

Q3 2025 Chairman Report

Dear Shareholders,

I am pleased to present to you the financial results of Oman Arab Bank SAOG (the Bank) for the third quarter ended 30 September 2025.

OPERATING ENVIRONMENT

Oman's economy maintained a steady performance in 2025, supported by resilient non-oil sector activity and contained inflation. Liquidity conditions in the banking sector remained comfortable, underpinned by healthy deposit growth and stable funding costs. Credit demand continued to strengthen, particularly from corporate and government-related entities. The Bank continues to operate prudently within this environment, maintaining its focus on sustainable growth, sound liquidity management, and effective risk controls.

CONSOLIDATED FINANCIAL PERFORMANCE

The Bank's recorded net profit after tax of RO 23.3 million, up 14% compared to RO 20.5 million for the same period in 2024.

Net interest income from conventional banking and net income from Islamic financing stood at RO 84.5 million for the nine-month period ended 30 September 2025, up 14% compared to RO 74.3 million for the same period in 2024 due to an increase in interest and financing income by 4%.

Operating income increased by 10% to RO 104 million for the nine-month period ended 30 September 2025 compared to RO 94.7 million for the same period in 2024, while operating expenses increased at a slower rate of 3% to reach RO 56.4 million compared to RO 54.6 million for the same period in 2024. This has led to a healthy growth in operating profit which grew 19% to reach RO 47.6 million in the nine-month period ended 30 September 2025 compared to RO 40.1 million for the same period last year. Net allowances for expected credit losses recorded RO 19.8 million in the nine-month period ended 30 September 2025 compared to RO 15.7 million for the same period in 2024.

Net loans and advances, including Islamic finance, grew 5% to RO 3,678 million compared to RO 3,513 million at 30 September 2024. Customer deposits reached RO 3,708 million by the end of the third quarter of 2025, up 3% compared to RO 3,593 million at 30 September 2024.

PERFORMANCE OF THE PARENT COMPANY

The parent company recorded a net profit after tax of RO 23.6 million for the nine-month period ended 30 September 2025, up 14% compared to RO 20.8 million for the same period in 2024. Interest income grew 2%, driven by higher investments, loans and advances, while interest expense decreased by 7% due to a favourable change in the deposit mix and higher CASA. Operating income reached RO 84.3 million for the nine-month period ended 30 September 2025, up 12% compared to RO 75.3 million in the same period of 2024, driven by 14% growth in net interest income and an increase in share of profit from subsidiary by 17%. Operating expenses increased by 4% to reach RO 41.5 million for the nine-month period ended 30 September 2025 compared to the same period in 2024 while operating profit recorded an increase of 21%. Net allowances for expected credit losses increased by 35% to

record RO 16.2 million for the nine-month period ended 30 September 2025 compared to RO 12 million for the same period in 2024.

Net loans and advances stood at RO 2,498 million at 30 September 2025, compared to RO 2,427 million for the same period last year. Customer deposits reached RO 2,443 million at 30 September 2025 compared to RO 2,446 million at 30 September 2024. A key highlight of the Parent Company's performance was the successful completion of the OMR 50 million rights issue, which strengthened the Bank's capital base.

PERFORMANCE OF ALIZZ ISLAMIC BANK

Alizz Islamic Bank's net profit grew by 17% to RO 8.1 million for the nine-month period ended 30 September 2025 compared to RO 6.9 million for the same period in 2024. Net financing receivables increased by 9% and reached RO 1,180 million at 30 September 2025 compared to RO 1,086 million for the same period last year. Customer deposits reached RO 1,265 million at 30 September 2025, up 10% compared to RO 1,147 million at 30 September 2024.

AWARDS AND RECOGNITIONS

During this quarter, Oman Arab Bank received national recognition under the theme "From Initiatives to Empowerment," highlighting its continued leadership in community development and financial inclusion. The Bank also was honored with the "Organization with Best CSR Practices" award at the Oman Leadership Awards 2025 by CMO Asia, recognizing its commitment to sustainable social impact. In addition, OAB was recognized by Visa for its innovation and leadership as the first bank in Oman to launch the Infinite Privilege Credit Card, celebrated during an exclusive event with Elite Exclusive customers and strategic partners.

PRODUCTS AND SERVICES

OAB continued to enhance its retail and digital offerings. Launching the "Travel Loan Campaign" and "Kharif Dhofar Campaign" to strengthen customer engagement. The Bank also introduced "Low-Cost Remittances" to Over 50 Countries and the "Back to School Campaign."

Meanwhile, Alizz Islamic Bank launched Visa Business debit and credit cards for wholesale clients, enhancing efficiency in business expense management. It also introduced a new mobile app for corporate and SME customers and rolled out the E-Mandate for Direct Debit service, enabling fully digital and secure recurring payments.

EVENTS AND PARTICIPATION

OAB actively supported national initiatives and organized the Tumouhi SME Development Roadshow in Salalah to promote entrepreneurship. It financed key deals for the Nama group totalling OMR 61 million. The Bank also participated as a key lender in the USD 1.6 billion United Solar Polysilicon project to support building the largest Polysilicon facility outside China.

As for Alizz, and under its "Alizz Cares" initiative, the Bank celebrated the achievements of ten Special Olympians supported through its "Sports for All" program, highlighting its commitment to inclusivity and empowerment. In partnership with the Environment Society of Oman, more than 20 employees also took part in the Stride for Nature Charity Run on World Clean-Up Day, emphasizing environmental responsibility and community engagement.

HUMAN CAPITAL DEVELOPMENT

OAB continued to invest in talent and culture through the launch of the “Junior Banker” Program for students of Al-Ula School, the Bank-wide Competency Framework, and automation of recruitment processes.

Employee engagement remained a focus, with learning programs, “Breakfast with the CEO” sessions, branch visits, well-being activities, and internship opportunities supporting continuous growth and inclusion.

At Alizz, the third edition of its flagship “Manahil Alizz” training program celebrated the graduation of 50 students. The Bank also partnered with the Fitiah Youth Program, engaging employees’ children in sessions promoting Omani and Islamic values, good conduct, and national identity, reinforcing its commitment to nurturing future generations in line with Oman’s Vision 2040.

CONCLUDING THOUGHTS

We extend our heartfelt appreciation to our customers, shareholders, and employees for their continued trust and the Central Bank of Oman, the Financial Services Authority, and government institutions for their support.

We remain committed to His Majesty Sultan Haitham bin Tarik and his vision for Oman’s progress

Rashad Al Zubair,

Chairman