



SOHAR INTERNATIONAL BANK SAOG

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025
(RO'000)

		30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
ASSETS	Note			
Cash and balances with Central Bank	5	268,492	202,953	171,210
Due from banks	6	657,843	561,730	735,031
Investment securities	7	1,883,292	2,119,029	2,052,539
Loans, advances and Islamic financings (net)	8	4,861,563	4,269,808	4,025,154
Other assets	9	57,822	58,038	42,923
Investment properties		2,900	2,900	2,900
Property and equipment		75,309	74,364	73,498
Intangible assets	10	69,349	71,929	64,379
TOTAL ASSETS		7,876,570	7,360,751	7,167,634
LIABILITIES				
Due to banks	11	565,602	570,313	727,871
Customer deposits	12	6,312,737	5,777,040	5,610,483
Other liabilities	13	106,189	115,092	110,779
TOTAL LIABILITIES		6,984,528	6,462,445	6,449,133
SHAREHOLDERS' EQUITY				
Share capital	14	702,508	702,508	572,508
Share premium		18,038	18,038	18,038
Legal reserve		55,900	55,900	44,910
Other reserves	15	(5,869)	(6,635)	(5,556)
Retained earnings		121,465	128,495	88,601
TOTAL SHAREHOLDERS' EQUITY		892,042	898,306	718,501
Perpetual tier 1 capital securities	16	-	-	-
TOTAL LIABILITIES AND EQUITY		7,876,570	7,360,751	7,167,634
CONTINGENT LIABILITIES	17.1	603,852	567,438	610,736
COMMITMENTS	17.2	1,177,178	877,214	913,225
Net assets per share		Baisa 134.8	Baisa 135.8	Baisa 128.8

These interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 July 2025 and signed on their behalf by:

Chairman

Board member

The accompanying notes 1 to 34 form an integral part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD

(Unaudited)

(RO'000)

		Six months ended		Three months ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
Interest income	Note 18	151,870	152,504	76,760	76,893
Interest expense	19	(76,262)	(67,977)	(38,264)	(33,909)
Net interest income		75,608	84,527	38,496	42,984
Net income from Islamic financings and investing activities	20	6,677	5,307	3,670	2,811
Other operating income	21	33,287	28,027	18,365	12,162
TOTAL OPERATING INCOME		115,572	117,861	60,531	57,957
Staff costs		(31,382)	(28,343)	(14,864)	(13,963)
Other operating expenses	22	(18,092)	(17,001)	(11,253)	(8,478)
Depreciation		(2,651)	(2,417)	(1,399)	(1,225)
TOTAL OPERATING EXPENSES		(52,125)	(47,761)	(27,516)	(23,666)
NET OPERATING INCOME BEFORE IMPAIRMENT PROVISIONS		63,447	70,100	33,015	34,291
Loan impairment charges and other credit risk provisions (net)	23	(12,202)	(10,219)	(4,914)	(4,801)
PROFIT BEFORE TAX		51,245	59,881	28,101	29,490
Income tax expense		(5,095)	(9,612)	(3,410)	(4,346)
PROFIT FOR THE PERIOD		46,150	50,269	24,691	25,144
Items that will not be reclassified to profit and loss					
Revaluation loss on equity instruments held at fair value through other comprehensive income (FVOCI)		524	(29)	829	(11)
Items to be reclassified subsequently to profit and loss					
Net changes in fair value on debt instruments classified FVOCI		-	-	-	-
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		524	(29)	829	(11)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		46,674	50,240	25,520	25,133
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY		46,674	50,240	25,520	25,133
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY		46,150	50,269	24,691	25,144
Basic earnings per share for the period	24	Baisa 6.97	Baisa 8.34	Baisa 3.73	Baisa 4.51

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(Unaudited)
(RO'000)

	Share capital	Share premium	Legal reserve	Other reserves	Retained earnings	TOTAL SHAREHOLDERS' EQUITY	Perpetual tier 1 capital securities	TOTAL EQUITY
Balance as at 1 January 2025	702,508	18,038	55,900	(6,635)	128,495	898,306	-	898,306
Profit for the period	-	-	-	-	46,150	46,150	-	46,150
Other comprehensive loss for the period	-	-	-	524	-	524	-	524
Total comprehensive income for the period	-	-	-	524	46,150	46,674	-	46,674
Reclassification of net change in Fair value of equity instruments upon de-recognition	-	-	-	242	(242)	-	-	-
Dividends paid for the year 2024	-	-	-	-	(52,938)	(52,938)	-	(52,938)
Balance as at 30 June 2025	702,508	18,038	55,900	(5,869)	121,465	892,042	-	892,042

	Share capital	Share premium	Legal reserve	Other reserves	Retained earnings	TOTAL SHAREHOLDERS' EQUITY	Perpetual tier 1 capital securities	TOTAL EQUITY
Balance as at 1 January 2024	561,572	18,038	44,910	(5,527)	83,081	702,074	100,000	802,074
Profit for the period	-	-	-	-	50,269	50,269	-	50,269
Other comprehensive loss for the period	-	-	-	(29)	-	(29)	-	(29)
Total comprehensive income for the period	-	-	-	(29)	50,269	50,240	-	50,240
Issue of bonus shares	10,936	-	-	-	(10,936)	-	-	-
Repayment of perpetual tier 1 capital securities	-	-	-	-	-	-	(100,000)	(100,000)
Dividends paid for the year 2023	-	-	-	-	(30,073)	(30,073)	-	(30,073)
Perpetual tier 1 interest paid	-	-	-	-	(3,740)	(3,740)	-	(3,740)
Balance as at 30 June 2024	572,508	18,038	44,910	(5,556)	88,601	718,501	-	718,501

The accompanying notes 1 to 34 form an integral part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2025
(RO 000)

		30 June 2025	30 June 2024
OPERATING ACTIVITIES	Note		
Profit before tax		51,245	59,881
Adjustments for:			
Depreciation		2,651	2,417
Amortisation of intangible asset	10	2,580	2,235
Loan impairment charges and other credit risk provisions (net)	23	12,202	10,219
Gain / (loss) on investments held at FVTPL	21	21	29
Cash from operating activities before changes in operating assets and liabilities		68,699	74,781
Due from banks		(119,818)	66,751
Loans, advances and Islamic financings (net)		(603,752)	(113,590)
Investment held at fair value through profit or loss (FVTPL)		107	29,332
Other assets		8,762	6,643
Due to banks		75,007	157,358
Customer deposits		535,698	507,438
Other liabilities		(8,564)	(2,940)
Cash (used in)/from operating activities		(43,861)	725,773
Income tax paid		(15,952)	(298)
Net cash from operating activities		(59,813)	725,475
INVESTING ACTIVITIES			
Purchase of investment securities		(101,745)	(5,580)
Proceeds from sale/maturity of investment securities		24,659	37,025
Purchase of property and equipment		(3,519)	(346)
Net cash from investing activities		(80,605)	31,099
FINANCING ACTIVITIES			
Dividends paid		(52,938)	(30,073)
Redemption of perpetual tier 1 capital securities		-	(100,000)
Interest paid on perpetual tier 1 capital securities		-	(3,740)
Net cash used in financing activities		(52,938)	(133,813)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(193,356)	622,761
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD		2,254,711	1,835,528
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		2,061,355	2,458,289
REPRESENTING:			
Cash and available balance with Central Bank	5	267,988	170,699
Due from banks with original maturity (OM) of 90 days or less		438,895	663,903
Investment securities with OM of 90 days or less		1,354,472	1,623,687
		2,061,355	2,458,289

The accompanying notes 1 to 34 form an integral part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2025

1. Legal status and principal activities

Sohar International Bank SAOG (“Bank” or “Parent Company” or “Sohar International”), formerly Bank Sohar SAOG, was established in the Sultanate of Oman on 4 March 2007 as a public joint stock company and is primarily engaged in commercial, investment and Islamic banking through a network of 53 commercial banking branches and 20 Islamic banking branches within the Sultanate of Oman. The Bank operates under a commercial, investment and an Islamic banking licence issued by the Central Bank of Oman (CBO) and is covered by its deposit insurance scheme. The Bank commenced commercial operations from 9 April 2007. The registered address of the Bank is PO Box 44, Hai Al Mina, Postal Code 114, Muscat, Sultanate of Oman. The Bank has its primary listing on the Muscat Stock Exchange.

With effect from 30 April 2013, the Bank obtained a license to operate an Islamic Banking Window (“Sohar Islamic”). Sohar Islamic offers a full range of Islamic banking services and products. The principal activities of the window include accepting Shari'a compliant customer deposits, providing Shari'a compliant financing based on Murabaha, Mudaraba, Musharaka, Ijarah, Istisna'a, Salam and providing commercial banking services, investment and other activities permitted under Islamic Banking Regulatory Framework (IBRF).

The Parent Company established a branch in Riyadh, Kingdom of Saudi Arabia (“KSA Branch”) in November 2022, Commercial Registration No. 1010839168 dated 07/11/2022. In October 2023 the Saudi Central Bank (“SAMA”) approved the commencement of operations of KSA Branch which currently provides commercial and Islamic banking services.

The merger by incorporation with HSBC Bank Oman SAOG (“HBON”) was completed as of 17th August 2023 and resulted in all HBON's rights, obligations, assets (including contracts and employees) and liabilities transferring to the Bank by operation of law.

As at 30 June 2025, the Bank operated in 2 countries (30 June 2024: 2 countries) and employed 1,592 employees (30 June 2024: 1,551).

2. Basis of preparation

These unaudited interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard No.34 - “Interim Financial Reporting”, relevant disclosure requirements of the Commercial Companies Law of Oman, Financial Services Authority and the applicable regulations of the CBO. Since these are interim condensed consolidated financial statements, they do not contain all information and disclosures for the full financial statements prepared in accordance with IFRS. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the Bank's annual financial statements as at 31 December 2024.

In addition, results for the six months period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2025.

2.1 Statement of compliance

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the following:

- Derivative financial instruments are measured at fair value.
- Financial instruments classified as fair value through profit or loss (FVTPL) are measured at fair value; and
- Financial assets classified at fair value through other comprehensive income (FVOCI) are measured at fair value.

The statement of financial position is presented in descending order of liquidity.

2.3 Functional and presentation currency

These financial statements are presented in Omani Rial, which is the Bank's functional currency. All financial information presented in Omani Rial has been rounded to the nearest thousand, unless otherwise indicated.

2.4 Use of estimates and judgements

In preparation of the Bank's financial statements, management is required to make certain estimates and assumptions that affect the reported amount of financial assets and liabilities and the resultant provisions for impairment and fair values. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required for impaired loans and receivables as well as provisions for impairment provision for unquoted investment securities. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 30 JUNE 2025

(RO 000)

3. Application of new and revised International Financial Reporting Standards (IFRS)

For the period ended 30 June 2025, the Bank has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for periods beginning on 1 January 2025. The new standards and amendments to standards that were effective for annual periods beginning from 1 January 2025 did not have any material impact on these interim condensed consolidated financial statements.

4. Business combinations

The Board of Directors of Sohar International, in the meeting held on 7th of April 2025, resolved to send a letter of intent to the Board of Directors of Ahli Bank SAOG ("Ahli Bank") to explore the possibility of a merger between the two banks. The letter of intent proposes a merger by incorporation, pursuant to which all assets and liabilities of Ahli Bank, on completion of the transaction, would be transferred to Sohar International. Shareholders of Ahli Bank would receive a share consideration in Sohar International, with a proposed share swap ratio based on the respective book value of Ahli Bank and Sohar International as disclosed in the audited financial statements for both banks at financial year ended 31st December 2024. On 10th of April 2025, the Board of Sohar International received a notification of acceptance from the Board of Ahli Bank of the merger proposal set out in the letter of intent. Completion of the proposed merger will be subject to satisfactory completion by both banks of due diligence, the negotiation and execution of a formal and binding merger agreement, regulatory approvals, Board approvals and shareholder approvals.

Since both banks have not received necessary regulatory approvals so far to progress further with the merger now, the Board of Directors of Sohar International decided on the 22nd of June 2025 to postpone the discussion of the proposed merger with the Board of Directors of Ahli Bank for the time being.

5. Cash and balances with Central Bank

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Cash	49,488	47,537	63,091
Balance with CBO	218,500	154,909	107,608
	<u>267,988</u>	<u>202,446</u>	<u>170,699</u>
Capital deposit with CBO	504	507	511
	<u>268,492</u>	<u>202,953</u>	<u>171,210</u>

The capital deposit with CBO cannot be withdrawn without CBO approval. During the period, average minimum balance to be kept with CBO as statutory reserves is RO 186.06 million (31 December 2024: RO 194.6 million, 30 June 2024: RO 172.74 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2025 (RO'000)

6. Due from banks

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
<i>Local currency:</i>			
Money market placements	70,029	121,160	30,031
<i>Foreign currency:</i>			
Money market placements	475,717	395,188	602,065
Demand balances	112,290	45,873	103,038
	588,007	441,061	705,103
Gross carrying amount	658,036	562,221	735,134
Less: ECL provision	(193)	(491)	(103)
	657,843	561,730	735,031

Analysis of changes in the gross carrying amount and corresponding ECL provision on due from banks:

	Stage 1	Stage 2	Stage 3	Total	30 June 2024 (Unaudited) Total
At 1 January	562,221	-	-	562,221	652,500
New assets originated or purchased	95,816	-	-	95,816	82,634
Gross carrying amount	658,037	-	-	658,037	735,134

	Stage 1	Stage 2	Stage 3	Total	30 June 2024 (Unaudited) Total
At 1 January	491	-	-	491	496
Net impairment charge /(release) (note 23)	(298)	-	-	(298)	(393)
ECL provision	193	-	-	193	103

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 30 JUNE 2025

(RO'000)

7. Investment securities

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Equity investments:			
Held at FVOCI	37,346	21,276	1,855
Held at FVTPL	515	599	601
Total equity investments	37,861	21,875	2,456
Debt investments:			
Held at FVTPL	37,657	37,682	61,984
Held at FVOCI	1,413,790	1,689,123	1,623,687
Less: ECL provision	-	-	-
FVOCI debt investments (net)	1,413,790	1,689,123	1,623,687
Held at amortised cost	394,184	370,537	364,589
Less: ECL provision	(200)	(188)	(177)
Held at amortised cost (net)	393,984	370,349	364,412
Total debt investments	1,845,431	2,097,154	2,050,083
Total investment securities	1,883,292	2,119,029	2,052,539

7.1 Held at FVTPL

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Unquoted equity investments - Oman			
Service sector	500	500	500
Quoted equity investments – Foreign			
Service sector	15	99	101
Quoted debt investments – Oman			
Government development bonds (GDB)	37,657	37,682	61,984
	37,172	38,281	62,585

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2025
(RO'000)**
7 Investment securities (continued)
7.2 Held at FVOCI

	Carrying / fair value 30 June 2025	Cost 30 June 2025	Carrying / fair value 31 December 2024	Cost 31 December 2024	Carrying / fair value 30 June 2024	Cost 30 June 2024
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Quoted equity investments – Oman						
Service sector	24,294	25,029	8,224	9,726	1,356	1,777
Unquoted equity investments – Oman						
Service sector	13,052	13,229	13,052	13,229	499	676
Total equity investments	37,346	38,258	21,276	22,955	1,855	2,453
Unquoted debt investments – Oman						
Treasury bills	130,243	131,000	159,849	161,910	38,505	40,000
Unquoted debt investments – Foreign						
Treasury bills	1,245,448	1,249,590	1,509,286	1,514,405	1,585,182	1,592,705
Total debt investments	1,375,691	1,380,590	1,669,135	1,676,315	1,623,687	1,632,705
Sovereign sukuk (Quoted) – Oman	38,099	38,033	19,988	19,988	-	-
Total debt investments	1,413,790	1,418,623	1,689,123	1,696,303	1,623,687	1,632,705
	1,451,136	1,456,881	1,710,399	1,719,258	1,625,542	1,635,158

USD Treasury bills of RO 383.7 million (31 December 2024: RO 354.2 million, 30 June 2024: RO 354.2 million) are assigned as collateral against the bank's borrowings of RO 354.2 million (31 December 2024: RO 354.2 million, 30 June 2024: RO 354.2 million).

7.3 Held at amortised cost

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Quoted debt investments			
Government development bonds	292,900	327,965	301,356
Service sector	35,290	36,836	57,653
Treasury bills	5,605	5,736	5,580
Sukuk certificates	60,389	-	-
	394,184	370,537	364,589
Less: ECL provision	(200)	(188)	(177)
	393,984	370,349	364,412

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2025
(RO'000)**
7 Investment securities (continued)
7.3 Held at amortised cost (continued)

Analysis of changes in the fair value and the corresponding ECL provision on debt investments classified as held at amortised cost:

	30 June 2025 (Unaudited)				30 June 2024 (Unaudited)
	Stage 1	Stage 2	Stage 3	Total	
At 1 January	362,314	8,223	-	370,537	396,033
Assets purchased	26,384	-	-	26,384	14,535
Assets matured	-	(2,737)	-	(2,737)	(45,979)
Gross carrying amount	388,698	5,486	-	394,184	364,589

	Stage 1	Stage 2	Stage 3	Total	30 June 2024 (Unaudited)
At 1 January	97	91	-	188	108
Net impairment charge (note 23)	24	(12)	-	12	69
ECL provision	121	79	-	200	177

8. Loans, advances and Islamic financings (net)

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Corporate	3,728,373	3,224,445	2,976,744
Retail	1,502,480	1,392,215	1,356,679
Gross loans, advances and Islamic financings	5,230,853	4,616,660	4,333,423
Less: ECL provision	(287,674)	(274,961)	(248,343)
Less: Contractual interest / profit not recognised	(81,616)	(71,891)	(59,926)
	(369,290)	(346,852)	(308,269)
	4,861,563	4,269,808	4,025,154

Gross loans, advances and Islamic financings include RO 708.02 million (31 December 2024: RO 687.93 million, 30 June 2024: RO 531.20 million) through Sohar Islamic financing activities.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2025
(RO'000)**
8. Loans, advances and Islamic financings (net) (continued)
Loans, advances and Islamic financings (net) comprise:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Loans	4,640,307	4,004,756	3,750,242
Overdrafts	374,516	367,661	357,273
Loans against trust receipts	201,442	228,293	213,319
Bills discounted	14,588	15,950	12,589
Gross loans, advances and Islamic financings	5,230,853	4,616,660	4,333,423
Less: ECL provision	(287,674)	(274,961)	(248,343)
Less: Contractual interest/profit not recognised	(81,616)	(71,891)	(59,926)
	(369,290)	(346,852)	(308,269)
	4,861,563	4,269,808	4,025,154

The analysis of changes in the gross carrying amount and corresponding ECL provision on loans, advances and Islamic financings is as follows:

**30 June 2025
(Unaudited)**

	Stage 1	Stage 2	Stage 3	Total
At 1 January	3,721,395	676,211	219,054	4,616,660
New assets originated or purchased	864,533	25,413	21,976	911,922
Assets derecognised or repaid	(279,673)	(8,306)	(10,977)	(298,956)
Loans written off	-	-	(1,157)	(1,157)
Loans transferred from memoranda portfolio	-	-	2,384	2,384
Transfers to Stage 1	17,830	(13,407)	(4,423)	-
Transfers to Stage 2	(238,107)	239,134	(1,027)	-
Transfers to Stage 3	(3,853)	(4,194)	8,047	-
Gross carrying amount	4,082,125	914,851	233,877	5,230,853

	Stage 1	Stage 2	Stage 3	Total
At 1 January	18,495	161,739	94,727	274,961
Impairment charge	8,889	288	11,589	20,766
Impairment release	(2,435)	978	(7,312)	(8,769)
Loans written off	-	-	(1,157)	(1,157)
Loans transferred from memoranda portfolio	-	-	1,873	1,873
Transfers to Stage 1	2,151	(322)	(1,829)	-
Transfers to Stage 2	(2,340)	2,804	(464)	-
Transfers to Stage 3	(109)	(386)	495	-
ECL provision	24,651	165,101	97,922	287,674

	Stage 1	Stage 2	Stage 3	Total
Net impairment charge/(release)				
Impairment charge	8,889	288	11,589	20,766
Impairment release	(2,435)	978	(7,312)	(8,769)
Net impairment charge/(release) (Note 23)	6,454	1,266	4,277	11,997

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2025
(RO'000)**
8. Loans, advances and Islamic financings (net) (continued)

30 June 2024

(Unaudited)

	Stage 1	Stage 2	Stage 3	Total
At 1 January	3,428,928	578,852	200,601	4,208,381
New assets originated or purchased	289,681	49,639	5,866	345,186
Assets derecognised or repaid	(195,819)	(22,021)	(2,347)	(220,187)
Loans written off	-	-	(8)	(8)
Loans transferred to memoranda portfolio	-	-	(68)	(68)
Loans transferred from memoranda portfolio	-	-	119	119
Transfers to Stage 1	9,565	(9,517)	(48)	-
Transfers to Stage 2	(143,768)	143,804	(36)	-
Transfers to Stage 3	(4,830)	(7,412)	12,242	-
Gross carrying amount	<u>3,383,757</u>	<u>733,345</u>	<u>216,321</u>	<u>4,333,423</u>
	Stage 1	Stage 2	Stage 3	Total
At 1 January	18,216	131,317	87,497	237,030
Impairment charge	1,155	6,158	8,265	15,578
Impairment release	(846)	(1,067)	(4,041)	(5,954)
Loans written off	-	-	1,638	1,638
Loans transferred to memorandum portfolio	-	-	(68)	(68)
Loans brought back from memorandum portfolio	-	-	119	119
Transfers to Stage 1	3,655	(3,606)	(49)	-
Transfers to Stage 2	554	-	(554)	-
Transfers to Stage 3	(4,945)	(564)	5,509	-
ECL provision	<u>17,790</u>	<u>132,237</u>	<u>98,316</u>	<u>248,343</u>

	Stage 1	Stage 2	Stage 3	Total
Net impairment charge/(release)				
Impairment charge	1,155	6,158	8,265	15,578
Impairment release	(846)	(1,067)	(4,041)	(5,954)
Net impairment charge/(release) (Note 23)	<u>309</u>	<u>5,091</u>	<u>4,224</u>	<u>9,624</u>

The analysis of the changes in contractual interest/profit not recognised is as follows:

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Contractual interest not recognised		
Balance at beginning of year	71,891	50,159
Not recognised during the period	25,154	10,391
Written back due to recovery/write off	(15,429)	(624)
Balance at end of the period	<u>81,616</u>	<u>59,926</u>

All loans, advances and Islamic financings require payment of interest/profit, some at fixed rates and others at rates that reprice prior to maturity. Interest/profit reserve account (reserve interest) is maintained to comply with rules, regulations and guidelines issued by CBO on loans, advances and Islamic financings that are impaired. As of 30 June 2025, loans, advances and Islamic financings on which interest/profit was not accrued or where interest/profit was reserved amounted to RO 234 million. (31 December 2024: RO 219 million, 30 June 2024: RO 216 million).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(RO'000)**
9. Other assets

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Acceptances	22,996	21,200	19,672
Receivables	12,642	10,279	3,243
Prepayments	5,614	2,128	8,344
Positive fair value of derivatives (Note 28)	896	11,086	66
Others	15,674	13,345	11,598
	57,822	58,038	42,923

10. Intangible assets

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Cost:			
Opening balance	79,174	68,311	66,614
Assets acquired on business combination	-	10,863	-
As at period end	79,174	79,174	66,614
Amortization:			
Opening balance	7,245	1,697	-
Amortization for the period (Note 22)	2,580	5,548	2,235
	9,825	7,245	2,235
	69,349	71,929	64,379

11. Due to banks

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
<i>Local currency:</i>			
Demand balances	40,003	31,723	51,831
<i>Foreign currency:</i>			
Money market borrowings	485,702	500,905	601,142
Demand balances	39,897	37,685	74,898
	525,599	538,590	676,040
	565,602	570,313	727,871

Foreign currency money market borrowings include bank borrowings amounting to RO 354.2 million (31 December 2024: RO 354.2 million, 30 June 2024: RO 354.2 million) with underlying collateral in the form of USD Treasury bills of RO 383.7 million (31 December 2024: RO 354.2 million, 30 June 2024: RO 354.2 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 30 JUNE 2025

(RO'000)

12. Customer deposits

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Demand deposits	2,986,801	2,857,086	3,270,355
Term deposits	2,154,420	1,832,564	1,346,192
Saving deposits	1,154,067	1,073,847	982,049
Margin deposits	17,449	13,543	11,887
	<u>6,312,737</u>	<u>5,777,040</u>	<u>5,610,483</u>

Islamic Banking deposits included in the above:

Term deposits	324,540	174,128	237,100
Demand deposits	248,685	310,412	191,531
Saving deposits	244,876	210,794	170,566
Margin deposits	2,708	2,127	2,480
	<u>820,809</u>	<u>697,461</u>	<u>601,677</u>

13. Other liabilities

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Income tax provision	15,312	24,515	15,292
Acceptances	22,996	21,200	19,672
Deferred tax liability (net)	11,194	11,608	11,092
Lease liability on right of use assets	9,552	7,013	6,282
Negative fair value of derivatives (Note 28)	150	641	744
Staff entitlements	3,511	3,312	3,909
ECL provision on loan commitments and financial guarantees (Note 17.2)	2,244	1,754	1,473
Other accruals and provisions	41,230	45,049	52,315
	<u>106,189</u>	<u>115,092</u>	<u>110,779</u>

14. Share capital

The authorised capital of the Bank is RO 1 billion (31 December 2024: RO 1 billion, 30 June 2024: RO 1 billion). The issued shares of the Bank are 6,617,246,270 (31 December 2024: 6,617,246,270, 30 June 2024: 5,577,246,270). The paid-up capital of the Bank is RO 702.508 million (31 December 2024: RO 702.508 million, 30 June 2024: RO 572.508 million).

In December 2024, the Bank completed the issuance of 1,040,000,000 shares through rights issue to its existing shareholders at a price of 127 baisa per share, including 2 baisa per share to cover the rights issue expenses, resulting in an increase in paid up capital of RO 130 million.

The percentage shareholdings of the Bank is as follows:

	30 June 2025	31 December 2024
Royal Court Affairs	19.4	19.4
Oman Investment and Finance SAOG (OIFC)	13.1	13.1
The Seventh Moon Investment LLC	6.4	6.4
Neptune National Investments LLC	5.5	5.5
Western Sea Investments LLC	5.4	5.4
Others (widely spread)	50.2	50.2
Total	<u>100</u>	<u>100</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(RO'000)**
**15. Other reserves
(Unaudited)**

	General reserve	Fair value reserve	Impairment reserve	Fair value reserve on acquisition	Total
Balance as at 1 January 2025	988	(1,676)	5,464	(11,411)	(6,635)
Net changes in fair value (FV) of equity instruments at FVOCI	-	524	-	-	524
Re-class of net changes in FV of equity instruments upon de-recognition	-	242	-	-	242
Balance as at 30 June 2025	988	(910)	5,464	(11,411)	(5,869)

(Audited)	General reserve	Fair value reserve	Impairment reserve	Fair value reserve on acquisition	Total
Balance as at 1 January 2024	988	(568)	5,464	(11,411)	(5,527)
Net changes in FV of equity instruments at FVOCI	-	(1,108)	-	-	(1,108)
Balance as at 31 December 2024	988	(1,676)	5,464	(11,411)	(6,635)

(Unaudited)	General reserve	Fair value reserve	Impairment reserve	Fair value reserve on acquisition	Total
Balance as at 1 January 2024	988	(568)	5,464	(11,411)	(5,527)
Net changes in FV of equity instruments at FVOCI	-	(29)	-	-	(29)
Balance as at 30 June 2024	988	(597)	5,464	(11,411)	(5,556)

16. Perpetual Tier 1 Capital Securities

On 14 March 2019, the Bank issued perpetual tier 1 capital securities amounting to RO 100 million. These securities bear interest on their nominal amount from the issue date to the first call date at a fixed annual rate of 7.50% with interest rate reset at five-year intervals. The interest is payable semi-annually in arrears and treated as a deduction from equity.

On 28th February 2024, the Bank at its discretion and after prior consent from the relevant regulatory authority, exercised its option to redeem the securities in full on the first Call Date, i.e. the 5th anniversary of the issuance date being 14 March 2024

No interest was paid for the period ended 30 June 2025 (31 December 2024: RO 3.740 million, 30 June 2024: RO 3.740 million) and is recognised in the statement of changes in equity.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2025
(RO'000)**
17. Contingent liabilities and commitments
17.1 Contingent liabilities

Standby letters of credit and guarantees commit the Bank to make payments on behalf of customers, contingent upon the failure of the customer to perform under the terms of a specified contract.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Guarantees	548,834	503,920	541,094
Documentary letters of credit	55,018	63,518	69,642
	<u>603,852</u>	<u>567,438</u>	<u>610,736</u>

17.2 Commitments

Credit related commitments include commitments to extend credit, standby letters of credit and guarantees designed to meet the requirements of the Bank's customers. Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiry dates, other termination clauses, and payment of a fee. Since commitments may expire without being drawn, the total contracted amounts do not necessarily represent future cash obligations.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Credit related commitments	1,173,918	874,617	910,606
Capital commitments	3,260	2,597	2,619
	<u>1,177,178</u>	<u>877,214</u>	<u>913,225</u>

Analysis of changes in the gross carrying amount and corresponding ECL provision on credit related commitments, contingent liabilities and acceptances:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Credit related commitments	1,173,918	874,617	910,606
Contingent liabilities	603,852	567,438	610,736
Acceptances	22,996	21,200	19,672
Gross carrying amount	<u>1,800,766</u>	<u>1,463,255</u>	<u>1,541,014</u>

	Stage 1	Stage 2	Stage 3	Total	30 June 2024 (Unaudited)
At 1 January	810	215	729	1,754	1,572
Impairment charge	779	51	(48)	782	1,534
Impairment release	(171)	(108)	(12)	(291)	(615)
Loans written off			(1)	(1)	(1,018)
Transfers to Stage 1	6	(6)	-	-	-
Transfers to Stage 2	(3)	3	-	-	-
Transfers to Stage 3	(2)	(10)	12	-	-
ECL provision	<u>1,419</u>	<u>145</u>	<u>680</u>	<u>2,244</u>	<u>1,473</u>
	Stage1	Stage2	Stage3	Total	Total
Impairment charge	779	51	(48)	782	1,534
Impairment release	(171)	(108)	(12)	(291)	(615)
Net impairment charge (Note 23)	<u>608</u>	<u>(57)</u>	<u>(60)</u>	<u>491</u>	<u>919</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 30 JUNE 2025

(RO'000)

18. Interest income

	Six months ended (Unaudited)		Three months ended (Unaudited)	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Due from banks	12,612	11,149	6,358	5,204
Loans and advances	104,041	95,854	54,803	49,868
Investment securities	35,217	45,501	15,599	21,821
	<u>151,870</u>	<u>152,504</u>	<u>76,760</u>	<u>76,893</u>

19. Interest expense.

	Six months ended (Unaudited)		Three months ended (Unaudited)	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Due to banks	12,504	13,297	6,360	6,344
Customer deposits	63,758	54,680	31,904	27,565
	<u>76,262</u>	<u>67,977</u>	<u>38,264</u>	<u>33,909</u>

20. Net income from Islamic financing and investing activities

	Six months ended (Unaudited)		Three months ended (Unaudited)	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Gross income earned				
Due from banks	1,473	969	916	747
Financings	18,192	15,001	9,315	7,408
Investment securities	1,410	843	837	423
	<u>21,075</u>	<u>16,813</u>	<u>11,068</u>	<u>8,578</u>
Profit paid				
Customer deposits	14,188	10,958	7,370	5,587
Due to banks	210	548	28	180
	<u>14,398</u>	<u>11,506</u>	<u>7,398</u>	<u>5,767</u>
	<u>6,677</u>	<u>5,307</u>	<u>3,670</u>	<u>2,811</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(RO'000)**
21. Other operating income

	Six months ended (Unaudited)		Three months ended (Unaudited)	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Fees and commission income	23,513	18,665	15,218	9,037
Fees and commission expense	(2,557)	(2,074)	(1,365)	(1,125)
Net gains from foreign exchange	11,186	11,401	3,918	4,151
Dividend income	1,164	62	601	-
Bad debt recovery	2	2	1	1
Gain/ (loss) on investments held at FVTPL	(21)	(29)	(8)	98
	<u>33,287</u>	<u>28,027</u>	<u>18,365</u>	<u>12,162</u>

22. Other operating expenses

	Six months ended (Unaudited)		Three months ended (Unaudited)	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Operating and administration costs	12,387	12,173	8,488	5,878
Amortisation of intangible asset (Note:10)	2,580	2,235	1,290	1,110
Amortisation of right-to-use assets	1,487	1,390	708	657
Occupancy cost	1,406	1,006	655	735
Directors remuneration	150	150	75	75
Directors sitting fees	49	25	22	11
Shari'a supervisory board remuneration and sitting fees	33	22	15	12
	<u>18,092</u>	<u>17,001</u>	<u>11,253</u>	<u>8,478</u>

23. Loan impairment charges and other credit risk provisions (net)

		Six months ended (Unaudited)		Three months ended (Unaudited)	
	Note	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Net impairment charge/(release):					
Loans, advances and Islamic financings (net)	8	11,997	9,624	4,586	5,404
Contingent liabilities and commitments	17	491	919	485	(234)
Due from banks	6	(298)	(393)	(169)	(369)
Debt securities at amortised cost	7.3	12	69	12	-
		<u>12,202</u>	<u>10,219</u>	<u>4,914</u>	<u>4,801</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 30 JUNE 2025

(RO'000)

24. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period less interest on perpetual tier 1 capital securities by the weighted average number of shares outstanding during the period.

	Six months ended (Unaudited)		Three months ended (Unaudited)	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
Profit for the period	46,150	50,269	24,691	25,144
Less: Interest paid on perpetual tier 1 capital securities	-	(3,740)	-	-
	<u>46,150</u>	<u>46,529</u>	<u>24,691</u>	<u>25,144</u>
Weighted average number of shares outstanding during the period ('000)	6,617,246	5,577,246	6,617,246	5,577,246
Basic earnings per share for the period (baisa)	<u>6.97</u>	<u>8.34</u>	<u>3.73</u>	<u>4.51</u>

There are no instruments dilutive in nature and hence the basic and diluted earnings per share are same for each period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 30 JUNE 2025

(RO'000)

25. Financial Instruments

Additional disclosures on non-performing financial assets and impairment coverage as per CBO circular BM 1149:

30 June 2025
(Unaudited)

Classification		IFRS9	Gross carrying amount	CBO Provisions	IFRS9 Provisions	Difference	Net carrying amount	IFRS9 Reserve Interest	CBO Reserve Interest
CBO			(1)	(2)	(3)	(4) = (2)-(3)	(5) = (1)-(3)		
Standard	Stage 1		4,081,329	44,599	24,606	19,993	4,056,723	-	-
	Stage 2		146,128	1,391	87,316	(85,925)	58,812	-	-
	Stage 3		-	-	-	-	-	-	-
	Sub Total		4,227,457	45,990	111,922	(65,932)	4,115,535	-	-
Special mention	Stage 1		796	12	45	(33)	751	-	-
	Stage 2		768,723	11,314	90,007	(78,693)	678,716	12,222	12,222
	Stage 3		-	-	-	-	-	-	-
	Sub Total		769,519	11,326	90,052	(78,726)	679,467	12,222	12,222
Sub standard	Stage 1		-	-	-	-	-	-	-
	Stage 2		-	-	-	-	-	-	-
	Stage 3		15,362	3,162	4,080	(918)	11,282	88	88
	Sub Total		15,362	3,162	4,080	(918)	11,282	88	88
Doubtful	Stage 1		-	-	-	-	-	-	-
	Stage 2		-	-	-	-	-	-	-
	Stage 3		14,792	5,380	4,426	954	10,366	819	819
	Sub Total		14,792	5,380	4,426	954	10,366	819	819
Loss	Stage 1		-	-	-	-	-	-	-
	Stage 2		-	-	-	-	-	-	-
	Stage 3		203,723	143,212	158,810	(15,598)	44,913	68,487	68,487
	Sub Total		203,723	143,212	158,810	(15,598)	44,913	68,487	68,487
Gross Loans, advances and Islamic financings(net)	Stage 1		4,082,125	44,611	24,651	19,960	4,057,474	-	-
	Stage 2		914,851	12,705	177,323	(164,618)	737,528	12,222	12,222
	Stage 3		233,877	151,754	167,316	(15,562)	66,561	69,394	69,394
	Sub Total		5,230,853	209,070	369,290	(160,220)	4,861,563	81,616	81,616
*Due from banks, Investment securities, Loan commitments & Financial guarantees	Stage 1		4,300,608	-	1,733	(1,733)	4,298,875	-	-
	Stage 2		40,204	-	223	(223)	39,981	-	-
	Stage 3		1,090	-	680	(680)	410	-	-
	Sub total		4,341,902	-	2,636	(2,636)	4,339,266	-	-
Total	Stage 1		8,382,733	44,611	26,384	18,227	8,356,349	-	-
	Stage 2		955,055	12,705	177,546	(164,841)	777,509	12,222	12,222
	Stage 3		234,967	151,754	167,996	(16,242)	66,971	69,394	69,394
			9,572,755	209,070	371,926	(162,856)	9,200,829	81,616	81,616

*Other items not covered under CBO circular BM 977 and related instructions

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2025 (RO'000)

25. Financial Instruments (continued)

31 December 2024

(Audited)

Classification:								
CBO	IFRS 9	Gross Carrying amount	CBO Provision	IFRS9 Provisions	Difference	Net carrying amount	IFRS9 Reserve interest	CBO Reserve interest
		(1)	(2)	(3)	(4) = (2)-(3)	(5) = (1)-(3)		
Standard	Stage 1	3,634,417	49,143	15,964	33,179	3,618,453	-	-
	Stage 2	106,154	1,139	90,180	(89,041)	15,974	-	-
	Stage 3	-	-	-	-	-	-	-
Sub Total		3,740,571	50,282	106,144	(55,862)	3,634,427	-	-
Special mention	Stage 1	86,978	744	2,531	(1,787)	84,447	-	-
	Stage 2	570,057	10,304	91,319	(81,015)	478,738	19,760	-
	Stage 3	1	-	1	(1)	-	-	-
Sub Total		657,036	11,048	93,851	(82,803)	563,185	19,760	-
Sub standard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	17,910	3,743	5,669	(1,926)	12,241	169	169
Sub Total		17,910	3,743	5,669	(1,926)	12,241	169	169
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	11,828	3,687	3,302	385	8,526	449	449
Sub Total		11,828	3,687	3,302	385	8,526	449	449
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	189,315	146,789	137,886	8,903	51,429	51,512	51,512
Sub Total		189,315	146,789	137,886	8,903	51,429	51,512	51,512
Gross Loans, advances and Islamic financings (net)	Stage 1	3,721,395	49,887	18,495	31,392	3,702,900	-	-
	Stage 2	676,211	11,443	181,499	(170,056)	494,712	19,760	19,760
	Stage 3	219,054	154,219	146,858	7,361	72,196	52,131	52,131
Sub Total		4,616,660	215,549	346,852	(131,303)	4,269,808	71,891	71,891
*Due from banks, Investment securities, Loan commitments & Financial guarantees	Stage 1	4,100,020	-	1,399	(1,399)	4,098,621	-	-
	Stage 2	42,864	-	305	(305)	42,559	-	-
	Stage 3	1,622	-	729	(729)	893	-	-
Sub Total		4,144,506	-	2,433	(2,433)	4,142,073	-	-
Total	Stage 1	7,821,415	49,887	19,894	29,993	7,801,521	-	-
	Stage 2	719,075	11,443	181,804	(170,361)	537,271	19,760	19,760
	Stage 3	220,676	154,219	147,587	6,632	73,089	52,131	52,131
		8,761,166	215,549	349,285	(133,736)	8,411,881	71,891	71,891

*Other items not covered under CBO circular BM 977 and related instructions

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 30 JUNE 2025

(RO'000)

25. Financial Instruments (continued)

30 June 2024

(Unaudited)

CBO Classification	IFRS9	Gross carrying amount	CBO Provisions	IFRS9 Provisions	Difference	Net carrying amount	IFRS9 Reserve Interest	CBO Reserve Interest
		(1)	(2)	(3)	(4) = (2)-(3)	(5) = (1)-(3)		
Standard [*]	Stage 1	3,295,929	38,990	15,697	23,293	3,280,232	-	-
	Stage 2	158,668	1,686	59,325	(57,639)	99,343	-	-
	Stage 3	-	-	-	-	-	-	-
Sub Total		3,454,597	40,676	75,022	(34,346)	3,379,575	-	-
Special mention	Stage 1	87,828	763	2,093	(1,330)	85,735	-	-
	Stage 2	574,677	11,810	74,878	(63,068)	499,799	1,966	1,966
	Stage 3	-	-	-	-	-	-	-
Sub Total		662,505	12,573	76,971	(64,398)	585,534	1,966	1,966
Sub standard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	12,373	3,056	15,939	(12,883)	(3,566)	1,595	1,595
Sub Total		12,373	3,056	15,939	(12,883)	(3,566)	1,595	1,595
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	10,103	5,479	4,288	1,191	5,815	503	503
Sub Total		10,103	5,479	4,288	1,191	5,815	503	503
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	193,845	157,380	136,049	21,331	57,796	55,862	55,862
Sub Total		193,845	157,380	136,049	21,331	57,796	55,862	55,862
Gross Loans, advances and Islamic financings (net)	Stage 1	3,383,757	39,753	17,790	21,963	3,365,967	-	-
	Stage 2	733,345	13,496	134,203	(120,707)	599,142	1,966	1,966
	Stage 3	216,321	165,915	156,276	9,639	60,045	57,960	57,960
Sub Total		4,333,423	219,164	308,269	(89,105)	4,025,154	59,926	59,926
*Due from banks, Investment securities, Loan commitments & Financial guarantees	Stage 1	4,428,584	-	1,106	(1,106)	4,427,478	-	-
	Stage 2	57,290	-	440	(440)	56,850	-	-
	Stage 3	3,151	-	207	(207)	2,944	-	-
Sub total		4,489,025	-	1,753	(1,753)	4,487,272	-	-
Total	Stage 1	7,812,341	39,753	18,896	20,857	7,793,445	-	-
	Stage 2	790,635	13,496	134,643	(121,147)	655,992	1,966	1,966
	Stage 3	219,472	165,915	156,483	9,432	62,989	57,960	57,960
		8,822,448	219,164	310,022	(90,858)	8,512,426	59,926	59,926

*Other items not covered under CBO circular BM 977 and related instructions

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25. Financial Instruments (continued)

In accordance with CBO requirements, where the aggregate provision on portfolio & specific basis computed as per CBO norms is higher than the impairment allowance computed under IFRS9, the difference, net of impact of taxation, will be transferred to an impairment reserve as an appropriation from the retained earnings. The Bank generally transfers this amount at the end of the financial year.

30 June 2025 (Unaudited)	CBO	IFRS 9	Difference
Loan impairment charges and other credit risk provisions (net)	12,202	12,202	-
Total ECL provision and contractual interest / profit not recognised	290,686	371,922	81,236
Gross NPL ratio	4.47	4.47	-
Net NPL ratio	0.26	1.37	1.11

(NPL ratio denominator is funded non-performing loans, advances and Islamic financings)

Comparison of ECL provision under IFRS 9 and extant CBO norms:

	CBO	IFRS 9
Gross loans, advances and Islamic financings	209,070	287,674
Due from Banks	-	194
Investment securities (amortised cost)	-	198
Loan commitments and financial guarantees	-	2,240
Total ECL provision	209,070	290,306
Contractual interest / profit not recognised	81,616	81,616
Total ECL provision and contractual interest / profit not recognised	290,686	371,922

Analysis of changes in the IFRS 9 ECL provision on Due from banks, Loans, advances and Islamic financings (net) (excluding contractual interest / profit not recognised), Investment securities and Loan commitments and financial guarantees:

	30 June 2025 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
At 1 January	19,892	162,045	95,456	277,394
Impairment charge	9,395	339	11,534	21,268
Impairment release	(2,606)	864	(7,324)	(9,066)
Loans written off	-	-	(1,674)	(1,674)
Loans transferred from memorandum portfolio	-	-	2,384	2,384
Transfers to Stage 1	2,150	(332)	(1,817)	-
Transfers to Stage 2	(2,340)	2,804	(464)	-
Transfers to Stage 3	(111)	(396)	507	-
Total ECL provision	26,380	165,324	98,602	290,306

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25. Financial Instruments (continued)

Restructured loans

Restructured loans are defined as loans, advances, and Islamic financings whose original terms have been altered due to financial difficulties of the borrower. Modifications may involve reduced interest rates, extended maturity dates, principal forgiveness or reduction, interest capitalization and payment deferrals. A loan continues to be presented as restructured until maturity, early repayment, or write-off.

30 June 2025 (Unaudited)

Classification:	IFRS 9	Gross Carrying amount	CBO Provision	IFRS9 Provisions	Difference	Net carrying amount
CBO		(1)	(2)	(3)	(4) = (2)-(3)	(5) = (1)-(3)
Classified as performing	Stage 1	57,485	995	89	906	57,396
	Stage 2	338,321	7,151	24,183	(17,032)	314,138
	Stage 3	762	264	82	182	680
Sub Total		396,568	8,410	24,354	(15,944)	372,214
Classified as non-performing	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	60,602	11,596	38,766	(27,170)	21,836
Sub Total		60,602	11,596	38,766	(27,170)	21,836
	Stage 1	57,485	995	89	906	57,396
	Stage 2	338,321	7,151	24,183	(17,032)	314,138
	Stage 3	61,364	11,860	38,848	(26,988)	22,516
Total		457,170	20,006	63,120	(43,114)	394,050

31 December 2024 (Audited)

Classification:	IFRS 9	Gross Carrying amount	CBO Provision	IFRS9 Provisions	Difference	Net carrying amount
CBO						
Classified as performing	Stage 1	142,746	1,859	2,593	(734)	140,154
	Stage 2	236,900	6,708	22,241	(15,533)	214,659
	Stage 3	-	-	-	-	-
Sub Total		379,646	8,567	24,834	(16,267)	354,813
Classified as non- performing	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	58,627	21,548	33,215	(11,667)	25,412
Sub Total		58,627	21,548	33,215	(11,667)	25,412
Total	Stage 1	142,746	1,859	2,593	(734)	140,154
	Stage 2	236,900	6,708	22,241	(15,533)	214,659
	Stage 3	58,627	21,548	33,215	(11,667)	25,412
Total		438,273	30,115	58,049	(27,934)	380,225

30 June 2024 (Unaudited)

Classification:	IFRS 9	Gross Carrying amount	CBO Provision	IFRS9 Provisions	Difference	Net carrying amount
CBO						
Classified as performing	Stage 1	135,395	1,636	2,179	(543)	133,216
	Stage 2	227,135	8,573	22,243	(13,670)	204,892
	Stage 3	-	-	-	-	-
Sub Total		362,530	10,209	24,422	(14,213)	338,108
Classified as non-performing	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	56,919	51,108	32,006	19,102	24,913
Sub Total		56,919	51,108	32,006	19,102	24,913
	Stage 1	135,395	1,636	2,179	(543)	133,216
	Stage 2	227,135	8,573	22,243	(13,670)	204,892
	Stage 3	56,919	51,108	32,006	19,102	24,913
Total		419,449	61,317	56,428	4,889	363,021

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(RO'000)

25. Financial Instruments (continued)

In addition to the above, loan outstandings of customers whose credit facilities were rescheduled as per the COVID19 guidelines of Central Bank of Oman as at 30 June 2025 amount to 332,079 (Stage 1: 74,139, Stage 2: 256,182, Stage 3: 1,758) with an impairment allowance of 31,207 (Stage 1: 1,246, Stage 2: 29,348, Stage 3: 613). As at 31 December 2024, loan outstandings of customers whose credit facilities were rescheduled as per the COVID19 guidelines of Central Bank of Oman amount to 349,189 (Stage 1: 126,203, Stage 2: 219,820, Stage 3: 3,166) with an impairment allowance of 28,838 (Stage 1: 1,834, Stage 2: 26,307, Stage 3: 697).

26. Related party transactions

In the ordinary course of business, the Bank enters transactions with certain of its directors, shareholders, senior management, Shari'a supervisory board, Shari'a reviewer and companies in which they have a significant interest. These transactions are conducted on an arm's length basis and are approved by the Bank's management and Board of Directors.

Aggregate amount of balances and the income and expenses generated with such related parties:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Directors & senior management			
Loans, advances and Islamic financings at end of period	4,987	4,884	4,702
Deposits at end of period	4,490	3,528	2,524
Interest income during the period	97	156	97
Interest expense during the period	45	33	28
Directors sitting fees and remuneration	199	365	175
Shari'a Supervisory Board members sitting fees and remuneration	33	51	22
Other related parties			
Loans, advances and Islamic financings at end of period	81,166	91,253	82,606
Deposits at end of period	8,826	10,654	7,270
Interest income during the period	2,438	3,487	2,321
Interest expense during the period	172	220	150

Key management compensation:

Key management comprises of 7 (2024: 7) senior management executives. The Bank considers these members to be key management personnel for the purpose of IAS 24 Related Party Disclosures.

In the ordinary course of business, the Bank conducts transactions with certain of its key management personnel and companies in which they have a significant interest. The balances in respect of these related parties as at the reporting date are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Key management personnel			
Loans, advances and Islamic financings	1,202	1,231	1,278
Customer Deposits	653	178	114

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(RO'000)

26. Related party transactions (continued)

The income and expenses, accrued or paid, in respect of these key management personnel as included in the Bank's statement of comprehensive income for the period are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Interest income during the period	20	36	25
Interest expense during the period	4	1	1
Salaries and other short-term benefits*	806	3,658	761
Post-employment benefits	24	52	27

*Certain components of key management compensation are paid on a deferral basis in accordance with regulatory guidelines.

Aggregate amount of balances and the income and expenses generated with shareholders holding 10% or more of the Bank's shares:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
Loans, advances and Islamic financing at end of period	18,699	16,978	14,849
Deposits at end of period	31	92	300
Interest income during the period	530	668	431
Interest expense during the period	-	-	-

As at 30 June 2025, no loans to related parties are classified as stage 3 (31 December 2024: nil, 30 June 2024: nil).

27. Fair value of financial instruments

Fair Value (FV) is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the accessible principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability.

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same instrument without modification or repacking.

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

The Bank considers that the fair value of financial instruments was not significantly different to their carrying value (including accrued interest) at each of those dates. The table below sets out the classification and fair value of each class of financial assets and liabilities including accrued interest.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(RO'000)**
27. Fair value of financial instruments (continued)

At 30 June 2025 (Unaudited)	Amortised cost	FVOCI	FVTPL	Total carrying value	Total fair value
Assets					
Cash and balances with Central Bank	268,492	-	-	268,492	268,492
Due from banks	657,843	-	-	657,843	657,843
Investment securities	393,984	1,451,136	38,172	1,883,292	1,883,292
Loans, advances and Islamic financings (net)	4,861,563	-	-	4,861,563	4,858,743
Other assets (excluding prepayments)	51,371	-	896	52,267	52,267
	<u>6,233,253</u>	<u>1,451,136</u>	<u>39,068</u>	<u>7,723,457</u>	<u>7,720,637</u>
Liabilities					
Due to banks	565,602	-	-	565,602	565,602
Customer deposits	6,120,237	-	192,500	6,312,737	6,382,078
Other liabilities (excluding other accruals & provisions)	64,809	-	150	64,959	64,959
	<u>6,750,648</u>	<u>-</u>	<u>192,650</u>	<u>6,943,298</u>	<u>7,012,639</u>

At 31 December 2024 (Audited)	Amortised cost	FVOCI	FVTPL	Total carrying value	Total fair value
Assets					
Cash and balances with Central Bank	202,953	-	-	202,953	202,953
Due from banks	561,730	-	-	561,730	561,730
Investment securities	370,349	1,710,400	38,280	2,119,029	2,119,029
Loans, advances and Islamic financings (net)	4,269,808	-	-	4,269,808	4,262,418
Other assets (excluding prepayments)	55,624	-	268	55,892	55,892
	<u>5,460,464</u>	<u>1,710,400</u>	<u>38,548</u>	<u>7,209,412</u>	<u>7,202,022</u>
Liabilities					
Due to banks	570,313	-	-	570,313	570,313
Customer deposits	5,661,780	-	115,260	5,777,040	5,845,351
Other liabilities (excluding other accruals & provisions)	69,404	-	641	70,045	70,045
	<u>6,301,497</u>	<u>-</u>	<u>115,901</u>	<u>6,417,398</u>	<u>6,485,709</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2025
(RO'000)**
27. Fair value of financial instruments (continued)

At 30 June 2024 (Unaudited)	Amortised cost	FVOCI	FVTPL	Total Carrying value	Total fair value
Assets					
Cash and balances with Central Bank	171,210	-	-	171,210	171,210
Due from banks	735,031	-	-	735,031	735,031
Investment securities	364,412	1,625,542	62,585	2,052,539	2,052,539
Loans, advances and Islamic financings (net)	4,025,154	-	-	4,025,154	4,021,432
Other assets (excluding prepayments and derivatives)	39,948	-	66	40,014	40,014
	<u>5,335,755</u>	<u>1,625,542</u>	<u>62,651</u>	<u>7,023,948</u>	<u>7,020,226</u>
Liabilities					
Due to banks	727,871	-	-	727,871	727,871
Customer deposits	5,495,567	-	114,916	5,610,483	5,674,862
Other liabilities (excluding other accruals & provisions)	58,153	-	744	58,897	58,897
	<u>6,281,591</u>	<u>-</u>	<u>115,660</u>	<u>6,397,251</u>	<u>6,461,630</u>

Analysis of financial instruments measured at fair value at the end of the reporting period:

30 June 2025 (Unaudited)	Investment securities	Positive FV of Derivatives	Negative FV of derivatives	Customer deposits	Total
Level 1	19,980	-	-	-	19,980
Level 2	1,468,813	896	(150)	192,500	1,662,059
Level 3	515	-	-	-	515
	<u>1,489,308</u>	<u>896</u>	<u>(150)</u>	<u>192,500</u>	<u>1,682,554</u>

31 December 2024 (Audited)	Investments securities	Positive FV of Derivatives	Negative FV of Derivatives	Customer deposits	Total
Level 1	4,396	-	-	-	4,396
Level 2	1,743,784	268	(641)	115,260	1,858,671
Level 3	498	-	-	-	498
	<u>1,748,678</u>	<u>268</u>	<u>(641)</u>	<u>115,260</u>	<u>1,863,565</u>

30 June 2024 (Unaudited)	Investment securities	Positive FV of Derivatives	Negative FV of derivatives	Customer deposits	Total
Level 1	544	-	-	-	544
Level 2	1,687,083	66	(744)	115,500	1,801,905
Level 3	500	-	-	-	500
	<u>1,688,127</u>	<u>66</u>	<u>(744)</u>	<u>115,500</u>	<u>1,802,949</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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28. Derivatives

The table below sets out the positive and negative fair values of derivative financial instruments, together with their notional amounts, analysed by term to maturity. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the end of the period, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Bank's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor to market risk.

As at 30 June 2025 (Unaudited)	Positive FV	Negative FV	Notional amount	Notional amounts by term to maturity		
				Within 3 months	3 - 12 months	More than 1 year
Forward foreign exchange purchase contracts	273	42	581,186	380,735	161,636	38,815
Forward foreign exchange sale contracts	31	108	581,380	380,902	161,636	38,842
Interest rate swaps	592	-	192,500	38,500	77,000	77,000
Total	896	150				

As at 31 December 2024 (Audited)	Positive FV	Negative FV	Notional amount	Notional amounts by term to maturity		
				Within 3 months	3 - 12 months	More than 1 year
Forward foreign exchange purchase contracts	55	119	949,811	902,745	10,399	36,667
Forward foreign exchange sale contracts	10,876	9	938,940	891,868	10,373	36,699
Interest rate swaps	155	513	115,500	-	38,500	77,000
Total	11,086	641				

As at 30 June 2024 (Audited)	Positive FV	Negative FV	Notional amount	Notional amounts by term to maturity		
				Within 3 months	3 - 12 months	More than 1 year
Forward foreign exchange purchase contracts	46	42	736,266	736,266	-	-
Forward foreign exchange sale contracts	20	74	736,256	736,256	-	-
Interest rate swaps	-	628	124,575	9,075	-	115,500
Total	66	744				

The Bank has entered fixed-for-floating interest rate swap amounting to RO 192.5 million (31 December 2024: RO 115.5 million, 30 June 2024: RO 124.6 million) to manage the exposure for changes in fair value due to movements in market interest rates on certain fixed rate customer deposits which are not measured at FVTPL.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2025 (RO'000)

29. Exposure to liquidity risk

The Bank also monitors the liquidity through Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and Leverage Ratio.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
LCR	135.7%	177.2%	161.4%
LCR (average for the quarter)	138.4%	170.0%	137.2%
NSFR	115.0%	132.0%	125.3%
Leverage ratio	8.8%	11.1%	8.3%

The LCR and NSFR is calculated in accordance with Basel III framework and guidelines adopted by CBO vide circular BM 1127 and BM 1147. The complete disclosures required under these circulars are available on the Investor Relations page of the Bank's website.

The table below summarises the maturity profile of the Bank's liabilities as on the reporting date based on contractual repayment arrangements. The contractual maturities of liabilities have been determined based on the remaining period at the statement of financial position date to the contractual maturity date and do not take account of the effective maturities as indicated by the Bank's deposit retention history and the availability of liquid funds.

30 June 2025 (Unaudited)	Carrying amount	Gross nominal outflow	Within 3 months	3 - 12 months	Over 1 year
Non – derivative liabilities					
Customer deposits	6,312,737	6,416,553	4,343,670	1,284,243	788,640
Due to banks	565,602	609,212	200,314	11,268	397,630
Other liabilities	106,189	106,189	106,189	-	-
	<u>6,984,528</u>	<u>7,131,954</u>	<u>4,650,173</u>	<u>1,295,511</u>	<u>1,186,270</u>

31 December 2024 (Audited)	Carrying amount	Gross nominal outflow	Within 3 months	3 - 12 months	Over 1 year
Non – derivative liabilities					
Customer deposits	5,777,040	5,885,510	3,952,044	940,050	993,417
Due to banks	570,313	634,003	109,776	137,744	386,483
Other liabilities	115,092	115,092	115,092	-	-
	<u>6,462,445</u>	<u>6,634,605</u>	<u>4,176,912</u>	<u>1,077,794</u>	<u>1,379,900</u>

30 June 2024 (Unaudited)	Carrying amount	Gross nominal outflow	Within 3 months	3 - 12 months	Over 1 year
Non – derivative liabilities					
Customer deposits	5,610,483	5,715,861	4,115,902	670,090	929,869
Due to banks	727,871	734,122	143,120	23,035	567,967
Other liabilities	110,779	110,779	110,779	-	-
	<u>6,449,133</u>	<u>6,560,762</u>	<u>4,369,801</u>	<u>693,125</u>	<u>1,497,836</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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30. Capital management

The international standard for measuring capital adequacy is the risk asset ratio, which relates capital to balance sheet assets and off-balance sheet exposures weighted according to broad categories of risk. The risk asset ratio calculated in accordance with the capital adequacy guidelines of the Bank for International Settlement is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2024 (Unaudited)
CET 1 capital			
Ordinary share capital	702,508	702,508	572,508
Share premium	18,038	18,038	18,038
Legal reserve	55,900	55,900	44,910
General reserve	988	988	988
Retained earnings	75,315	75,557	38,332
Fair value reserve on acquisition	(11,411)	(11,411)	(11,411)
Intangible	(58,947)	(61,140)	(54,722)
Fair value losses	(1,381)	(1,723)	(631)
Deferred tax asset	(1,316)	-	-
Total CET 1 capital	779,694	778,717	608,012
Additional Tier 1 capital			
Perpetual tier 1 capital securities	-	-	-
Total tier 1 capital	779,694	778,717	608,012
Tier 2 capital			
Impairment provision on portfolio basis	25,749	43,191	36,644
Fair value gains	212	21	15
Total tier 2 capital	25,961	43,212	36,659
Total regulatory capital	805,655	821,929	644,671
Risk weighted assets			
Credit risk	4,680,161	4,188,315	3,929,424
Market risk	240,492	189,749	119,267
Operational risk	367,264	367,264	269,921
Total risk weighted assets	5,287,917	4,745,328	4,318,612
Capital adequacy ratio			
Total regulatory capital expressed as a percentage of total risk weighted assets	15.24%	17.32%	14.93%
Total tier I capital expressed as a percentage of total risk weighted assets	14.74%	16.41%	14.08%
Total CET 1 capital expressed as a percentage of total risk weighted assets	14.74%	16.41%	14.08%

The capital adequacy ratio is calculated in accordance with Basel II & Basel III requirements as adopted by CBO. Disclosures required under Basel III and circular BM-1114 dated 17 November 2013 issued by CBO are available on the Investor Relations page of the Bank's website.

Total CET 1 capital excludes impairment reserve, interim profits for the period and an adjustment to fair value for unrealised gains. Proposed dividends (if any) are deducted from retained earnings.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2025 (RO'000)

31. Fiduciary activities

The Bank's fiduciary activities consist of portfolio and investment management and custodial services. The aggregated assets under management, which are not included in the Bank's statement of financial position as at 30 June 2025 is RO 1,548 million (31 December 2024: RO 1,173 million, 30 June 2024: RO 1,054 million).

32. Revenue concentration

No revenue from transactions with a single external counterparty or customer amounted to 10% or more of the Bank's total revenue for the periods ending 30 June 2025 and 30 June 2024 respectively.

33. Segment information is presented in respect of the Bank's operating segments as follows:

The Chief Executive Officer monitors the performance of the following key business segments.

Retail Banking:

Retail banking offers individual customers a wide range of products and services including current and term deposits, housing finance, personal loans, insurance, credit cards, foreign exchange and wealth management products delivering a superior customer experience through the Bank's extensive branch network and market leading digital channels.

- **Retail & Premier Banking:** delivers retail products and services to a wide base of individual customers including its Premier customer segment.
- **Wealth Management:** delivers retail products and services as well as wealth management advisory to high-net-worth individuals (HNWI).

Wholesale Banking:

Wholesale banking offers its diversified customer base a wide range of products and services including loans, working capital facilities, term deposits, trade financing, cash management, custodial services, treasury, investment banking and funds management, delivered through its dedicated and specialised customer and product groups:

- **Corporate Banking:** delivers wholesale products and services to large corporates as well as small and medium sized enterprises (SME).
- **Investment Banking:** provides debt capital markets advisory, custodial services, and funds management across all wholesale banking customers in addition to managing the Bank's proprietary investment portfolio.
- **Government & Private Banking:** provides customised value-added products and services to the unique needs of government ministries, public enterprises, NGOs, and ultra-high net worth individuals (UHNWI).
- **International Banking:** provides advisory services to foreign investors seeking to enter the Omani market through direct investments in addition to providing a range of personalised and customised financial solutions to family offices and non-residents.
- **Global Markets:** provides money market, foreign exchange, and derivative products to wholesale banking customers. The treasury team also manages the Bank's overall balance sheet funding, liquidity, and market risk position.

Islamic Banking:

The Islamic Banking Window ("Sohar Islamic") offers a full range of Islamic banking services and products to individuals and corporates. The principal activities of the window include accepting Shari'a compliant customer deposits, providing Shari'a compliant financing based on Murabaha, Mudaraba, Musharaka, Ijarah, Istisna'a, Salam and providing commercial banking services, investment and other activities permitted under Islamic Banking Regulatory Framework (IBRF).

KSA Branch:

The Bank established a Branch in the Kingdom of Saudi Arabia (KSA) in 2023. The KSA Branch currently provides Wholesale Banking services.

Head Office:

Head office includes all assets, liabilities, and equity not directly attributable to business segments. Profit and Loss includes those items that are not directly attributable to business segments.

Transfer pricing between business segments is on an arm's length basis in a similar manner to transactions with third parties. Net interest income by segment includes the allocation, based on Risk Weighted Assets, of the notional capital benefit.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2025
(RO'000)**
33. Segmental information (continued)
30 June 2025 (Unaudited)

	Retail banking	Wholesale banking	Islamic banking	KSA Branch	Head Office	Total
PROFIT FOR THE PERIOD						
Net interest income	21,226	51,735	-	2,647	-	75,608
Net income from Islamic financing and investing activities	-	-	6,677	-	-	6,677
Other operating income	7,549	23,365	2,196	177	-	33,287
Total operating income	28,775	75,100	8,873	2,824	-	115,572
Total operating expenses	(18,224)	(24,479)	(4,201)	(3,179)	(2,042)	(52,125)
Net operating income/(loss) before impairment provisions	10,551	50,621	4,672	(355)	(2,042)	63,447
Loan impairment charges and other credit risk provisions (net)	(2,689)	(8,523)	(551)	(439)	-	(12,202)
Profit/(loss) before tax	7,862	42,098	4,121	(794)	(2,042)	51,245
Income tax expense	(1,179)	(4,920)	(618)	1,316	306	(5,095)
Profit/(loss) for the period	6,683	37,178	3,503	522	(1,736)	46,150
Other comprehensive income/(loss)	-	227	297	-	-	524
Total comprehensive income/(loss)	6,683	37,405	3,800	522	(1,736)	46,674
FINANCIAL POSITION						
Assets						
Cash and balances with Central Bank	-	217,212	51,181	99	-	268,492
Due from banks	-	548,823	66,376	42,644	-	657,843
Investment securities	-	1,774,789	102,898	5,605	-	1,883,292
Loans, advances and Islamic financings (net)	1,272,299	2,573,060	700,472	315,732	-	4,861,563
Other assets	-	23,884	2,723	1,923	29,292	57,822
Investment properties	-	-	-	-	2,900	2,900
Property and equipment	-	-	2,669	2,641	69,999	75,309
Intangible asset	-	-	-	-	69,349	69,349
Total Assets	1,272,299	5,137,768	926,319	368,644	171,540	7,876,570
Liabilities						
Due to banks	-	561,991	3,546	65	-	565,602
Customer deposits	1,191,772	4,117,776	820,809	182,380	-	6,312,737
Other liabilities	-	22,018	7,798	3,109	73,264	106,189
Total Liabilities	1,191,772	4,701,785	832,153	185,554	73,264	6,984,528
Internal funding	80,527	435,983	-	183,090	(699,600)	-
Total Equity	-	-	94,166	-	797,876	892,042
Total Liabilities & Equity	1,272,299	5,137,768	926,319	368,644	171,540	7,876,570

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2025
(RO'000)
33. Segmental information (continued)

30 June 2024 (Unaudited)

	Retail banking	Wholesale banking	Islamic banking	KSA	Head Office	Total
PROFIT FOR THE PERIOD						
Net interest income	16,403	68,123	-	1	-	84,527
Net income from Islamic financing and investing activities	-	-	5,307	-	-	5,307
Other operating income	10,206	16,241	1,576	4	-	28,027
Total operating income	26,609	84,364	6,883	5	-	117,861
Total operating expenses	(19,191)	(21,921)	(3,012)	(1,322)	(2,315)	(47,761)
Net operating income before impairment provisions	7,418	62,443	3,871	(1,317)	(2,315)	70,100
Loan impairment charges and other credit risk provisions (net)	(1,394)	(8,085)	(698)	(42)	-	(10,219)
Profit/(Loss) before tax	6,024	54,358	3,173	(1,359)	(2,315)	59,881
Income tax expense	(904)	(8,579)	(476)	-	347	(9,612)
Profit/(Loss) for the period	5,120	45,779	2,697	(1,359)	(1,968)	50,269
Other comprehensive income/(loss)	-	(1)	(28)	-	-	(29)
Total comprehensive income/(loss)	5,120	45,778	2,669	(1,359)	(1,968)	50,240
FINANCIAL POSITION						
Assets						
Cash and balances with Central Bank	-	140,698	30,340	172	-	171,210
Due from banks	-	632,315	102,521	195	-	735,031
Investment securities	-	2,024,672	22,287	5,580	-	2,052,539
Loans, advances and Islamic financings (net)	1,176,071	2,291,261	525,765	32,057	-	4,025,154
Other assets	-	19,738	1,296	882	21,007	42,923
Investment properties	-	-	-	-	2,900	2,900
Property and equipment	-	-	2,060	2,056	69,382	73,498
Intangible asset	-	-	-	-	64,379	64,379
Total Assets	1,176,071	5,108,684	684,269	40,942	157,668	7,167,634
Liabilities						
Due to banks	-	720,672	7,199	-	-	727,871
Customer deposits	1,138,556	3,843,589	601,677	26,661	-	5,610,483
Other liabilities	-	20,416	3,967	4,936	81,460	110,779
Total Liabilities	1,138,556	4,584,677	612,843	31,597	81,460	6,449,133
Internal funding	37,515	524,007	-	9,345	(570,867)	-
Total Equity	-	-	71,426	-	647,075	718,501
Total Liabilities & Equity	1,176,071	5,108,684	684,269	40,942	157,668	7,167,634

34. Comparative figures

Certain comparative figures have been re-classified to conform to the presentation for the current period. Such reclassifications do not affect previously reported net profit or shareholders' equity.