



SOHAR INTERNATIONAL BANK SAOG

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025**

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

		30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
	Note			
ASSETS				
Cash and balances with Central Bank	5	288,764	202,953	434,571
Due from banks	6	496,928	561,730	791,022
Investment securities	7	2,248,498	2,119,029	1,913,402
Loans, advances and Islamic financings (net)	8	5,068,560	4,269,808	4,224,916
Other assets	9	75,268	58,038	58,610
Investment properties		2,900	2,900	2,900
Property and equipment		74,726	74,364	72,796
Intangible assets	10	67,875	71,929	73,351
TOTAL ASSETS		8,323,519	7,360,751	7,571,568
LIABILITIES				
Due to banks	11	574,236	570,313	769,885
Customer deposits	12	6,498,733	5,777,040	5,925,478
Other liabilities	13	131,830	115,092	131,774
TOTAL LIABILITIES		7,204,799	6,462,445	6,827,137
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	(3,647)	(6,635)	(5,576)
Retained earnings		145,921	128,495	114,551
TOTAL SHAREHOLDERS' EQUITY		918,720	898,306	744,431
Perpetual tier 1 capital securities	16	200,000	-	-
TOTAL EQUITY		1,118,720	898,306	744,431
TOTAL LIABILITIES AND EQUITY		8,323,519	7,360,751	7,571,568
CONTINGENT LIABILITIES				
COMMITMENTS	17.1 17.2	644,733 1,362,105	567,438 877,214	589,986 771,104
Net assets per share		Baisa 138.8	Baisa 135.8	Baisa 133.5

These interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 28th October 2025 and signed on their behalf by:

Chairman

Board member

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

(Unaudited)

(RO'000)

		Nine months ended	Three months ended
		30 September 2025	30 September 2024
	Note	30 September 2025	30 September 2024
Interest income	18	233,121	233,846
Interest expense	19	(120,778)	(105,433)
Net interest income		112,343	128,413
Net income from Islamic financings and investing activities	20	10,355	8,280
Other operating income	21	58,100	46,244
TOTAL OPERATING INCOME		180,798	182,937
Staff costs		(46,469)	(42,341)
Other operating expenses	22	(30,425)	(27,270)
Depreciation		(3,808)	(3,663)
TOTAL OPERATING EXPENSES		(80,702)	(73,274)
NET OPERATING INCOME BEFORE IMPAIRMENT PROVISIONS		100,096	109,663
Gain on bargain purchase		-	9,234
Loan impairment charges and other credit risk provisions (net)	23	(20,115)	(28,236)
PROFIT BEFORE TAX		79,981	90,661
Income tax expense		(9,263)	(14,442)
PROFIT FOR THE PERIOD		70,718	76,219
Items that will not be reclassified to profit and loss			
Revaluation gain/(loss) on equity instruments held at fair value through other comprehensive income (FVOCI)		2,746	(49)
OTHER COMPREHENSIVE GAIN/(LOSS) FOR THE PERIOD		2,746	(49)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		73,464	76,170
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY		73,464	76,170
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY		70,718	76,219
Basic earnings per share for the period	24	Baisa 10.67	Baisa 13.00
		Baisa 3.70	Baisa 4.65

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

	Share capital	Share premium	Legal reserve	Other reserves	Retained earnings	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	-	-	-	-	70,718	70,718	-	70,718
Other comprehensive gain for the period	-	-	-	2,746	-	2,746	-	2,746
Total comprehensive income for the period	-	-	-	2,746	70,718	73,464	-	73,464
Issue of perpetual Tier 1 capital securities	-	-	-	-	-	-	200,000	200,000
Issue expenses - perpetual Tier 1 capital securities	-	-	-	-	(112)	(112)	-	(112)
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 September 2025	702,508	18,038	55,900	(3,647)	145,921	918,720	200,000	1,118,720

	Share capital	Share premium	Legal reserve	Other reserves	Retained earnings	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	-	-	-	-	76,219	76,219	-	76,219
Other comprehensive loss for the period	-	-	-	(49)	-	(49)	-	(49)
Total comprehensive income for the period	-	-	-	(49)	76,219	76,170	-	76,170
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 September 2024	572,508	18,038	44,910	(5,576)	114,551	744,431	-	744,431

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

		30 September 2025	30 September 2024
OPERATING ACTIVITIES	Note		
Profit before tax		79,981	90,661
Adjustments for:			
Depreciation		3,808	3,663
Amortisation of intangible asset	10	4,054	4,126
Loan impairment charges and other credit risk provisions (net)	23	20,115	28,236
(Gain) / loss on investments securities	21	(5,866)	72
Gain on bargain purchase		-	(9,234)
Cash from operating activities before changes in operating assets and liabilities		102,092	117,524
Due from banks		(126,074)	(12,586)
Loans, advances and Islamic financings (net)		(818,348)	(341,749)
Investment held at fair value through profit or loss (FVTPL)		(353)	28,401
Other assets		(11,713)	(4,134)
Due to banks		4,837	199,372
Customer deposits		721,692	822,433
Other liabilities		17,039	4,740
Cash (used in)/from operating activities		(110,828)	814,001
Income tax paid		(15,952)	(298)
Net cash from operating activities		(126,780)	813,703
INVESTING ACTIVITIES			
Purchase of investment securities		(308,906)	(27,939)
Proceeds from sale/maturity of investment securities		95,637	54,067
Purchase of property and equipment		(4,101)	(888)
Net cash from investing activities		(217,370)	25,240
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)
Issue of perpetual tier 1 capital securities		200,000	-
Issue expense perpetual tier 1 capital securities		(112)	-
Net cash used in financing activities		146,950	(133,813)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(197,200)	705,130
CASH AND CASH EQUIVALENT AT BEGINNING OF THE PERIOD		2,334,474	1,835,528
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		2,137,274	2,540,658
REPRESENTING:			
Cash and available balance with Central Bank	5	288,258	434,065
Due from banks with original maturity (OM) of 90 days or less		271,721	640,751
Investment securities with OM of 90 days or less		1,577,295	1,465,842
		2,137,274	2,540,658

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2025
(RO'000)****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 54 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 September 2025, the Bank operated in 2 countries (30 September 2024: 2 countries) and employed 1,665 employees (30 September 2024: 1,543).

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 nine months period ended 30 September 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 SEPTEMBER 2025 (RO'000)

2. Basis of preparation (continued)

2.5 Sale of investment securities from held at amortised cost portfolio

In September 2025, the Bank sold investment securities with a gross carrying amount of RO 44.2 million from held at amortised portfolio. The sale resulted in a net gain of RO 5.8 million, which has been recognised in the statement of comprehensive income under 'other operating income'.

The sales were undertaken to comply with CBO regulations and therefore represent exceptional and infrequent transactions. These disposals were not driven by changes in management's intent to hold the instruments to collect contractual cash flows.

Management has assessed the nature and frequency of these sales and concluded that they are consistent with the Bank's held at amortised cost business model. Accordingly, the classification of the remaining investment securities at amortised cost remains appropriate, and no reclassification of the Bank's financial assets was required.

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

For the period ended 30 September 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.

In August 2025, the Bank announced its intention, subject to CBO approval, to enter a non-binding Memorandum of Understanding (MOU) with Neo Group Limited UAE (the "Seller") who owns 80% equity stake in Neo Group Limited KSA (the "Target"). Pursuant to this the Bank would explore the possibility of acquiring a majority stake of up to 55% in the Target from the Seller (the "Intended Acquisition"). The Target is a financial institution established and registered in the Kingdom of Saudi Arabia and has obtained regulatory licenses from the Capital Market Authority (CMA) of Saudi Arabia to conduct asset management, and financial advisory services. This Intended Acquisition forms part of the Bank's strategy to strengthen Oman's representation in regional financial markets. The Intended Acquisition will be subject to completion of due diligence in a manner satisfactory to the Bank, negotiation and execution of definitive agreements, and receipt of required regulatory, corporate, and other mandatory approvals as may be required in both the Sultanate of Oman and the Kingdom of Saudi Arabia.

In August 2025, the Bank announced its intention, subject to CBO approval, to make a non-binding offer of up to 100% stake in Insurance House LLC ("Bima") (the "Proposed Transaction"). Bima is Oman's first fully digital insurance portal licensed by the Financial Services Authority (FSA), enabling customers to compare and purchase a range of insurance products; (including motor, travel, domestic, medical, and credit life" from multiple insurers through an intuitive online platform. This Proposed Transaction forms part of the Bank's vision of becoming a world-class service company that helps customers, community, and people to prosper and grow. The Proposed Transaction will be subject to completion of due diligence in a manner satisfactory to the Bank, negotiation and execution of definitive agreements, and receipt of required regulatory, corporate, and other mandatory approvals as may be required.

In August 2025, the Bank announced its intention, subject to CBO approval, to explore the possibility of establishing a representative office in The People's Republic of China or in the Hong Kong Special Administrative Region (China). This initiative is aligned with the Bank's strategic vision to expand and strengthen both the Bank's and Oman's presence in global financial markets. Both locations are dynamic and expanding hubs for cross-broader investment, trade facilitation, and collaboration across the Asia Pacific region and beyond. Execution of this initiative will remain subject to further internal assessments, required regulatory approvals, and compliance with applicable laws in both Oman and the host location.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2025
(RO'000)**
5. Cash and balances with Central Bank

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Cash	47,516	47,537	49,370
Balance with CBO	240,742	154,909	384,695
	<u>288,258</u>	<u>202,446</u>	<u>434,065</u>
Capital deposit with CBO	506	507	506
	<u>288,764</u>	<u>202,953</u>	<u>434,571</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 191.32 million (31 December 2024: RO 194.6 million, 30 September 2024: RO 193.2 million).

6. Due from banks

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
<i>Local currency:</i>			
Money market placements	74,560	121,160	5,010
<i>Foreign currency:</i>			
Money market placements	363,196	395,188	738,211
Demand balances	59,368	45,873	48,098
	<u>422,564</u>	<u>441,061</u>	<u>786,309</u>
Gross carrying amount	497,124	562,221	791,319
Less: ECL provision	(196)	(491)	(297)
	<u>496,928</u>	<u>561,730</u>	<u>791,022</u>

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

	30 September 2025 (Unaudited)				30 September 2024 (Unaudited)
	Stage 1	Stage 2	Stage 3	Total	Total
At 1 January	562,221	-	-	562,221	652,500
New assets originated or purchased	-	-	-	-	138,819
Assets derecognised or matured	(65,097)	-	-	(65,097)	-
Gross carrying amount	<u>497,124</u>	<u>-</u>	<u>-</u>	<u>497,124</u>	<u>791,319</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2025
(RO'000)**
6. Due from banks (continued)

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

	30 September 2025 (Unaudited)				30 September 2024 (Unaudited)
	Stage 1	Stage 2	Stage 3	Total	Total
At 1 January	491	-	-	491	496
Net impairment charge /(release) (note 23)	(295)	-	-	(295)	(199)
ECL provision	196	-	-	196	297

7. Investment securities

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Equity investments:			
Held at FVOCI	41,195	21,276	14,389
Held at FVTPL	515	599	601
Total equity investments	41,710	21,875	14,990
Debt investments:			
Held at FVTPL	38,118	37,682	62,720
Held at FVOCI	1,740,249	1,689,123	1,465,840
Held at amortised cost	428,629	370,537	370,031
Less: ECL provision	(208)	(188)	(179)
Held at amortised cost (net)	428,421	370,349	369,852
Total debt investments	2,206,788	2,097,154	1,898,412
Total investment securities	2,248,498	2,119,029	1,913,402

7.1 Held at FVTPL

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 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)	38,118	37,682	62,720
	38,633	38,281	63,321

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

	Carrying / fair value 30 September 2025	Cost 30 September 2025	Carrying / fair value 31 December 2024	Cost 31 December 2024	Carrying / fair value 30 September 2024	Cost 30 September 2024
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Quoted equity investments – Oman						
Service sector	28,143	21,180	8,224	9,726	1,337	1,776
Unquoted equity investments – Oman						
Service sector	13,052	13,229	13,052	13,229	13,052	13,229
Total equity investments	41,195	34,409	21,276	22,955	14,389	15,005
Unquoted debt investments – Oman						
Treasury bills	279,154	283,000	159,849	161,910	38,993	40,000
Unquoted debt investments – Foreign						
Treasury bills	1,298,141	1,302,235	1,509,286	1,514,405	1,426,847	1,432,855
Total debt investments (Treasury bills)	1,577,295	1,585,235	1,669,135	1,676,315	1,465,840	1,472,855
Sukuk (Quoted) – Oman	162,953	162,002	19,988	19,988	-	-
Total debt investments	1,740,249	1,752,711	1,689,123	1,696,303	1,465,840	1,472,855
Total equity and debt investment	1,781,444	1,787,120	1,710,399	1,719,258	1,480,229	1,487,860

USD Treasury bills of RO 383.9 million (31 December 2024: RO 354.2 million, 30 September 2024: RO 383.7 million) are assigned as collateral against the bank's borrowings of RO 354.2 million (31 December 2024: RO 354.2 million, 30 September 2024: RO 354.2 million).

7.3 Held at amortised cost

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Quoted debt investments			
Government development bonds – Oman	302,851	313,992	322,835
Corporate sukuk – Oman	15,853	14,814	5,600
Corporate bond – Foreign	19,974	22,023	21,797
Treasury bills - Foreign	10,096	5,736	5,658
Sovereign sukuk – Oman	14,036	13,972	14,141
Sovereign sukuk – Foreign	65,819	-	-
	428,629	370,537	370,031
Less: ECL provision	(208)	(188)	(179)
	428,421	370,349	369,852

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 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 September 2025 (Unaudited)					30 September 2024 (Unaudited)
	Stage 1	Stage 2	Stage 3	Total	
At 1 January	362,314	8,223	-	370,537	396,033
Purchased	151,248	-	-	151,248	14,927
Matured	(46,182)	-	-	(46,182)	(40,929)
Sold	(44,237)	(2,737)	-	(46,974)	-
Gross carrying amount	423,193	5,486	-	428,629	370,031

	Stage 1	Stage 2	Stage 3	Total	30 September 2024 (Unaudited)
At 1 January	97	91	-	188	108
Net impairment charge (note 23)	32	(12)	-	20	71
ECL provision	129	79	-	208	179

8. Loans, advances and Islamic financings (net)

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Corporate	3,900,947	3,224,445	3,192,876
Retail	1,549,729	1,392,215	1,360,935
Gross loans, advances and Islamic financings	5,450,676	4,616,660	4,553,811
Less: ECL provision	(293,802)	(274,961)	(262,691)
Less: Contractual interest / profit not recognised	(88,314)	(71,891)	(66,204)
	(382,116)	(346,852)	(328,895)
	5,068,560	4,269,808	4,224,916

Gross loans, advances and Islamic financings include RO 722.70 million (31 December 2024: RO 687.93 million, 30 September 2024: RO 613.66 million) through Sohar Islamic financing activities.

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

8. Loans, advances and Islamic financings (net) (continued)

Loans, advances and Islamic financings (net) comprise:

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Loans	4,878,776	4,004,756	3,936,967
Overdrafts	384,563	367,661	379,125
Loans against trust receipts	170,531	228,293	227,543
Bills discounted	16,806	15,950	10,176
Gross loans, advances and Islamic financings	5,450,676	4,616,660	4,553,811
Less: ECL provision	(293,802)	(274,961)	(262,691)
Less: Contractual interest/profit not recognised	(88,314)	(71,891)	(66,204)
	(382,116)	(346,852)	(328,895)
	5,068,560	4,269,808	4,224,916

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

30 September 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	1,163,237	40,959	26,115	1,230,311
Assets derecognised or repaid	(367,011)	(16,794)	(11,734)	(395,539)
Loans written off	-	-	(2,824)	(2,824)
Loans transferred from memoranda portfolio	-	-	2,068	2,068
Transfers to Stage 1	14,176	(7,801)	(6,375)	-
Transfers to Stage 2	(272,968)	274,072	(1,104)	-
Transfers to Stage 3	(7,048)	(17,207)	24,255	-
Gross carrying amount	4,251,781	949,440	249,455	5,450,676
	Stage 1	Stage 2	Stage 3	Total
At 1 January	18,495	161,739	94,727	274,961
Impairment charge	9,495	7,511	10,430	27,436
Impairment release	(3,422)	1,049	(5,466)	(7,839)
Loans written off	-	-	(2,824)	(2,824)
Loans transferred from memoranda portfolio	-	-	2,068	2,068
Transfers to Stage 1	2,928	(294)	(2,634)	-
Transfers to Stage 2	(2,437)	2,931	(494)	-
Transfers to Stage 3	(193)	(494)	687	-
ECL provision	24,866	172,442	96,494	293,802
	Stage 1	Stage 2	Stage 3	Total
Net impairment charge/(release)	9,495	7,511	10,430	27,436
Impairment charge	(3,422)	1,049	(5,466)	(7,839)
Net impairment charge/(release) (Note 23)	6,073	8,560	4,964	19,597

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

30 September 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	518,490	43,433	8,527	570,450
Assets derecognised or repaid	(188,535)	(22,778)	(13,750)	(225,063)
Loans written off	-	-	(8)	(8)
Loans transferred to memoranda portfolio	-	-	(68)	(68)
Loans transferred from memoranda portfolio	-	-	119	119
Transfers to Stage 1	83,144	(79,939)	(3,205)	-
Transfers to Stage 2	(128,394)	129,919	(1,525)	-
Transfers to Stage 3	(17,079)	(5,014)	22,093	-
Gross carrying amount	<u>3,696,554</u>	<u>644,473</u>	<u>212,784</u>	<u>4,553,811</u>
	Stage 1	Stage 2	Stage 3	Total
At 1 January	18,216	131,317	87,497	237,030
Impairment charge	4,584	25,269	7,850	37,703
Impairment release	(2,764)	(458)	(9,015)	(12,237)
Loans written off	-	-	(8)	(8)
Loans transferred to memorandum portfolio	-	-	(68)	(68)
Loans brought back from memorandum portfolio	-	-	271	271
Transfers to Stage 1	3,176	(1,651)	(1,525)	-
Transfers to Stage 2	(158)	468	(310)	-
Transfers to Stage 3	(4,846)	(511)	5,357	-
ECL provision	<u>18,208</u>	<u>154,434</u>	<u>90,049</u>	<u>262,691</u>

	Stage 1	Stage 2	Stage 3	Total
Net impairment charge/(release)				
Impairment charge	4,584	25,269	7,850	37,703
Impairment release	(2,764)	(458)	(9,015)	(12,237)
Net impairment charge/(release) (Note 23)	<u>1,820</u>	<u>24,811</u>	<u>(1,165)</u>	<u>25,466</u>

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

	30 September 2025 (Unaudited)	30 September 2024 (Unaudited)
Contractual interest not recognised		
Balance at beginning of year	71,891	50,159
Not recognised during the period	20,098	16,813
Written back due to recovery/write off	(3,675)	(768)
Balance at end of the period	<u>88,314</u>	<u>66,204</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 September 2025, loans, advances and Islamic financings on which interest/profit was not accrued or where interest/profit was reserved amounted to RO 249 million. (31 December 2024: RO 219 million, 30 September 2024: RO 213 million).

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Acceptances	37,253	21,200	31,196
Receivables	13,749	10,279	3,134
Prepayments	5,920	2,128	9,427
Positive fair value of derivatives (Note 28)	372	11,086	70
Others	17,974	13,345	14,783
	75,268	58,038	58,610

10. Intangible assets

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Cost:			
Opening balance	79,174	68,311	68,311
Assets acquired on business combination	-	10,863	10,863
As at period end	79,174	79,174	79,174
Amortization:			
Opening balance	7,245	1,697	1,697
Amortization for the period (Note 22)	4,054	5,548	4,126
	11,299	7,245	5,823
Net book value	67,875	71,929	73,351

11. Due to banks

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
<i>Local currency:</i>			
Money market borrowings	10,782	-	-
Demand balances	35,429	31,723	136,306
	46,211	31,723	136,306
<i>Foreign currency:</i>			
Money market borrowings	436,034	500,905	575,645
Demand balances	91,991	37,685	57,934
	528,025	538,590	633,579
	574,236	570,313	769,885

Foreign currency money market borrowings include bank borrowings amounting to RO 354.2 million (31 December 2024: RO 354.2 million, 30 September 2024: RO 354.2 million) with underlying collateral in the form of USD Treasury bills of RO 383.9 million (31 December 2024: RO 354.2 million, 30 September 2024: RO 388.4 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(RO'000)

12. Customer deposits

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Demand deposits	2,917,271	2,857,086	3,146,341
Term deposits	2,372,506	1,832,564	1,689,788
Saving deposits	1,185,867	1,073,847	1,074,349
Margin deposits	23,089	13,543	15,000
	<u>6,498,733</u>	<u>5,777,040</u>	<u>5,925,478</u>

Islamic Banking deposits included in the above:

Demand deposits	230,862	310,412	218,463
Term deposits	319,929	174,128	310,952
Saving deposits	246,886	210,794	205,670
Margin deposits	2,647	2,127	2,082
	<u>800,324</u>	<u>697,461</u>	<u>737,167</u>

13. Other liabilities

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Income tax provision	20,117	24,515	20,316
Acceptances	37,253	21,200	31,196
Deferred tax liability (net)	11,036	11,608	12,519
Lease liability on right of use assets	10,162	7,013	6,229
Negative fair value of derivatives (Note 28)	183	641	776
Staff entitlements	4,092	3,312	3,844
ECL provision on loan commitments and financial guarantees (Note 17.2)	2,545	1,754	3,764
Other accruals and provisions	46,442	45,049	53,130
	<u>131,830</u>	<u>115,092</u>	<u>131,774</u>

14. Share capital

The authorised capital of the Bank is RO 1 billion (31 December 2024: RO 1 billion, 30 September 2024: RO 1 billion). The issued shares of the Bank are 6,617,246,270 (31 December 2024: 6,617,246,270), (30 September 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 September 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 September 2025	31 December 2024
Royal Court Affairs	19.4	19.4
Dhofar International Development & Investment Co SAOG	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	-	2,746	-	-	2,746
Re-class of net changes in FV of equity instruments upon de-recognition	-	242	-	-	242
Balance as at 30 September 2025	988	1,312	5,464	(11,411)	(3,647)

(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	-	(49)	-	-	(49)
Balance as at 30 September 2024	988	(617)	5,464	(11,411)	(5,576)

16. Perpetual tier 1 capital securities

On 24 September 2025, the Bank issued perpetual tier 1 capital securities amounting to RO 200 million. These securities bear interest on their nominal amount from the issue date to the first call date at a fixed annual rate of 6.75% with interest rate reset at five-year intervals. The interest is payable semi-annually in arrears and treated as a deduction from equity.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(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 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Guarantees	594,353	503,920	524,824
Documentary letters of credit	50,380	63,518	65,162
	<u>644,733</u>	<u>567,438</u>	<u>589,986</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 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Credit related commitments	1,357,676	874,617	768,188
Capital commitments	4,429	2,597	2,916
	<u>1,362,105</u>	<u>877,214</u>	<u>771,104</u>

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

	30 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Credit related commitments	1,357,676	874,617	589,986
Contingent liabilities	644,733	567,438	768,188
Acceptances	37,253	21,200	31,196
Gross carrying amount	<u>2,039,662</u>	<u>1,463,255</u>	<u>1,389,370</u>

	Stage 1	Stage 2	Stage 3	Total	30 September 2024 (Unaudited)
At 1 January	810	215	729	1,754	1,572
Impairment charge	1,067	62	36	1,165	3,123
Impairment release	(249)	(111)	(12)	(372)	(225)
Loans written off	-	-	-	-	(706)
Transferred to memorandum portfolio	-	-	(2)	(2)	-
Transfers to Stage 1	7	(7)	-	-	-
Transfers to Stage 2	(2)	2	-	-	-
Transfers to Stage 3	(2)	(9)	11	-	-
ECL provision	<u>1,631</u>	<u>152</u>	<u>762</u>	<u>2,545</u>	<u>3,764</u>
	Stage1	Stage2	Stage3	Total	Total
Impairment charge	1,067	62	36	1,165	3,123
Impairment release	(249)	(111)	(12)	(372)	(225)
Net impairment charge (Note 23)	<u>818</u>	<u>(49)</u>	<u>24</u>	<u>793</u>	<u>2,898</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(RO'000)**
18. Interest income

	Nine months ended (Unaudited)		Three months ended (Unaudited)	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
Due from banks	18,644	17,231	6,032	5,982
Loans and advances	163,309	145,367	59,268	49,613
Investment securities	51,168	71,248	15,951	25,747
	<u>233,121</u>	<u>233,846</u>	<u>81,251</u>	<u>81,342</u>

19. Interest expense

	Nine months ended (Unaudited)		Three months ended (Unaudited)	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
Due to banks	20,383	20,438	7,879	7,141
Customer deposits	100,395	84,995	36,637	30,315
	<u>120,778</u>	<u>105,433</u>	<u>44,516</u>	<u>37,456</u>

20. Net income from Islamic financing and investing activities

	Nine months ended (Unaudited)		Three months ended (Unaudited)	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
Gross income earned				
Due from banks	2,062	2,620	589	1,651
Financings	27,383	22,717	9,191	7,716
Investment securities	2,859	1,186	1,449	343
	<u>32,304</u>	<u>26,523</u>	<u>11,229</u>	<u>9,710</u>
Profit paid				
Customer deposits	21,655	17,580	7,467	6,622
Due to banks	294	663	84	115
	<u>21,949</u>	<u>18,243</u>	<u>7,551</u>	<u>6,737</u>
	<u>10,355</u>	<u>8,280</u>	<u>3,678</u>	<u>2,973</u>

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

	Nine months ended (Unaudited)		Three months ended (Unaudited)	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
Fee and commission income	37,203	32,580	13,690	13,915
Fee and commission expense	(4,138)	(3,209)	(1,581)	(1,135)
Net gain from foreign exchange	17,275	16,864	6,089	5,463
Profit /(loss) on sale of fixed assets	(20)	-	(20)	-
Dividend income	1,911	77	747	15
Bad debt recovery	3	4	1	2
Net gain/ (loss) on investment securities	5,866	(72)	5,887	(43)
	<u>58,100</u>	<u>46,244</u>	<u>24,813</u>	<u>18,217</u>

22. Other operating expenses

	Nine months ended (Unaudited)		Three months ended (Unaudited)	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
Operating and administration costs	21,980	19,415	9,593	7,242
Amortisation of intangible asset (Note:10)	4,054	4,126	1,474	1,891
Amortisation of right-to-use assets	2,364	1,762	771	372
Occupancy cost	1,685	1,662	279	656
Directors remuneration	225	225	75	75
Directors sitting fees	59	43	10	18
Shari'a supervisory board remuneration and sitting fees	58	37	25	15
	<u>30,425</u>	<u>27,270</u>	<u>12,227</u>	<u>10,269</u>

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

		Nine months ended (Unaudited)		Three months ended (Unaudited)	
	Note	30 September 2025	30 September 2024	30 September 2025	30 September 2024
Net impairment charge/(release):					
Loans, advances and Islamic financings (net)	8	19,597	25,466	7,598	15,842
Contingent liabilities and commitments	17	793	2,898	302	1,979
Due from banks	6	(295)	(199)	3	194
Debt securities at amortised cost	7.3	20	71	10	2
		<u>20,115</u>	<u>28,236</u>	<u>7,913</u>	<u>18,017</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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(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.

	Nine months ended (Unaudited)		Three months ended (Unaudited)	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
Profit for the period	70,718	76,219	24,568	25,950
Less: Interest paid on perpetual tier 1 capital securities	-	(3,740)	-	-
	70,718	72,479	24,568	25,950
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)	10.67	13.00	3.70	4.65

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
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(RO'000)**
25. Financial Instruments

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

**30 September 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		4,250,944	45,730	24,850	20,880	4,226,094	-	-
	Stage 2		144,214	1,397	120,726	(119,329)	23,488	-	-
	Stage 3		-	-	-	-	-	-	-
	Sub Total		4,395,158	47,127	145,576	(98,449)	4,249,582	-	-
Special mention	Stage 1		837	14	16	(2)	821	-	-
	Stage 2		805,226	11,712	75,519	(63,807)	729,707	23,803	23,803
	Stage 3		-	-	-	-	-	-	-
	Sub Total		806,063	11,726	75,535	(63,809)	730,528	23,803	23,803
Sub standard	Stage 1		-	-	-	-	-	-	-
	Stage 2		-	-	-	-	-	-	-
	Stage 3		17,859	5,947	6,030	(83)	11,829	79	79
	Sub Total		17,859	5,947	6,030	(83)	11,829	79	79
Doubtful	Stage 1		-	-	-	-	-	-	-
	Stage 2		-	-	-	-	-	-	-
	Stage 3		13,945	6,442	3,235	3,207	10,710	524	524
	Sub Total		13,945	6,442	3,235	3,207	10,710	524	524
Loss	Stage 1		-	-	-	-	-	-	-
	Stage 2		-	-	-	-	-	-	-
	Stage 3		217,651	148,574	151,740	(3,166)	65,911	63,908	63,908
	Sub Total		217,651	148,574	151,740	(3,166)	65,911	63,908	63,908
Gross Loans, advances and Islamic financings(net)	Stage 1		4,251,781	45,744	24,866	20,878	4,226,915	-	-
	Stage 2		949,440	13,109	196,245	(183,136)	753,195	23,803	23,803
	Stage 3		249,455	160,963	161,005	(42)	88,450	64,511	64,511
	Sub Total		5,450,676	219,816	382,116	(162,300)	5,068,560	88,314	88,314
*Due from banks, Investment securities, Loan commitments & Financial guarantees	Stage 1		4,743,581	-	1,958	(1,958)	4,741,219	-	-
	Stage 2		41,079	-	230	(230)	40,849	-	-
	Stage 3		832	-	761	(761)	71	-	-
	Sub total		4,785,492	-	2,949	(2,949)	4,782,139	-	-
Total	Stage 1		8,995,362	45,744	26,824	18,920	8,968,134	-	-
	Stage 2		990,519	13,109	196,475	(183,366)	794,044	23,803	23,803
	Stage 3		250,287	160,963	161,766	(803)	88,521	64,511	64,511
			10,236,168	219,816	385,065	(165,249)	9,850,699	88,314	88,314

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

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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
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(RO'000)**
25. Financial Instruments (continued)

30 September 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	3,576,518	41,361	16,431	24,930	3,560,087	-	-
	Stage 2	126,781	1,345	148,357	(147,012)	(21,576)	-	-
	Stage 3	-	-	-	-	-	-	-
Sub Total		3,703,299	42,706	164,788	(122,082)	3,538,511	-	-
Special mention	Stage 1	120,036	984	1,778	(794)	118,258	-	-
	Stage 2	517,692	15,440	15,066	374	502,626	8,990	8,990
	Stage 3	-	-	-	-	-	-	-
Sub Total		637,728	16,424	16,844	(420)	620,884	8,990	8,990
Sub standard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	20,144	5,027	33,855	(28,828)	(13,711)	28,715	28,715
Sub Total		20,144	5,027	33,855	(28,828)	(13,711)	28,715	28,715
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	6,042	2,342	2,480	(138)	3,562	173	173
Sub Total		6,042	2,342	2,480	(138)	3,562	173	173
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	186,598	141,356	110,928	30,428	75,670	28,326	28,326
Sub Total		186,598	141,356	110,928	30,428	75,670	28,326	28,326
Gross Loans, advances and Islamic financings (net)	Stage 1	3,696,554	42,345	18,209	24,136	3,678,345	-	-
	Stage 2	644,473	16,785	163,423	(146,638)	481,050	8,990	8,990
	Stage 3	212,784	148,725	147,263	1,462	65,521	57,214	57,214
Sub Total		4,553,811	207,855	328,895	(121,040)	4,224,916	66,204	66,204
*Due from banks, Investment securities, Loan commitments & Financial guarantees	Stage 1	4,052,947	-	1,206	(1,206)	4,051,741	-	-
	Stage 2	34,605	-	282	(282)	34,323	-	-
	Stage 3	6,718	-	2,752	(2,752)	3,966	-	-
Sub total		4,094,270	-	4,240	(4,240)	4,090,030	-	-
Total	Stage 1	7,749,501	42,345	19,415	22,930	7,730,086	-	-
	Stage 2	679,078	16,785	163,705	(146,920)	515,373	8,990	8,990
	Stage 3	219,502	148,725	150,015	(1,290)	69,487	57,214	57,214
		8,648,081	207,855	333,135	(125,280)	8,314,946	66,204	66,204

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

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(RO'000)

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 September 2025 (Unaudited)	CBO	IFRS 9	Difference
Loan impairment charges and other credit risk provisions (net)	20,115	20,115	-
Total ECL provision and contractual interest / profit not recognised	308,130	385,065	76,935
Gross NPL ratio	4.58	4.58	-
Net NPL ratio	0.47	1.75	1.28

(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	219,816	293,802
Due from Banks	-	196
Investment securities (amortised cost)	-	208
Loan commitments and financial guarantees	-	2,545
Total ECL provision	219,816	296,751
Contractual interest / profit not recognised	88,314	88,314
Total ECL provision and contractual interest / profit not recognised	308,130	385,065

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 September 2025 (unaudited)			
	Stage 1	Stage 2	Stage 3	Total
At 1 January	19,892	162,045	95,456	277,393
Impairment charge	10,308	7,564	10,454	28,326
Impairment release	(3,670)	938	(5,479)	(8,211)
Loans written off	-	-	(2,826)	(2,826)
Loans transferred from memorandum portfolio	-	-	2,069	2,069
Transfers to Stage 1	2,926	(303)	(2,623)	-
Transfers to Stage 2	(2,437)	2,931	(494)	-
Transfers to Stage 3	(195)	(503)	698	-
Total ECL provision	26,824	172,672	97,255	296,751

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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 September 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	58,433	1,025	66	959	58,367
	Stage 2	337,729	7,187	20,976	(13,789)	316,753
	Stage 3	771	264	104	160	667
Sub Total		396,933	8,476	21,146	(12,670)	375,787
Classified as non-performing	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	65,692	8,036	15,799	(7,763)	49,893
Sub Total		65,692	8,036	15,799	(7,763)	49,893
	Stage 1	58,433	1,025	66	959	58,367
	Stage 2	337,729	7,187	20,976	(13,789)	316,753
	Stage 3	66,463	8,300	15,903	(7,603)	50,560
Total		462,625	16,512	36,945	(20,433)	425,680

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 September 2024 (Unaudited)

Classification:	IFRS 9	Gross Carrying amount	CBO Provision	IFRS9 Provisions	Difference	Net carrying amount
CBO						
Classified as performing	Stage 1	156,698	1,754	3,579	(1,825)	153,119
	Stage 2	210,037	12,498	21,480	(8,982)	188,557
	Stage 3	-	-	-	-	-
Sub Total		366,735	14,252	25,059	(10,807)	341,676
Classified as non-performing	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	57,610	53,085	32,230	20,855	25,380
Sub Total		57,610	53,085	32,230	20,855	25,380
	Stage 1	156,698	1,754	3,579	(1,825)	153,119
	Stage 2	210,037	12,498	21,480	(8,982)	188,557
	Stage 3	57,610	53,085	32,230	20,855	25,380
Total		424,345	67,337	57,289	10,048	367,056

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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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 September 2025 amount to 339,750 (Stage 1: 46,691, Stage 2: 291,242, Stage 3: 1,817) with an impairment allowance of RO 23,013 (Stage 1: 225, Stage 2: 21,351, Stage 3: 1,437). 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 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Directors & senior management			
Loans, advances and Islamic financings at end of period	5,899	4,884	4,969
Deposits at end of period	3,767	3,528	2,364
Interest income during the period	154	156	146
Interest expense during the period	64	33	47
Directors sitting fees and remuneration	284	365	268
Shari'a Supervisory Board members sitting fees and remuneration	58	51	37
Other related parties			
Loans, advances and Islamic financings at end of period	77,603	91,253	85,435
Deposits at end of period	9,479	10,654	6,802
Interest income during the period	3,577	3,487	3,487
Interest expense during the period	241	220	220

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 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Key management personnel			
Loans, advances and Islamic financings	1,009	1,231	1,275
Customer Deposits	280	178	140

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2025 (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 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Interest income during the period	23	36	36
Interest expense during the period	4	1	1
Salaries and other short-term benefits*	1,136	3,658	1,153
Post-employment benefits	34	52	39

*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 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
Loans, advances and Islamic financing at end of period	18,384	16,978	14,652
Deposits at end of period	80	92	132
Interest income during the period	832	668	668
Interest expense during the period	-	-	-

As at 30 September 2025, no loans to related parties are classified as stage 3 (31 December 2024: nil, 30 September 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 September 2025 (Unaudited)	Amortised cost	FVOCI	FVTPL	Total carrying value	Total fair value
Assets					
Cash and balances with Central Bank	288,764	-	-	288,764	288,764
Due from banks	496,928	-	-	496,928	496,928
Investment securities	428,421	1,781,444	38,633	2,248,498	2,248,498
Loans, advances and Islamic financings (net)	5,068,560	-	-	5,068,560	5,066,098
Other assets (excluding prepayments)	69,027	-	372	69,399	69,399
	<u>6,351,700</u>	<u>1,781,444</u>	<u>39,005</u>	<u>8,172,149</u>	<u>8,169,687</u>
Liabilities					
Due to banks	574,236	-	-	574,236	574,236
Customer deposits	6,344,733	-	154,000	6,498,733	6,566,600
Other liabilities (excluding other accruals & provisions)	85,205	-	183	85,388	85,388
	<u>7,004,174</u>	<u>-</u>	<u>154,183</u>	<u>7,158,357</u>	<u>7,226,224</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
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27. Fair value of financial instruments (continued)

At 30 September 2024 (Unaudited)	Amortised cost	FVOCI	FVTPL	Total Carrying value	Total fair value
Assets					
Cash and balances with Central Bank	434,571	-	-	434,571	434,571
Due from banks	791,022	-	-	791,022	791,022
Investment securities	369,852	1,480,229	63,321	1,913,402	1,913,402
Loans, advances and Islamic financings (net)	4,224,916	-	-	4,224,916	4,224,916
Other assets (excluding prepayments and derivatives)	55,457	-	70	55,527	55,527
	<u>5,875,818</u>	<u>1,480,229</u>	<u>63,391</u>	<u>7,419,438</u>	<u>7,419,438</u>
Liabilities					
Due to banks	769,885	-	-	769,885	769,885
Customer deposits	5,810,639	-	114,839	5,925,478	5,924,817
Other liabilities (excluding other accruals & provisions)	77,868	-	776	78,644	78,644
	<u>6,658,392</u>	<u>-</u>	<u>115,615</u>	<u>6,774,007</u>	<u>6,773,346</u>

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

30 September 2025 (Unaudited)	Investment securities	Positive FV of Derivatives	Negative FV of derivatives	Customer deposits	Total
Level 1	22,117	-	-	-	22,117
Level 2	1,797,445	372	(183)	154,000	1,951,634
Level 3	515	-	-	-	515
	<u>1,820,077</u>	<u>372</u>	<u>(183)</u>	<u>154,000</u>	<u>1,974,266</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 September 2024 (Unaudited)	Investment securities	Positive FV of Derivatives	Negative FV of derivatives	Customer deposits	Total
Level 1	541	-	-	-	541
Level 2	1,542,509	70	(776)	115,500	1,657,303
Level 3	500	-	-	-	500
	<u>1,543,550</u>	<u>70</u>	<u>(776)</u>	<u>115,500</u>	<u>1,658,344</u>

28. Derivatives

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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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 September 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	303	13	1,155,898	702,234	424,491	29,173
Forward foreign exchange sale contracts	12	133	1,155,756	702,073	424,462	29,221
Interest rate swaps	57	37	154,000	-	77,000	77,000
Total	372	183				

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 September 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	53	52	728,240	718,584	10	9,646
Forward foreign exchange sale contracts	17	12	729,695	720,060	10	9,625
Interest rate swaps	-	712	124,575	9,075	-	115,500
Total	70	776				

The Bank has entered fixed-for-floating interest rate swap amounting to RO 154 million (31 December 2024: RO 115.5 million, 30 September 2024: RO 115.500 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 SEPTEMBER 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 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 2024 (Unaudited)
LCR	133.9%	177.2%	173.4%
LCR (average for the quarter)	131.7%	170.0%	155.8%
NSFR	108.1%	132.0%	122.5%
Leverage ratio	11.4%	11.1%	7.7%

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 September 2025 (Unaudited)	Carrying amount	Gross nominal outflow	Within 3 months	3 - 12 months	Over 1 year
Non – derivative liabilities					
Customer deposits	6,498,733	6,574,095	4,531,321	1,327,364	715,411
Due to banks	574,236	605,159	215,920	-	389,239
Other liabilities	131,830	131,830	131,830	-	-
	<u>7,204,799</u>	<u>7,311,084</u>	<u>4,879,071</u>	<u>1,327,364</u>	<u>1,104,650</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 September 2024 (Unaudited)	Carrying amount	Gross nominal outflow	Within 3 months	3 - 12 months	Over 1 year
Non – derivative liabilities					
Customer deposits	769,885	803,016	192,413	218,436	392,167
Due to banks	5,925,478	6,043,389	4,214,720	880,847	947,821
Other liabilities	131,774	131,775	131,775	-	-
	<u>6,827,137</u>	<u>6,978,180</u>	<u>4,538,908</u>	<u>1,099,283</u>	<u>1,339,988</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 September 2025 (Unaudited)	31 December 2024 (Audited)	30 September 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	75,203	75,557	38,332
Fair value reserve on acquisition	(11,411)	(11,411)	(11,411)
Intangible	(57,694)	(61,140)	(62,348)
Fair value losses	(763)	(1,723)	(626)
Deferred tax asset	(1,796)	-	-
Total CET 1 capital	780,973	778,717	600,391
Additional Tier 1 capital			
Perpetual tier 1 capital securities	200,000	-	-
Total tier 1 capital	980,973	778,717	600,391
Tier 2 capital			
Impairment provision on portfolio basis	25,516	43,191	41,335
Fair value gains	934	21	4
Total tier 2 capital	26,450	43,212	41,339
Total regulatory capital	1,007,423	821,929	641,730
Risk weighted assets			
Credit risk	4,873,852	4,188,315	4,165,312
Market risk	249,221	189,749	118,348
Operational risk	367,264	367,264	269,921
Total risk weighted assets	5,490,337	4,745,328	4,553,581
Capital adequacy ratio			
Total regulatory capital expressed as a percentage of total risk weighted assets	18.35%	17.32%	14.09 %
Total tier I capital expressed as a percentage of total risk weighted assets	17.87%	16.41%	13.19 %
Total CET 1 capital expressed as a percentage of total risk weighted assets	14.22%	16.41%	13.19 %

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 SEPTEMBER 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 September 2025 is RO 1,269 million (31 December 2024: RO 1,173 million, 30 September 2024: RO 1,295 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 September 2025 and 30 September 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 SEPTEMBER 2025
(RO'000)**
33. Segmental information (continued)
30 September 2025 (Unaudited)

	Retail banking	Wholesale banking	Islamic banking	KSA Branch	Head Office	Total
PROFIT FOR THE PERIOD						
Net interest income	33,880	73,645	-	4,818	-	112,343
Net income from Islamic financing and investing activities	-	-	10,355	-	-	10,355
Other operating income	11,603	42,718	3,248	531	-	58,100
Total operating income	45,483	116,363	13,603	5,349	-	180,798
Total operating expenses	(30,019)	(38,572)	(6,147)	(5,964)	-	(80,702)
Net operating income/(loss) before impairment provisions	15,464	77,791	7,456	(615)	-	100,096
Loan impairment charges and other credit risk provisions (net)	(4,243)	(13,904)	(861)	(1,107)	-	(20,115)
Profit/(loss) before tax	11,221	63,887	6,595	(1,722)	-	79,981
Income tax (expense) / credit	(1,683)	(8,387)	(989)	1,796	-	(9,263)
Profit for the period	9,538	55,500	5,606	74	-	70,718
Other comprehensive income	-	1,919	827	-	-	2,746
Total comprehensive income	9,538	57,419	6,433	74	-	73,464
	Retail banking	Wholesale banking	Islamic banking	KSA Branch	Head Office	Total
FINANCIAL POSITION						
Assets						
Cash and balances with Central Bank	-	260,345	28,387	32	-	288,764
Due from banks	-	360,837	44,766	91,325	-	496,928
Investment securities	-	2,114,718	123,684	10,096	-	2,248,498
Loans, advances and Islamic financings (net)	1,302,237	2,650,934	714,502	400,887	-	5,068,560
Other assets	-	37,625	3,592	2,221	31,830	75,268
Investment properties	-	-	-	-	2,900	2,900
Property and equipment	-	-	2,726	2,513	69,487	74,726
Intangible asset	27,150	40,725	-	-	-	67,875
Total Assets	1,329,387	5,465,184	917,657	507,074	104,217	8,323,519
Liabilities						
Due to banks	-	551,117	7,701	15,418	-	574,236
Customer deposits	1,011,024	4,207,227	800,324	480,158	-	6,498,733
Other liabilities	-	36,397	12,833	4,426	78,174	131,830
Total Liabilities	1,011,024	4,794,741	820,858	500,002	78,174	7,204,799
Internal funding	318,363	670,443	-	7,072	(995,878)	-
Total Equity	-	-	96,799	-	1,021,921	1,118,720
Total Liabilities & Equity	1,329,387	5,465,184	917,657	507,074	104,217	8,323,519

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

30 September 2024 (Unaudited)

	Retail banking	Wholesale banking	Islamic banking	KSA	Head Office	Total
PROFIT FOR THE PERIOD						
Net interest income	30,171	98,064	-	178	-	128,413
Net income from Islamic financing and investing activities	-	-	8,280	-	-	8,280
Other operating income	13,673	30,091	2,451	29	-	46,244
Total operating income	43,844	128,155	10,731	207	-	182,937
Total operating expenses	(30,935)	(34,612)	(4,650)	(3,077)	-	(73,274)
Net operating income/(loss) before impairment provisions	12,909	93,543	6,081	(2,870)	-	109,663
Loan impairment charges and other credit risk provisions (net)	(2,456)	(24,863)	(835)	(82)	-	(28,236)
Gain on bargain purchase	-	-	-	-	9,234	9,234
Profit/(Loss) before tax	10,453	68,680	5,246	(2,952)	9,234	90,661
Income tax expense	(1,568)	(12,087)	(787)	-	-	(14,442)
Profit/(Loss) for the period	8,885	56,593	4,459	(2,952)	9,234	76,219
Other comprehensive income/(loss)	-	(5)	(44)	-	-	(49)
Total comprehensive income/(loss)	8,885	56,588	4,415	(2,952)	9,234	76,170
FINANCIAL POSITION						
Assets						
Cash and balances with Central Bank	-	327,758	105,110	1,703	-	434,571
Due from banks	-	699,307	91,541	174	-	791,022
Investment securities	-	1,885,184	22,560	5,658	-	1,913,402
Loans, advances and Islamic financings (net)	1,174,923	2,379,381	607,800	62,812	-	4,224,916
Other assets	-	31,266	2,547	1,041	23,756	58,610
Investment properties	-	-	-	-	2,900	2,900
Property and equipment	-	-	2,184	2,253	68,359	72,796
Intangible asset	29,340	44,011	-	-	-	73,351
Total Assets	1,204,263	5,366,907	831,742	73,641	95,015	7,571,568
Liabilities						
Due to banks	-	759,719	10,166	-	-	769,885
Customer deposits	1,099,130	4,088,392	737,167	789	-	5,925,478
Other liabilities	-	31,972	4,965	1,720	93,117	131,774
Total Liabilities	1,099,130	4,880,083	752,298	2,509	93,117	6,827,137
Internal funding	105,133	486,824	1,272	71,132	(664,361)	-
Total Equity	-	-	78,172	-	666,259	744,431
Total Liabilities & Equity	1,204,263	5,366,907	831,742	73,641	95,015	7,571,568

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.