category by APEX Media, alongside multiple accolades from Islamic Finance News, including Best Islamic Investment Bank, Best Islamic Corporate Bank, and Best Islamic Retail Bank in Oman.

In Conclusion

On behalf of the Board of Directors, I would like to extend our heartfelt gratitude to our shareholders for their continued trust in the Bank. We commend the measures implemented by the Central Bank of Oman and the Financial Services Authority aimed at bolstering the financial market in the Sultanate. We also wish to express our sincere appreciation to His Majesty Sultan Haitham Bin Tarik for his visionary leadership and guidance in advancing the nation’s comprehensive development across all sectors.

Khalid Bin Mustahail Al Mashani