

National Bank of Oman SAOG

SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 September 2025 (UNAUDITED)



PO Box 751 PC 112 Ruwi Sultanate of Oman.

SR.NO INDEX**PAGE NO**

1	REVIEW REPORT	1
2	SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	2
3	SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
4	SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS	4
5	SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY	5
6	SPECIAL PURPOSE NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	6 - 36

Review report on special purpose condensed consolidated interim financial statements to the Board of Directors of National Bank of Oman SAOG

Introduction

We have reviewed the accompanying special purpose condensed consolidated interim statement of financial position of National Bank of Oman SAOG ("the Bank") as at 30 September 2025 and the related condensed consolidated interim statements of profit or loss and other comprehensive income for nine-month and three-month periods then ended, and related condensed consolidated interim statement of changes in equity and cash flows for the nine-month period then ended and explanatory notes. Directors are responsible for the preparation and presentation of these special purpose condensed consolidated interim financial statements in accordance with International Accounting Standard 34 – 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these special purpose condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying special purpose condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 – 'Interim Financial Reporting'.

Emphasis of matter – Restriction of use

We draw attention to note 1 to the special purpose condensed consolidated interim financial statements which states that the special purpose condensed consolidated interim financial statements are prepared by the directors of the Bank in connection with the listing of the Bank's capital securities on Euronext Dublin. As a result, the special purpose condensed consolidated interim financial statements may not be suitable for another purpose.

Our conclusion is not modified in respect of the above matter.

Other matter

The comparative financial information in the special purpose condensed consolidated interim statement of financial position as at 30 September 2025 is based on the audited financial statements as at 31 December 2024. The comparative financial information in the special purpose condensed consolidated interim statement of financial position as at 30 September 2024, in the special purpose condensed consolidated interim statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended and in the statements of changes in equity and cash flows for the nine-month period then ended has not been audited or reviewed.



Muscat, Sultanate of Oman
4 November 2025



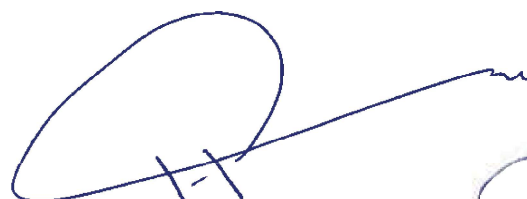
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SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2025 (unaudited)

		30/09/2025	30/09/2024	Audited 31/12/2024
	Notes	RO'000	RO'000	RO'000
Assets				
Cash and balances with Central Banks	3	167,717	307,540	302,512
Due from Banks and other money market placements	4	278,116	290,347	372,364
Loans, advances and Islamic financing assets	5	4,167,709	3,813,394	3,926,147
Investment securities	6	548,621	437,135	473,393
Other assets	7	155,684	80,416	108,662
Property and equipment	8	60,210	60,012	59,467
Total assets		5,378,057	4,988,844	5,242,545
Liabilities and equity				
Liabilities				
Due to Banks and other money market deposits	9	288,320	183,662	192,938
Customers' deposits	10	4,074,426	3,974,123	4,128,523
Other liabilities	11	182,872	110,716	133,800
Taxation	12	21,135	19,303	19,123
Total liabilities		4,566,753	4,287,804	4,474,384
Equity				
Share capital		162,595	162,595	162,595
Share premium		34,465	34,465	34,465
Legal reserve		54,198	54,198	54,198
Other reserves	13	22,770	8,867	11,429
Retained earnings		312,239	273,782	280,437
Total equity attributable to the shareholders of the Bank		586,267	533,907	543,124
Tier 1 perpetual bonds	14	225,037	167,133	225,037
Total equity		811,304	701,040	768,161
Total liabilities and equity		5,378,057	4,988,844	5,242,545

The special purposes condensed consolidated interim financial statements were authorised for issue on 29 October 2025 in accordance with a resolution of the Board of Directors.



Chief Executive Officer



Director



Chairperson

The attached notes 1 to 32 form part of the condensed consolidated interim financial statements.

**SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
For the period ended 30 September 2025 (unaudited)

		<i>Nine months ended</i>		<i>Three months ended</i>	
		<i>30 September</i>	<i>2024*</i>	<i>30 September</i>	<i>2024*</i>
	<i>Notes</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
Interest income	16	183,582	187,544	62,674	61,614
Interest expense	17	(107,450)	(112,234)	(36,098)	(35,527)
NET INTEREST INCOME		76,132	75,310	26,576	26,087
Income from Islamic financing and investment		19,235	17,559	6,859	5,842
Interest expenses on Islamic customers' deposits		(13,314)	(12,378)	(4,717)	(3,902)
NET INCOME FROM ISLAMIC FINANCING AND INVESTMENTS		5,921	5,181	2,142	1,940
NET INTEREST INCOME AND NET INCOME FROM ISLAMIC FINANCING AND INVESTMENTS		82,053	80,491	28,718	28,027
Fee and commission income	18	33,064	27,750	11,624	9,535
Fee and commission expenses		(11,921)	(9,613)	(4,222)	(3,283)
Net fee and commission income		21,143	18,137	7,402	6,252
Other operating income	19	17,913	13,422	5,550	3,442
OPERATING INCOME		121,109	112,050	41,670	37,721
Staff costs	20	(30,532)	(29,190)	(10,159)	(9,555)
Other operating expenses	21	(13,852)	(12,205)	(5,034)	(4,607)
Depreciation	8	(4,841)	(4,648)	(1,650)	(1,566)
TOTAL OPERATING EXPENSES		(49,225)	(46,043)	(16,843)	(15,728)
PROFIT FROM OPERATIONS BEFORE IMPAIRMENT LOSSES AND TAX		71,884	66,007	24,827	21,993
Total impairment losses on financial instruments (net)	22.5	(10,974)	(12,062)	(3,877)	(4,450)
PROFIT BEFORE TAX		60,910	53,945	20,950	17,543
Taxation	12	(9,142)	(8,248)	(3,207)	(2,700)
PROFIT FOR THE PERIOD		51,768	45,697	17,743	14,843
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Equity investments at FVOCI – net change in fair value		16,134	1,141	8,249	603
Tax effect of equity investments at FVOCI – net change in fair value		(1,158)	(157)	(123)	(202)
OTHER COMPREHENSIVE INCOME		14,976	984	8,126	401
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		66,744	46,681	25,869	15,244
Earnings per share:					
Basic and diluted	23	0.027	0.024	0.011	0.009

The attached notes 1 to 32 form part of the special purposes condensed consolidated interim financial statements.

*For restatement refer to note 32

SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the period ended 30 September 2025 (unaudited)

		<i>Nine months ended</i>	
	<i>Notes</i>	<i>30 September</i>	
		2025	2024
		RO'000	RO'000
Operating activities			
Profit before tax		60,910	53,945
Adjustments for:			
Depreciation	8	4,841	4,648
Total impairment losses on financial instruments (net)	22.5	10,974	12,062
Gain on investments at FVTPL and amortised cost		(418)	(89)
Loss/(gain) on sale of property and equipment		29	(9)
Amortisation of premium/(discount) (net)		(806)	(955)
Translation differences		-	(6)
Income from investment securities (dividend and interest)		(23,983)	(23,561)
Operating cash flows before changes in operating assets and liabilities		51,547	46,035
Due from Banks and other money market placements		(16,810)	(175,956)
Loans, advances and Islamic financing assets		(251,532)	(319,168)
Other assets		(47,022)	(12,116)
Due to Banks and other money market deposits		95,382	(230,547)
Customers' deposits		(54,097)	364,180
Other liabilities		52,573	6,858
Cash used in operating activities		(169,959)	(320,714)
Taxes paid		(7,268)	(7,925)
Net Cash used in operating activities		(177,227)	(328,639)
Investing activities			
Purchase of investment securities		(101,554)	(48,704)
Proceeds from sale of investment securities		38,123	75,229
Purchase of property and equipment	8	(3,525)	(7,574)
Proceeds from sale of property and equipment		10	179
Income from investment securities (dividend and interest)		23,555	23,561
Net cash (used in)/from investing activities		(43,391)	42,691
Financing activities			
Payment of dividend		(15,284)	(13,821)
Payment of lease liabilities		(1,493)	(1,298)
Payment of interest on Tier 1 perpetual bond		(8,317)	(6,363)
Net cash used in financing activities		(25,094)	(21,482)
Decrease in cash and cash equivalents		(245,712)	(307,430)
Cash and cash equivalents at the beginning of the period		511,310	631,967
Cash and cash equivalents at the end of the period		265,598	324,537
Representing:			
Cash and balances with Central Banks	3	167,217	307,040
Due from Banks with original maturity of three months or less		98,381	17,497
		265,598	324,537

Interest received was RO 191 million (30 September 2024: RO 183 million) and interest paid was RO 120 million (30 September 2024: RO 118 million). These are part of the operating cash flows of the Bank. There are no significant non-cash changes to be disclosed for 2025 and 2024.

The attached notes 1 to 32 form part of the special purposes condensed consolidated interim financial statements

SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the period ended 30 September 2025 (unaudited)

	Share capital	Share premium	Legal reserve	Other reserves	Retained earnings	Total	Tier 1 perpetual bond	Total equity
(RO'000)								
Balance at 1 January 2025	162,595	34,465	54,198	11,429	280,437	543,124	225,037	768,161
Profit for the period	-	-	-	-	51,768	51,768	-	51,768
Other comprehensive income for the period	-	-	-	14,976	-	14,976	-	14,976
Total comprehensive income for the period	-	-	-	14,976	51,768	66,744	-	66,744
Net gain on de-recognition of financial instruments measured at FVOCI (net of tax)	-	-	-	(4,690)	4,690	-	-	-
Transfer to impairment reserve	-	-	-	1,055	(1,055)	-	-	-
Payment of interest on tier 1 perpetual bond	-	-	-	-	(8,317)	(8,317)	-	(8,317)
Dividend paid during the period	-	-	-	-	(15,284)	(15,284)	-	(15,284)
Balance at 30 September 2025	162,595	34,465	54,198	22,770	312,239	586,267	225,037	811,304
Balance at 1 January 2024	162,595	34,465	54,198	7,882	248,270	507,410	167,133	674,543
Profit for the period	-	-	-	-	45,697	45,697	-	45,697
Other comprehensive income for the period	-	-	-	984	-	984	-	984
Total comprehensive income for the period	-	-	-	984	45,697	46,681	-	46,681
Net losses on de-recognition of financial instruments measured at FVOCI (net of tax)	-	-	-	1	(1)	-	-	-
Payment of interest on tier 1 perpetual bond	-	-	-	-	(6,363)	(6,363)	-	(6,363)
Dividend paid during the period	-	-	-	-	(13,821)	(13,821)	-	(13,821)
Balance at 30 September 2024	162,595	34,465	54,198	8,867	273,782	533,907	167,133	701,040
Balance at 1 October 2024	162,595	34,465	54,198	8,867	273,782	533,907	167,133	701,040
Profit for the period	-	-	-	-	17,366	17,366	-	17,366
Other comprehensive loss for the period	-	-	-	(1,680)	-	(1,680)	-	(1,680)
Total comprehensive income for the period	-	-	-	(1,680)	17,366	15,686	-	15,686
Transfer to impairment reserve	-	-	-	4,242	(4,242)	-	-	-
Issuance of tier 1 perpetual bonds	-	-	-	-	-	-	57,904	57,904
Issuance cost on tier 1 perpetual bonds	-	-	-	-	(107)	(107)	-	(107)
Payment of interest on tier 1 perpetual bond	-	-	-	-	(6,362)	(6,362)	-	(6,362)
Balance at 31 December 2024	162,595	34,465	54,198	11,429	280,437	543,124	225,037	768,161

The attached notes 1 to 32 form part of the special purposes condensed consolidated interim financial statement

SPECIAL PURPOSE NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at 30 September 2025 (unaudited)

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

National Bank of Oman SAOG ("NBO", "the Bank") was established in the Sultanate of Oman in 1973 as a joint stock company and is engaged in retail, wholesale, investment and Islamic banking services within the Sultanate of Oman, through overseas branches in the United Arab Emirates and Egypt. In Oman the Bank operates under banking license issued by the Central Bank of Oman and is covered by its deposit insurance scheme, whereas in the United Arab Emirates and in Egypt the branches operate under commercial bank licences given by the respective Central Banks. The Bank is in the process of closing down its operations in Egypt and has sought necessary approvals. The Bank is head quartered at Azaiba, Governorate of Muscat, Sultanate of Oman and its registered address is PO Box 751, Ruwi, Postal Code 112, Muscat, Sultanate of Oman. The Bank's equity shares are listed on the Muscat Stock Exchange. Perpetual bonds are listed in the Euronext Dublin.

The Bank has the following fully owned special purpose vehicle (SPV) which is incorporated in Cayman Islands.

- NBO Global Markets Cayman Limited

The special purpose condensed consolidated interim financial statements have been prepared for inclusion in Bank's public offering document to be filled in connection with the listing of the Bank's capital securities on Euronext Dublin.

2 BASIS OF PREPARATION OF SPECIAL PURPOSE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The special purposes condensed consolidated interim financial statements (herein after defined as "condensed consolidated interim financial statements") of the Bank are prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting and the relevant disclosure requirements of the Financial Services Authority ("FSA") and should be read in conjunction with the Bank's last annual financial statements as at and for the year ended 31 December 2024 ('last annual financial statements'). They do not include all the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards. In addition, results for the nine months ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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

The special purposes condensed consolidated interim financial statements are prepared in Rial Omani, rounded to the nearest thousands, except as indicated. The functional currencies of the Bank's operations are as follows:

Sultanate of Oman:	Rial Omani
United Arab Emirates:	UAE Dirham
Egypt:	US Dollar

The special purposes condensed consolidated interim financial statements are prepared under the historical cost convention, modified to include measurement of derivative financial instruments and certain investments, either through profit and loss account or through other comprehensive Income, at fair value.

2 (a) New and amended IFRS Accounting Standards adopted by the Bank

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 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 impact on these condensed consolidated interim financial statements of the Bank.

2 (b) Impact of IFRS Accounting Standards issued but not yet applied by the Bank

There are certain new accounting standards and amendments to accounting standards have been published that are not mandatory for current reporting periods and have not been early adopted by the Bank. The Bank is currently assessing the impact of these new standards and amendments is set out below:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2 (b) Impact of IFRS Accounting Standards issued but not yet applied by the Bank (continued)

- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)
- Sale or contribution of Assets between an Investor and its associate or Joint venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Availability of optional adoption/ effective date deferred indefinitely
- Volume 11 – Annual improvements to IFRS Accounting standards - (effective from 1 January 2026)

2 (c) Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The Bank has robust governance in place to ensure appropriateness of the IFRS 9 framework and resultant Expected Credit Loss (“ECL”) estimates. Specifically, all aspects of the IFRS 9 framework are overseen by the management risk committee. The Bank reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded. Judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Bank makes judgments about the borrower’s financial situation and the net realisable value of collateral. These estimates are based on assumptions about several factors and actual results may differ, resulting in future changes to the allowance. Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to loss incurred events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes account of data from the loan portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.) and concentrations of risks.

The Bank incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on consideration of a variety of external actual and forecast information, the bank formulates a fundamental view of the future direction of relevant economic variables as well as a reasonable range of possible scenarios. In addition, the Bank continues to review the appropriateness of ECL provisions considering changes in macroeconomic environment, risk profile as well as any actual and expected increase in credit risk.

The Bank performs historical analysis to determine key economic variables that impact credit risk across different portfolios. Macroeconomic forecasts for these economic variables are used to estimate risk parameters (PD and LGD) on a forward-looking basis for all borrowers and instruments that are in scope of IFRS 9 ECL framework. In accordance with IFRS 9 requirements, the Bank estimates these risk parameters under upside, base and downside scenarios with representative weights used to measure ECL.

During the year, the Bank implemented a new IFRS 9 tool incorporating an enhanced macroeconomic model that leverages the most recent forecasts published by the IMF. The macroeconomic model has been independently calibrated for each portfolio, with key variables determined through correlation analysis and evaluation of their influence on the expected credit loss (ECL) outcomes. The implementation and calibration of the model were subject to independent validation and management review to ensure the robustness and reasonableness of underlying assumptions and outputs.

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2 (c) Use of estimates and judgements (continued)

The following is the forward looking information which is used by the Bank in order to determine its ECL for the nine-month period ended as at 30 September 2025.

Key drivers	ECL scenario	30 September 2025	
		2026	2027
GDP Growth in USD billion	Base scenario	40.63	42.43
	Upside scenario	44.69	46.67
	Downside scenario	24.38	25.46
Investment (% of GDP)	Base scenario	27.30%	28.30%
	Upside scenario	30.03%	31.13%
	Downside scenario	16.38%	16.98%
Current Account Balance (% of GDP)	Base scenario	-2.52%	-0.49%
	Upside scenario	-2.77%	-0.54%
	Downside scenario	-1.51%	-0.29%

The Bank has used 50% baseline, 40% Downturn and 10% Upturn scenario.

Key drivers	ECL scenario	30 September 2024		31 December 2024	
		2025	2026	2025	2026
Real Interest Rate	Base scenario	7.1%	7.1%	7.1%	7.1%
	Upside scenario	6.3%	6.5%	6.3%	6.5%
	Downside scenario	8.4%	8.0%	8.4%	8.0%
GDP	Base scenario	4.0%	4.0%	4.0%	4.0%
	Upside scenario	4.2%	4.1%	4.2%	4.1%
	Downside scenario	3.7%	3.8%	3.7%	3.8%
GDP per capita	Base scenario	0.1%	0.1%	0.1%	0.1%
	Upside scenario	0.2%	0.2%	0.2%	0.2%
	Downside scenario	(0.2%)	(0.1%)	(0.2%)	(0.1%)

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2 (c) Use of estimates and judgements

The following table shows a comparison of the Bank's allowances for credit losses on non-impaired financial assets (Stages 1 and 2) under IFRS 9 based on the probability weightings of three scenarios with allowances for credit losses resulting from simulations of each scenario weighted at 100%.

	<i>At 30 September 2025</i>		<i>At 30 September 2024</i>		<i>At 30 December 2024</i>	
Sensitivity of impairment estimates	ECL RO 000's	Impact on ECL RO 000's	ECL RO 000's	Impact on ECL RO 000's	ECL RO 000's	Impact on ECL RO 000's
ECL on non-impaired loans under IFRS9	51,317	-	63,722	-	46,990	-
Simulations						
Upside case - 100% weighted	44,386	6,931	55,570	8,152	41,155	5,835
Base case - 100% weighted	50,844	473	63,196	526	46,623	367
Downside scenario - 100% weighted	58,721	(7,404)	72,401	(8,679)	53,194	(6,204)

3 CASH AND BALANCES WITH CENTRAL BANKS

	<i>30/09/2025 RO'000</i>	<i>30/09/2024 RO'000</i>	<i>31/12/2024 RO'000</i>
Cash	32,881	35,922	34,799
Other balances with Central Banks	134,336	271,118	267,213
Cash and cash equivalents	167,217	307,040	302,012
Capital deposit with Central Bank of Oman	500	500	500
Cash and balances with Central Banks	167,717	307,540	302,512

- (i) At 30 September 2025, cash and balances with Central Bank of Oman included balances amounting to RO 500,000 (30 September 2024: RO 500,000, 31 December 2024: RO 500,000) as capital deposit. This deposit cannot be withdrawn without the Central Bank of Oman approval.
- (ii) Minimum cash reserve to be maintained with Central Bank of Oman as of 30 September 2025 is 3% (30 September and 31 December 2024 – 3%) of total deposits and for Central Bank of UAE, is 1% (30 September and 31 December 2024 – 1%) of time deposits and 14% (30 September 2024 – 11% and 31 December 2024 – 11%) of all other deposits.
- (iii) ECL on the cash and balances with Central Banks is not material and accordingly no adjustment has been accounted by the Bank. All the exposures are related to stage 1.

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

4 DUE FROM BANKS AND OTHER MONEY MARKET PLACEMENTS

	30/09/2025	30/09/2024	31/12/2024
	RO'000	RO'000	RO'000
Loans and advances to Banks	47,682	18,287	26,757
Placement with Banks	213,946	256,157	322,398
Demand balances	16,736	15,988	23,315
Due from Banks and other money market placement	278,364	290,432	372,470
Less: allowance for credit losses (note 22.3)	(248)	(85)	(106)
Due from Banks and other money market placement	278,116	290,347	372,364

5 LOANS, ADVANCES AND ISLAMIC FINANCING ASSETS

	30/09/2025	30/09/2024	31/12/2024
	RO'000	RO'000	RO'000
Overdrafts	87,755	71,856	78,564
Personal loans	1,568,380	1,550,769	1,538,728
Term loans, Islamic financing and others	2,689,059	2,361,818	2,473,414
Gross loans, advances and Islamic financing assets for customers	4,345,194	3,984,443	4,090,706
Less: allowance for credit losses (note 22.3)	(177,485)	(171,049)	(164,559)
Loans, advances and Islamic financing assets for customers	4,167,709	3,813,394	3,926,147

Gross loans, advances and Islamic financing assets for customers include RO 127 million due from related parties at 30 September 2025 (30 September 2024 – RO 132 million, 31 December 2024 – RO 118 million).

Included in above the Islamic financing asset (net of allowance for credit losses) of RO 385 million as at 30 September 2025 (30 September 2024 – RO 320 million, 31 December 2024 – RO 352 million).

Provided during the period/year includes contractual interest reserved for RO 7.41 million (30 September 2024 – RO 6.51 million and 31 December 2024 – RO 8.73 million).

Recovered/released during the period/year includes recovery of reserved interest at RO 1.34 million (30 September 2024 – RO 2.55 million and 31 December 2024 – RO 3.03 million).

All loans and advances require payment of interest based on agreed tenors, some at fixed rates and others at rates that re-price prior to maturity. Contractual interest reserved and recovery thereof is shown under net interest income and income from Islamic financing in the consolidated condensed interim statement of profit or loss.

As of 30 September 2025, loans and advances on which interest is not being accrued or where interest has been reserved amounted to RO 196 million (30 September 2024 – RO 175 million and 31 December 2024 – RO 191 million).

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

6 INVESTMENT SECURITIES

	30/09/2025	30/09/2024	31/12/2024
	RO'000	RO'000	RO'000
<i>Investments measured at Fair value through profit and loss (FVTPL)</i>			
Quoted investments-Oman	2,381	1,800	2,052
Quoted investments-Foreign	171	191	166
Unquoted investments in funds	2,882	2,658	2,648
Total FVTPL investments	5,434	4,649	4,866
<i>Investments measured at Fair value through other comprehensive income (FVOCI) - Equity</i>			
Quoted investments-Oman	60,300	44,327	52,167
Quoted investments-Foreign	52,078	42,901	44,437
Total FVOCI investments	112,378	87,228	96,604
<i>Investments measured at amortised cost</i>			
Government development bonds-Oman	261,611	244,598	260,044
Government Sukuk-Oman	32,097	24,527	31,832
Treasury Bills	75,780	15,000	18,772
Quoted investments-Oman	45,744	45,567	45,632
Quoted investments-Foreign	16,464	16,115	16,202
Total – amortised cost	431,696	345,807	372,482
Total investment securities	549,508	437,684	473,952
Less: allowance for credit losses (note 22.3)	(887)	(549)	(559)
Total investment securities	548,621	437,135	473,393

Details of significant investments

Details of investments exceeding 10% of the carrying value of the Bank's investment portfolio are as follows:

	Bank's portfolio	Carrying value
	%	RO'000
<u>30/09/2025</u>		
Government Development Bonds - Oman	53%	293,708
Treasury Bills	14%	75,780
<u>30/09/2024</u>		
Government Development Bonds - Oman	61%	269,125
<u>31/12/2024</u>		
Government Development Bonds - Oman	62%	291,876

In 2025 (YTD September), the Bank received dividends of RO 4.87 million from its FVOCI equities (YTD September 2024: RO 3.58 million for FVOCI equities), recorded as other operating income.

Government Sukuk - Oman of RO 19.21 million (30 September 2024 and 31 December 2024: RO 19.21) are assigned as collateral against USD borrowings of RO 12.63 million (30 September 2024 and 31 December 2024: RO 12.63 million).

The Bank designated certain investments as equity securities at FVOCI. The FVOCI designation was made because the investments are expected to be held for strategic purposes rather than with a view to profit on a subsequent sale and there are no plans to dispose of these investments in the short or medium term. This designation is irrevocable.

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

7 OTHER ASSETS

	30/09/2025 RO'000	30/09/2024 RO'000	31/12/2024 RO'000
Customers' indebtedness for acceptances (note 11)	114,414	54,093	80,066
Less: allowance for credit losses	(136)	-	(220)
Net Customers' indebtedness for acceptances	114,278	54,093	79,846
Prepaid expenses and others	30,768	14,964	16,079
Positive fair value of derivatives (note 30)	10,638	11,359	12,737
	155,684	80,416	108,662

8 PROPERTY AND EQUIPMENT

	Freehold land and buildings and leasehold improvements RO'000	Motor vehicles, furniture and equipment RO'000	Capital work in progress RO'000	Right to use assets RO'000	Total RO'000
Reconciliation of carrying amount:					
Balance as at 1 January 2025, net of accumulated depreciation	46,018	10,643	1,050	1,756	59,467
Additions	-	1,626	1,899	2,109	5,634
Disposals	-	(39)	-	(11)	(50)
Transfers	355	919	(1,274)	-	-
Depreciation	(1,260)	(2,270)	-	(1,311)	(4,841)
Balance at 30 September 2025, net of accumulated depreciation	45,113	10,879	1,675	2,543	60,210
At cost	65,066	53,097	1,675	4,960	124,798
Accumulated depreciation	(19,953)	(42,218)	-	(2,417)	(64,588)
Net carrying value at 30 September 2025	45,113	10,879	1,675	2,543	60,210
Reconciliation of carrying amount:					
Balance as at 1 January 2024, net of accumulated depreciation	43,339	9,469	1,260	1,825	55,893
Additions	4,144	1,511	1,919	1,363	8,937
Disposals	-	(85)	(85)	-	(170)
Transfers	120	810	(930)	-	-
Depreciation	(1,232)	(2,177)	-	(1,239)	(4,648)
Balance at 30 September 2024, net of accumulated depreciation	46,371	9,528	2,164	1,949	60,012
At cost	65,947	51,655	2,164	3,927	123,693
Accumulated depreciation	(19,576)	(42,127)	-	(1,978)	(63,681)
Net carrying value at 30 September 2024	46,371	9,528	2,164	1,949	60,012
Reconciliation of carrying amount:					
Balance as at 1 January 2024, net of accumulated depreciation	43,339	9,469	1,260	1,825	55,893
Additions	4,142	1,872	2,460	1,599	10,073
Disposals	-	(87)	(85)	-	(172)
Transfers	188	2,397	(2,585)	-	-
Depreciation	(1,651)	(3,008)	-	(1,668)	(6,327)
Balance at 31 December 2024, net of accumulated depreciation	46,018	10,643	1,050	1,756	59,467
At cost	65,485	53,442	1,050	3,680	123,657
Accumulated depreciation	(19,467)	(42,799)	-	(1,924)	(64,190)
Net carrying value at 31 December 2024	46,018	10,643	1,050	1,756	59,467

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

9 DUE TO BANKS AND OTHER MONEY MARKET DEPOSITS

	30/09/2025	30/09/2024	31/12/2024
	RO'000	RO'000	RO'000
Borrowings	276,528	170,961	178,540
Vostro balances	11,792	12,701	14,398
	288,320	183,662	192,938

Borrowings include bank borrowings amounting to RO 12.63 million (30 September 2024 and 31 December 2024: RO 12.63 million) with underlying collateral in the form of Government Sukuk – Oman of RO 19.21 million (30 September 2024 and 31 December 2024: RO 19.21 million).

10 CUSTOMERS' DEPOSITS

	30/09/2025	30/09/2024	31/12/2024
	RO'000	RO'000	RO'000
Term deposits	2,033,670	1,988,906	2,044,017
Current accounts	1,442,344	1,410,259	1,526,142
Savings accounts	598,412	574,958	558,364
	4,074,426	3,974,123	4,128,523

11 OTHER LIABILITIES

	30/09/2025	30/09/2024	31/12/2024
	RO'000	RO'000	RO'000
Liabilities under acceptances (note 7)	114,414	54,093	80,066
Other liabilities and accrued expenses	46,660	36,905	32,008
Negative fair value of derivatives (note 30)	9,850	11,007	11,886
Allowances for credit losses for loan commitments and financial guarantees (note 22.3)	4,665	3,957	4,047
Deferred tax liability (note 12)	3,176	1,013	2,169
Staff entitlements	2,369	2,510	2,541
Lease liabilities	1,738	1,231	1,083
	182,872	110,716	133,800

Maturity analysis of lease liabilities:

	30/09/2025	30/09/2024	31/12/2024
	RO'000	RO'000	RO'000
1 to 5 years	1,738	1,141	993
Over 5 years	-	90	90
Balance at year end	1,738	1,231	1,083

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

12 TAXATION

	30/09/2025 RO'000	30/09/2024 RO'000	31/12/2024 RO'000
Tax expenses			
Current tax expense for the period/year	8,326	8,237	10,134
Deferred tax	816	11	1,010
	9,142	8,248	11,144

The Bank is liable to income tax at the following rates:

	30/09/2025	30/09/2024	31/12/2024
Sultanate of Oman (of Combined taxable income)	15%	15%	15%
United Arab Emirates (of taxable income)			
National level	9%	9%	9%
Emirates level	20%	20%	20%
Egypt (of taxable income)	22.5%	22.5%	22.5%

Set out below is reconciliation between incomes tax calculated on accounting profit with income tax expense for the period:

	30/09/2025 RO'000	30/09/2024 RO'000	31/12/2024 RO'000
Accounting profit	60,910	53,945	74,207
Tax at applicable rate	9,137	8,092	11,131
Tax exempt revenues	(686)	(558)	(635)
Others	(125)	703	(362)
Total	8,326	8,237	10,134

The Bank's liabilities for taxation in the Sultanate of Oman have been assessed and agreed up to the year ended 31 December 2020.

Management believes that additional taxes, if any, in respect of open tax assessments would not be significant to the Bank's consolidated financial position as at 30 September 2025.

The tax assessments of the Egypt operations in respect of the different taxes applicable are at different stages of completion with the respective tax authorities. The Bank's liability in respect of its branches in UAE has been agreed with the tax authorities up to 31 December 2023.

	30/09/2025 RO'000	30/09/2024 RO'000	31/12/2024 RO'000
Income tax liability			
Through comprehensive income	8,326	8,237	10,134
Through prior years and others	12,809	11,066	8,989
	21,135	19,303	19,123

	30/09/2025 RO'000	30/09/2024 RO'000	31/12/2024 RO'000
Recognised deferred tax liability			
Deferred tax liabilities are attributable to the following:			
Deductible temporary differences relating to provisions	1,986	175	1,172
FVOCI investments	1,190	838	997
	3,176	1,013	2,169

Movement of deferred tax liability

	30/09/2025 RO'000	30/09/2024 RO'000	31/12/2024 RO'000
Balance at the beginning of the period/year	2,169	845	845
Provided during the period/year	816	11	1,010
Tax effect on origination and reversal of temporary differences	191	157	314
	3,176	1,013	2,169

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

13 OTHER RESERVES

	<i>FVOCI reserve RO'000</i>	<i>Impairment Reserve RO'000</i>	<i>Total RO'000</i>
At 1 January 2025	(3,393)	14,822	11,429
Net movement on FVOCI	16,134	-	16,134
Reclassification of net changes in FVOCI instruments upon de- recognition	(4,690)	-	(4,690)
Tax effect of net results on FVOCI	(1,158)	-	(1,158)
Transfer from retained earnings	-	1,055	1,055
At 30 September 2025	6,893	15,877	22,770
At 30 September 2024	(1,713)	10,580	8,867
At 31 December 2024	(3,393)	14,822	11,429

The impairment reserve represents excess of impairment allowance (net of tax) calculated as per CBO norms and IFRS 9. The reserve is not available for distribution to the shareholders.

14 TIER 1 PERPETUAL BOND

The Bank has issued Perpetual Tier 1 Capital Securities (the "Tier 1 Securities") with details mentioned in the table below. The Tier 1 Securities constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The key features of the instruments are as follows:

- No fixed date of maturity.
- Payment of interest and/or capital is solely at the discretion of the Bank.
- The instruments are deeply subordinated and rank just above the ordinary shareholders
- These securities also allow the Bank to write-down (in whole or in part) any amounts due to the holders in the event of non-viability with the approval of the Central Bank of Oman.

The determination of equity classification of these instruments requires significant judgement as certain clauses, particularly the "Events of Default", require interpretation. The Directors, after factoring in the clauses relating to the write-down, non-payment and subordination in the instrument offering document, consider that the Bank will not reach the point of insolvency before a write-down is affected due to a non-viability event. Accordingly, such clauses were assessed by the Directors as not being genuine for the purpose of determining the debt vs equity classification. The Directors have considered appropriate independent legal advice in forming their judgement around this matter.

Issuance Month/Year	Issued Amount	Coupon Rate
April 2021	USD 300 million (OMR 115.5 million)	Fixed interest rate of 8.00% with a reset after 5 years
November 2022	USD 134.11 million (OMR 51.63 million)	Fixed interest rate of 6.75% with a reset after 5 years
October 2024	USD 150.40 million (OMR 57.90 million)	Fixed interest rate of 6.75% with a reset after 5 years

These securities form part of Tier 1 Capital of the Bank and comply with Basel-III and Central Bank of Oman regulations (BM 1114).

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

15 CONTINGENT LIABILITIES AND COMMITMENTS

	30/09/2025 RO'000	30/09/2024 RO'000	31/12/2024 RO'000
Guarantees	389,895	299,898	262,589
Documentary letters of credit	53,216	26,735	50,068
Undrawn commitment to lend	156,849	136,296	140,363
	599,960	462,929	453,020

(i) The allowances for credit losses for commitments and financial guarantees amounts to RO 4.67 million (30 September 2024 – RO 3.96 million and December 2024 – 4.05 million) and is included under note 11.

(ii) Guarantees include RO 4.46 million (30 September 2024 – RO 4.92 million and 31 December 2024 – 4.92 million) relating to non-performing loans.

16 INTEREST INCOME

	9 months ended 30/09/2025 RO'000	9 months ended 30/09/2024 RO'000	3 months ended 30/09/2025 RO'000	3 months ended 30/09/2024 RO'000
Interest from customers	156,988	153,337	53,854	53,197
Interest from banks	8,908	15,314	2,761	2,842
Interest from investments	17,686	18,893	6,059	5,575
	183,582	187,544	62,674	61,614

17 INTEREST EXPENSE

	9 months ended 30/09/2025 RO'000	9 months ended 30/09/2024 RO'000	3 months ended 30/09/2025 RO'000	3 months ended 30/09/2024 RO'000
Interest to customers	98,260	97,207	32,695	32,354
Interest to banks	9,190	15,027	3,403	3,173
	107,450	112,234	36,098	35,527

18 FEE AND COMMISSION INCOME

	9 months ended 30/09/2025 RO'000	9 months ended 30/09/2024 RO'000	3 months ended 30/09/2025 RO'000	3 months ended 30/09/2024 RO'000
Fee and commission income	33,064	27,750	11,624	9,535
Less: fee and commission expenses	(11,921)	(9,613)	(4,222)	(3,283)
Net fee and commission income	21,143	18,137	7,402	6,252

The disaggregation of fee and commission income is provided under note 28.

19 OTHER OPERATING INCOME

	9 months ended 30/09/2025 RO'000	9 months ended 30/09/2024 RO'000	3 months ended 30/09/2025 RO'000	3 months ended 30/09/2024 RO'000
Net gains from foreign exchange dealings	8,779	6,284	3,258	1,733
Profit on investments at FVTPL	418	89	303	178
Dividend income	5,001	3,690	651	320
Miscellaneous income	3,715	3,359	1,338	1,211
	17,913	13,422	5,550	3,442

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

20 STAFF COSTS

	9 months ended 30/09/2025 RO'000	9 months ended 30/09/2024 RO'000	3 months ended 30/09/2025 RO'000	3 months ended 30/09/2024 RO'000
Employees' salaries	21,704	20,895	7,243	7,077
Contribution to social insurance schemes	2,096	1,956	636	699
Other staff costs	6,732	6,339	2,280	1,779
	30,532	29,190	10,159	9,555

The Bank employed 1,455 employees as of 30 September 2025 (30 September 2024 – 1,429).

21 OTHER OPERATING EXPENSES

	9 months ended 30/09/2025 RO'000	9 months ended 30/09/2024 RO'000	3 months ended 30/09/2025 RO'000	3 months ended 30/09/2024 RO'000
Occupancy costs	3,880	3,068	1,420	1,255
Operating and administration expenses	9,637	8,811	3,493	3,249
Directors remuneration and sitting fees	335	326	121	103
	13,852	12,205	5,034	4,607

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

22.1 Comparison of impairment provisions in accordance with IFRS 9 and regulatory provision under Central Bank of Oman's (CBO) requirement:

Impairment charge and provision held as of 30 September 2025

	Amounts in RO'000		
	As per CBO Norms	As per IFRS 9	Difference
Impairment Loss charged to profit and loss	-	10,974	N.A.
Provisions required as per CBO norms/ held as per IFRS 9	198,115	183,421	(14,694)
Gross non-performing loan ratio (percentage)	-	4.5	-
Net non-performing loan ratio (percentage)	-	3.8	-

Mapping of IFRS 9 and CBO norms as of 30 September 2025

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Amounts in RO'000					
		Gross Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held under IFRS 9	Net Amount as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)+(8)	(7) = (3)-(5)	(8)
Standard	Stage 1	3,551,403	45,033	10,863	34,170	3,540,540	-
	Stage 2	401,402	4,457	10,478	(6,021)	390,924	-
	Stage 3	-	-	-	-	-	-
Subtotal		3,952,805	49,490	21,341	28,149	3,931,464	-
Special Mention	Stage 1	-	-	-	-	-	-
	Stage 2	196,298	1,988	25,155	(23,167)	171,143	-
	Stage 3	-	-	-	-	-	-
Subtotal		196,298	1,988	25,155	(23,167)	171,143	-
Substandard	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	5,451	1,353	1,643	(196)	3,808	94
Subtotal		5,451	1,353	1,643	(196)	3,808	94
Doubtful	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	34,013	15,618	26,960	(9,361)	7,053	1,981
Subtotal		34,013	15,618	26,960	(9,361)	7,053	1,981
Loss	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	156,627	97,604	102,386	25,205	54,241	29,987
Subtotal		156,627	97,604	102,386	25,205	54,241	29,987
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,338,720	-	1,917	(1,917)	1,336,803	-
	Stage 2	248,970	-	2,904	(2,904)	246,066	-
	Stage 3	4,461	-	1,115	(1,115)	3,346	-
Subtotal		1,592,151	-	5,936	(5,936)	1,586,215	-
Total	Stage 1	4,890,123	45,033	12,780	32,253	4,877,343	-
	Stage 2	846,670	6,445	38,537	(32,092)	808,133	-
	Stage 3	200,552	114,575	132,104	14,533	68,448	32,062
	Total	5,937,345	166,053	183,421	14,694	5,753,924	32,062

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

22.1 Comparison of impairment provisions in accordance with IFRS 9 and regulatory provision under Central Bank of Oman's (CBO) requirement (continued):

Impairment charge and provision held as of 30 September 2024

	Amounts in RO'000		
	As per CBO Norms	As per IFRS 9	Difference
Impairment Loss charged to profit and loss	-	12,062	N.A.
Provisions required as per CBO norms/ held as per IFRS 9	186,329	175,640	(10,689)
Gross non-performing loan ratio (percentage)	-	4.4	-
Net non-performing loan ratio (percentage)	-	3.7	-

Mapping of IFRS 9 and CBO norms as of 30 September 2024

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Amounts in RO'000					
		Gross Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held under IFRS 9	Net Amount as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)+(8)	(7) = (3)-(5)	(8)
Standard	Stage 1	3,217,686	42,639	11,280	31,359	3,206,406	-
	Stage 2	400,770	4,312	7,249	(2,937)	393,521	-
	Stage 3	-	-	-	-	-	-
	Subtotal	3,618,456	46,951	18,529	28,422	3,599,927	-
Special Mention	Stage 1	-	-	-	-	-	-
	Stage 2	191,239	1,960	41,833	(39,873)	149,406	-
	Stage 3	-	-	-	-	-	-
	Subtotal	191,239	1,960	41,833	(39,873)	149,406	-
Substandard	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	8,714	1,806	2,000	5	6,714	199
	Subtotal	8,714	1,806	2,000	5	6,714	199
Doubtful	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	30,729	12,980	17,646	(1,831)	13,083	2,835
	Subtotal	30,729	12,980	17,646	(1,831)	13,083	2,835
Loss	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	135,305	96,083	91,041	28,557	44,264	23,515
	Subtotal	135,305	96,083	91,041	28,557	44,264	23,515
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,307,975	-	1,089	(1,089)	1,306,886	-
	Stage 2	147,913	-	2,274	(2,274)	145,639	-
	Stage 3	4,913	-	1,228	(1,228)	3,685	-
	Subtotal	1,460,801	-	4,591	(4,591)	1,456,210	-
Total	Stage 1	4,525,661	42,639	12,369	30,270	4,513,292	-
	Stage 2	739,922	6,272	51,356	(45,084)	688,566	-
	Stage 3	179,661	110,869	111,915	25,503	67,746	26,549
	Total	5,445,244	159,780	175,640	10,689	5,269,604	26,549

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

22.2 Comparison of impairment provisions in accordance with IFRS 9 and regulatory provision under Central Bank of Oman's (CBO) requirement:

Restructured loans as at 30 September 2025

Amounts in RO'000							
Asset classification as per CBO's Norms	Asset classification as per IFRS 9	Gross carrying amount	Provision required as per CBO's norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held under IFRS 9	Net carrying amount as per IFRS 9	Reserve interest as per CBO's norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)+(8)	(7) = (3)-(5)	(8)
Classified as performing	Stage 1	-	-	-	-	-	-
	Stage 2	185,555	1,894	25,050	(23,156)	160,505	-
	Stage 3	-	-	-	-	-	-
Subtotal		185,555	1,894	25,050	(23,156)	160,505	-
Classified as non-performing	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	60,500	30,038	45,972	(10,000)	14,528	5,934
Sub total		60,500	30,038	45,972	(10,000)	14,528	5,934
Total	Stage 1	-	-	-	-	-	-
	Stage 2	185,555	1,894	25,050	(23,156)	160,505	-
	Stage 3	60,500	30,038	45,972	(10,000)	14,528	5,934
Total	Total	246,055	31,932	71,022	(33,156)	175,033	5,934

Restructured loans as at 30 September 2024

Amounts in RO'000							
Asset classification as per CBO's Norms	Asset classification as per IFRS 9	Gross carrying amount	Provision required as per CBO's norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held under IFRS 9	Net carrying amount as per IFRS 9	Reserve interest as per CBO's norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)+(8)	(7) = (3)-(5)	(8)
Classified as performing	Stage 1	-	-	-	-	-	-
	Stage 2	192,296	1,946	37,377	(35,431)	154,919	-
	Stage 3	-	-	-	-	-	-
Subtotal		192,296	1,946	37,377	(35,431)	154,919	-
Classified as non-performing	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	32,806	23,795	19,711	7,826	13,095	3,742
Sub total		32,806	23,795	19,711	7,826	13,095	3,742
Total	Stage 1	-	-	-	-	-	-
	Stage 2	192,296	1,946	37,377	(35,431)	154,919	-
	Stage 3	32,806	23,795	19,711	7,826	13,095	3,742
Total	Total	225,102	25,741	57,088	(27,605)	168,014	3,742

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

22.3 Movement in Expected credit losses (ECL)

As at 30 September 2025	Stage 1	Stage 2	Stage 3	Total
	RO' 000	RO'000	RO'000	RO'000
Exposure subject to ECL (Gross carrying value)				
- Central bank balances	167,717	-	-	167,717
- Due from banks and other money market placements	278,364	-	-	278,364
- Loans, advances and Islamic financing assets	3,551,403	597,700	196,091	4,345,194
- Investment securities (debt)	431,696	-	-	431,696
- Acceptances	47,255	67,159	-	114,414
- Contingent liabilities and commitments	413,688	181,811	4,461	599,960
	4,890,123	846,670	200,552	5,937,345
Opening Balance - as at 1 January 2025				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	106	-	-	106
- Loans, advances and Islamic financing assets	10,573	32,716	121,270	164,559
- Investment securities (debt)	559	-	-	559
- Acceptances	93	127	-	220
- Contingent liabilities and commitments	325	2,491	1,231	4,047
	11,656	35,334	122,501	169,491
Net transfer between stages				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	-	-	-	-
- Loans, advances and Islamic financing assets	(176)	(105)	281	-
- Investment securities (debt)	-	-	-	-
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	312	(312)	-	-
	136	(417)	281	-
Charge for the Period (net)				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	142	-	-	142
- Loans, advances and Islamic financing assets	466	3,022	16,794	20,282
- Investment securities (debt)	328	-	-	328
- Acceptances	(51)	(33)	-	(84)
- Contingent liabilities and commitments	103	631	(116)	618
	988	3,620	16,678	21,286
Write off for the period				
- Loans, advances and Islamic financing assets	-	-	(7,356)	(7,356)
	-	-	(7,356)	(7,356)
Closing Balance - as at 30 September 2025				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	248	-	-	248
- Loans, advances and Islamic financing assets	10,863	35,633	130,989	177,485
- Investment securities (debt)	887	-	-	887
- Acceptances	42	94	-	136
- Contingent liabilities and commitments	740	2,810	1,115	4,665
	12,780	38,537	132,104	183,421

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

22.3 Movement in Expected credit losses (ECL) (continued)

As at 30 September 2024	<i>Stage 1</i> <i>RO' 000</i>	<i>Stage 2</i> <i>RO' 000</i>	<i>Stage 3</i> <i>RO' 000</i>	<i>Total</i> <i>RO' 000</i>
Exposure subject to ECL (Gross carrying value)				
- Central bank balances	307,540	-	-	307,540
- Due from banks and other money market placements	290,432	-	-	290,432
- Loans, advances and Islamic financing assets	3,217,686	592,009	174,748	3,984,443
- Investment securities (debt)	345,807	-	-	345,807
- Acceptances	44,229	9,864	-	54,093
- Contingent liabilities and commitments	319,967	138,049	4,913	462,929
	4,525,661	739,922	179,661	5,445,244
Opening Balance - as at 1 January 2024				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	50	-	-	50
- Loans, advances and Islamic financing assets	5,718	51,783	100,182	157,683
- Investment securities (debt)	526	-	-	526
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	363	2,845	1,279	4,487
	6,657	54,628	101,461	162,746
Net transfer between stages				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	-	-	-	-
- Loans, advances and Islamic financing assets	1,005	(5,429)	4,424	-
- Investment securities (debt)	-	-	-	-
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	(15)	15	-	-
	990	(5,414)	4,424	-
Charge for the Period (net)				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	35	-	-	35
- Loans, advances and Islamic financing assets	4,557	2,728	12,324	19,609
- Investment securities (debt)	23	-	-	23
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	107	(586)	(51)	(530)
	4,722	2,142	12,273	19,137
Write off for the period				
- Loans, advances and Islamic financing assets	-	-	(6,243)	(6,243)
	-	-	(6,243)	(6,243)
Closing Balance - as at 30 September 2024				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	85	-	-	85
- Loans, advances and Islamic financing assets	11,280	49,082	110,687	171,049
- Investment securities (debt)	549	-	-	549
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	455	2,274	1,228	3,957
	12,369	51,356	111,915	175,640

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

22.4 Movement in loans

As at 30 September 2025	Stage 1	Stage 2	Stage 3	Total
Exposure subject to ECL	RO' 000	RO' 000	RO' 000	RO' 000
Opening Balance - as at 1 January 2025	3,342,348	557,782	190,576	4,090,706
Transfer to stage 1	4,103	(4,103)	-	-
Transfer to stage 2	(27,324)	27,737	(413)	-
Transfer to stage 3	(4,420)	(17,918)	22,338	-
New loans, advances and Islamic financing assets	760,325	44,030	-	804,355
Recovery of loans, advances and Islamic financing assets	(523,629)	(9,828)	(9,054)	(542,511)
Write off for the period	-	-	(7,356)	(7,356)
Closing Balance - as at 30 September 2025	3,551,403	597,700	196,091	4,345,194

As at 30 September 2024	Stage 1	Stage 2	Stage 3	Total
Exposure subject to ECL	RO' 000	RO' 000	RO' 000	RO' 000
Opening Balance - as at 1 January 2024	2,746,179	754,781	163,483	3,664,443
Transfer to stage 1	6,945	(6,143)	(802)	-
Transfer to stage 2	(1,725)	1,991	(266)	-
Transfer to stage 3	(4,532)	(20,692)	25,224	-
New loans, advances and Islamic financing assets	723,344	55,741	-	779,085
Recovery of loans, advances and Islamic financing assets	(252,525)	(193,669)	(6,648)	(452,842)
Write off for the period	-	-	(6,243)	(6,243)
Closing Balance - as at 30 September 2024	3,217,686	592,009	174,748	3,984,443

22.5 Total impairment losses on financial instruments (net)

	9 months ended	9 months ended	3 months ended	3 months ended
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	RO'000	RO'000	RO'000	RO'000
(Impairment)/reversal of impairment for credit losses:				
Due from Banks and other money market placements	(142)	(35)	2	(18)
Loans, advances and Islamic financing assets	(16,490)	(18,392)	(5,469)	(6,458)
Investment securities (debt)	(328)	(23)	37	(11)
Acceptances	84	-	(29)	-
Contingent liabilities and commitments	(618)	530	(35)	780
Total	(17,494)	(17,920)	(5,494)	(5,707)
Recoveries and releases from:				
Provision for credit losses	2,282	2,746	425	45
Loans, advances and Islamic financing assets written off	4,238	3,112	1,192	1,212
Total	6,520	5,858	1,617	1,257
Net Impairment losses	(10,974)	(12,062)	(3,877)	(4,450)

23 BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	9 months ended	9 months ended	3 months ended	3 months ended
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	RO'000	RO'000	RO'000	RO'000
Net profit after tax	51,768	45,697	17,743	14,843
Less: Interest on tier 1 perpetual bond	(8,317)	(6,363)	-	-
Profit attributable to shareholders	43,451	39,334	17,743	14,843
Weighted average number of shares outstanding during the year (in '000s)	1,625,946	1,625,946	1,625,946	1,625,946
Earnings per share (in RO)	0.027	0.024	0.011	0.009

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

24 ASSETS/ LIABILITIES MISMATCH

The residual maturity behavioral of the assets, liabilities and equity at 30 September 2025 is as follows:

	On demand within 3 months RO'000	3 to 12 months RO'000	Subtotal less than 12 months RO'000	1 to 5 years RO'000	Over 5 years RO'000	Subtotal over 12 months RO'000	Total RO'000
Cash and balances with Central Banks	84,762	25,955	110,717	41,134	15,866	57,000	167,717
Due from Banks and other money market placements	229,278	31,513	260,791	17,325	-	17,325	278,116
Loans, advances and Islamic financing assets	379,474	369,685	749,159	1,422,375	1,996,175	3,418,550	4,167,709
Investment securities	187,230	33,061	220,291	245,713	82,617	328,330	548,621
Other assets	150,837	4,847	155,684	-	-	-	155,684
Property and equipment	-	-	-	-	60,210	60,210	60,210
Total assets	1,031,581	465,061	1,496,642	1,726,547	2,154,868	3,881,415	5,378,057
Future interest cash inflows	65,457	171,163	236,620	672,479	300,952	973,431	1,210,051
Due to Banks and other money market deposits	108,181	67,182	175,363	112,957	-	112,957	288,320
Customers' deposits	810,021	1,060,310	1,870,331	1,417,204	786,891	2,204,095	4,074,426
Other liabilities	155,463	26,139	181,602	121	1,149	1,270	182,872
Taxation	21,135	-	21,135	-	-	-	21,135
Shareholders' equity	-	-	-	-	586,267	586,267	586,267
Tier 1 perpetual bonds	-	-	-	-	225,037	225,037	225,037
Total liabilities and shareholders' equity	1,094,800	1,153,631	2,248,431	1,530,282	1,599,344	3,129,626	5,378,057
Future interest cash outflows	39,779	91,131	130,910	291,595	112,160	403,755	534,665
Total liquidity gap (total assets – total liabilities and shareholders' equity)	(63,219)	(688,570)	(751,789)	196,265	555,524	751,789	-

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

24 ASSETS/ LIABILITIES MISMATCH (continued)

The residual maturity behavioral of the assets, liabilities and equity at 30 September 2024 is as follows:

	<i>On demand within 3 months RO'000</i>	<i>3 to 12 months RO'000</i>	<i>Subtotal less than 12 months RO'000</i>	<i>1 to 5 years RO'000</i>	<i>Over 5 years RO'000</i>	<i>Subtotal over 12 months RO'000</i>	<i>Total RO'000</i>
Cash and balances with Central Banks	174,852	56,041	230,893	47,284	29,363	76,647	307,540
Due from Banks and other money market placements	254,826	29,438	284,264	-	6,083	6,083	290,347
Loans, advances and Islamic financing assets	408,865	208,438	617,303	1,231,419	1,964,672	3,196,091	3,813,394
Investment securities	109,504	26,015	135,519	264,021	37,595	301,616	437,135
Other assets	76,854	3,562	80,416	-	-	-	80,416
Property and equipment	-	-	-	-	60,012	60,012	60,012
Total assets	1,024,901	323,494	1,348,395	1,542,724	2,097,725	3,640,449	4,988,844
Future interest cash inflows	64,354	168,852	233,206	685,164	314,103	999,267	1,232,473
Due to Banks and other money market deposits	80,932	12,631	93,563	90,099	-	90,099	183,662
Customers' deposits	853,791	1,200,517	2,054,308	1,227,436	692,379	1,919,815	3,974,123
Other liabilities	86,001	21,816	107,817	2,899	-	2,899	110,716
Taxation	19,303	-	19,303	-	-	-	19,303
Shareholders' equity	-	-	-	-	533,907	533,907	533,907
Tier 1 perpetual bonds	-	-	-	-	167,133	167,133	167,133
Total liabilities and shareholders' equity	1,040,027	1,234,964	2,274,991	1,320,434	1,393,419	2,713,853	4,988,844
Future interest cash outflows	38,391	84,333	122,724	256,385	96,117	352,502	475,226
Total liquidity gap (total assets – total liabilities and shareholders' equity)	(15,126)	(911,470)	(926,596)	222,290	704,306	926,596	-

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

24 ASSETS/ LIABILITIES MISMATCH (continued)

The residual maturity behavioral of the assets, liabilities and equity at 31 December 2024 is as follows:

	On demand within 3 months RO'000	3 to 12 months RO'000	Subtotal Less than 12 months RO'000	1 to 5 years RO'000	Over 5 years RO'000	Subtotal Over 12 months RO'000	Total RO'000
Cash and balances with Central Banks	147,115	51,951	199,066	70,472	32,974	103,446	302,512
Due from Banks and other money market placements	306,144	52,745	358,889	7,700	5,775	13,475	372,364
Loans, advances and Islamic financing assets	353,889	287,100	640,989	1,335,962	1,949,196	3,285,158	3,926,147
Investment securities	114,848	26,007	140,855	277,472	55,066	332,538	473,393
Other assets	104,551	4,111	108,662	-	-	-	108,662
Property and equipment	-	-	-	-	59,467	59,467	59,467
Total assets	1,026,547	421,914	1,448,461	1,691,606	2,102,478	3,794,084	5,242,545
Future interest cash inflows	67,352	176,339	243,691	697,862	312,541	1,010,403	1,254,094
Due to Banks and other money market deposits	72,452	30,800	103,252	89,686	-	89,686	192,938
Customers' deposits	739,351	1,110,794	1,850,145	1,561,354	717,024	2,278,378	4,128,523
Other liabilities	129,232	4,527	133,759	41	-	41	133,800
Taxation	19,123	-	19,123	-	-	-	19,123
Shareholders' equity	-	-	-	-	543,124	543,124	543,124
Tier 1 perpetual bonds	-	-	-	-	225,037	225,037	225,037
Total liabilities and shareholders' equity	960,158	1,146,121	2,106,279	1,651,081	1,485,185	3,136,266	5,242,545
Future interest cash outflows	41,254	95,830	137,084	299,115	108,196	407,311	544,395
Total liquidity gap (total assets – total liabilities and shareholders' equity)	66,389	(724,207)	(657,818)	40,525	617,293	657,818	-

The Bank has access to committed lines from other banks to meet its liquidity (if required).

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

24 ASSETS/ LIABILITIES MISMATCH (continued)

The tables below analyses the Bank's financial liabilities into relevant maturity groupings based on their contractual maturities. Where there are no contractual maturities, the balances are considered as "Due on demand".

30 September 2025	On demand within 3 months RO'000	3 to 12 months RO'000	Subtotal less than 12 months RO'000	1 to 5 years RO'000	Over 5 years RO'000	Subtotal over 12 months RO'000	Total RO'000
Customers' deposits	2,440,363	781,973	3,222,336	852,090	-	852,090	4,074,426
Due to Banks and other money market deposits	108,181	67,182	175,363	112,957	-	112,957	288,320
Other liabilities	155,463	26,139	181,602	121	1,149	1,270	182,872
Future interest cash outflows	39,779	91,131	130,910	291,595	112,160	403,755	534,665
Contingent liabilities	599,960	-	599,960	-	-	-	599,960
30 September 2024							
Customers' deposits	2,236,142	678,100	2,914,242	1,059,797	84	1,059,881	3,974,123
Due to Banks and other money market deposits	80,932	12,631	93,563	90,099	-	90,099	183,662
Other liabilities	86,001	21,816	107,817	2,899	-	2,899	110,716
Future interest cash outflows	38,391	84,333	122,724	256,385	96,117	352,502	475,226
Contingent liabilities	462,929	-	462,929	-	-	-	462,929
31 December 2024							
Customers' deposits	2,364,192	801,674	3,165,866	962,571	86	962,657	4,128,523
Due to Banks and other money market deposits	72,452	30,800	103,252	89,686	-	89,686	192,938
Other liabilities	129,232	4,527	133,759	41	-	41	133,800
Future interest cash outflows	41,254	95,830	137,084	299,115	108,196	407,311	544,395
Contingent liabilities	453,020	-	453,020	-	-	-	453,020

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

25 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise principal shareholders, directors and key management personnel of the Bank. Key management personnel comprise those individuals of the Bank who are involved in the strategic planning and decision making of the Bank. The terms of these transactions are approved by the Bank's management and are made on terms agreed by the Board of Directors.

In the ordinary course of business, the Bank conducts transactions with certain of its directors, shareholders, senior management and companies over which they have significant interest. Terms of these transactions are approved by the Bank's Board and Management.

Principal shareholders of the Bank includes those shareholders who exercises significant influence on the Bank and their close family members. Other related parties include transactions with key management personnel, directors and transactions with those entities which are controlled by either the principal shareholders or key management personnel or directors of the Bank.

The aggregate amounts of balances with such related parties are as follows:

	30/09/2025			31/12/2024		
	<i>Principal shareholder</i>	<i>Others</i>	<i>Total</i>	<i>Principal shareholder</i>	<i>Others</i>	<i>Total</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
Loans, advances and Islamic financing assets	-	126,604	126,604	-	117,932	117,932
Customers' deposits	323	31,807	32,130	330	42,005	42,335
Due from Banks	124	-	124	147	-	147
Due to Banks	150	-	150	175	-	175
Letters of credit, guarantees and acceptances	963	5,002	5,965	667	4,868	5,535
Investments	2,917	969	3,886	2,679	619	3,298

The condensed statement of comprehensive income includes the following amounts in relation to transactions with related parties:

	30/09/2025			30/09/2024		
	<i>Principal shareholder</i>	<i>Others</i>	<i>Total</i>	<i>Principal shareholder</i>	<i>Others</i>	<i>Total</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
Interest income	11	4,870	4,881	301	4,916	5,217
Commission income	4	281	285	5	306	311
Interest expense	-	746	746	-	489	489
Other expenses	-	1,214	1,214	-	1,585	1,585
Impairment losses on loans and advances and Islamic financing assets	-	2,507	2,507	-	3,829	3,829

Details regarding senior management are set out below:

The Bank considers the personnel of Management Executive Committee to be key management personnel for the purposes of IAS 24 'Related Party Disclosures.'

The balances in respect of these related parties included in the statement of financial position as at the reporting date are as follows:

	30/09/2025	31/12/2024
	RO'000	RO'000
Loans, advances and Islamic financing assets	1,015	900
Customers' deposits	1,856	1,255

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

25 RELATED PARTY TRANSACTIONS (continued)

The income and expenses in respect of these related parties included in the financial statement are as follows:

	9 months ended 30/09/2025 RO'000	9 months ended 30/09/2024 RO'000
Interest Income	26	40
Interest Expense	56	47
Salaries and other short-term benefits	3,796	3,547
Post-employment benefits	82	86

26 SHAREHOLDERS

The shareholders of the Bank who own 10% or more of the Bank's shares, based on information obtained from Muscat Clearing and Depository.

	30/09/2025	30/09/2024	31/12/2024
Number of shares held ('000)			
The Commercial Bank of Qatar	567,453	567,453	567,453
Suhail Salim Abdullah Al Mukhaini Bahwan	239,805	239,805	239,805
% of shareholding			
The Commercial Bank of Qatar	34.90%	34.90%	34.90%
Suhail Salim Abdullah Al Mukhaini Bahwan	14.75%	14.75%	14.75%

The percentage shareholding is calculated based on the total shares of the Bank outstanding at the reporting date.

27 CAPITAL ADEQUACY

The risk asset ratio calculated in accordance with the capital adequacy guidelines of the Bank for International Settlement is as follows:

	30/09/2025 RO'000	30/09/2024 RO'000	31/12/2024 RO'000
Capital base			
Common equity Tier 1	503,882	469,250	503,091
Additional Tier 1 - capital	225,037	167,133	225,037
Tier 2 capital	19,947	22,318	19,165
Total capital base	748,866	658,701	747,293
Risk weighted assets			
Credit risk	4,137,338	3,826,466	3,996,512
Operational risk	272,144	254,659	272,144
Market risk	162,400	52,713	94,013
Total risk weighted assets	4,571,882	4,133,838	4,362,669
Common Equity Tier 1 Ratio	11.0%	11.4%	11.5%
Tier 1 Ratio	15.9%	15.4%	16.7%
Risk asset ratio (Basel II norms)	16.4%	15.9%	17.1%

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

28 SEGMENT REPORTING

For management purposes, the Bank is organised into five operating segments based on business units and are as follows:

- Retail Banking offers various products and facilities to individual retail and high net-worth customers to meet everyday banking needs. This includes asset products like personal loans, housing loan, credit cards and term loans and liability products like savings account, current account and term deposits.
- Wholesale Banking delivers a variety of products and services to Corporate, Government and Financial Institutions, that include lending, accepting deposits, trade finance, treasury and foreign exchange. It also includes investment Banking which offers investment products such as asset management, corporate advisory and brokerage services to retail customers and institutional clients.
- International operations include UAE and Egypt operations.
- Islamic Banking offers various products as per Shari'a principles.
- Funding Center – The Funding center is responsible for balancing and managing the liquidity of funds within the Bank. It acts as repository of funds by allocating funds transfer pricing to various business units for performance management purposes. The department also handles the Bank's investments in securities, asset/liability management and cash instruments.

Management monitors the operating results of these segments separately for the purpose of making decisions about resource allocation and performance assessment. The costs incurred by the support functions are allocated to operating segments for performance measurement purposes.

Segment information by business line is as follows:

	Retail Banking RO'000	Wholesale Banking RO'000	International Banking RO'000	Islamic Banking RO'000	Funding center RO'000	Total RO'000
30 September 2025						
Operating income	46,102	50,504	4,972	7,917	11,614	121,109
Net profit/(loss)	17,058	22,037	584	1,861	10,228	51,768
Total assets	1,516,802	2,783,294	286,863	493,316	297,782	5,378,057
30 September 2024						
Operating income	41,453	55,641	4,879	6,117	3,960	112,050
Net profit/(loss)	8,664	28,818	1,372	3,358	3,485	45,697
Total assets	1,479,606	2,520,423	223,536	437,656	327,623	4,988,844

Disaggregated revenues

IFRS 15 requires the disclosure of disaggregated revenue from contracts with customers for major products / service lines. The below table provides disaggregation of commission and fee income (net) into revenues within Bank's reportable segments. Contract revenue is further segregated based on the products and services:

30 September 2025	Retail RO'000	Wholesale RO'000	International RO'000	Islamic RO'000	Total RO'000
Transactional	8,537	-	1	76	8,614
Trade Income	49	2,018	203	48	2,318
Account Services	16	1,137	(8)	30	1,175
Underwriting & Syndication	567	5,912	640	735	7,854
Investment banking	-	1,182	-	-	1,182
Total	9,169	10,249	836	889	21,143

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

28 SEGMENT REPORTING (continued)

Disaggregated revenues (continued)

30 September 2024	Retail RO'000	Wholesale RO'000	International RO'000	Islamic RO'000	Total RO'000
Transactional	6,771	-	2	6	6,779
Trade Income	49	2,099	155	42	2,345
Account Services	90	938	(16)	32	1,044
Underwriting & Syndication	444	5,604	194	702	6,944
Investment banking	-	1,025	-	-	1,025
Total	7,354	9,666	335	782	18,137

For management purposes the Bank also reports the segment information of its operations by the following geographical locations:

- i) Oman
- ii) United Arab Emirates (UAE)
- iii) Egypt

Transactions between the above segments are conducted at estimated market rates on an arm's length basis. Segment information by geography is as follows:

For the period ended 30 September 2025	Oman RO'000	UAE RO'000	Egypt RO'000	Total RO'000
Net interest income and income from Islamic financing and Investment activities	79,027	3,026	-	82,053
Fees, Commission and other operating income	37,110	1,916	30	39,056
Operating income/(loss)	116,137	4,942	30	121,109
Operating expenses	(47,369)	(1,830)	(26)	(49,225)
Operating profit/(loss)	68,768	3,112	4	71,884
Impairment losses (net) and taxation	(19,074)	(1,129)	87	(20,116)
Segment profit/(loss) for the period	49,694	1,983	91	51,768

Other information

Segment assets	5,091,194	286,127	736	5,378,057
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For the period ended 30 September 2024	Oman RO'000	UAE RO'000	Egypt RO'000	Total RO'000
Net interest income and income from Islamic financing and Investment activities	76,572	3,917	2	80,491
Fees, Commission and other operating income	30,599	1,205	(245)	31,559
Operating income/(loss)	107,171	5,122	(243)	112,050
Operating expenses	(44,333)	(1,606)	(104)	(46,043)
Operating profit/(loss)	62,838	3,516	(347)	66,007
Impairment losses (net) and taxation	(19,840)	(470)	-	(20,310)
Segment profit/(loss) for the period	42,998	3,046	(347)	45,697

Other information

Segment assets	4,765,308	222,967	569	4,988,844
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SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 September 2025 (unaudited)

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Based on the valuation methodology outlined below, the fair values of all financial instruments at 30 September 2025, 30 September 2024 and 31 December 2024 are considered by the Management not to be materially different to their book values.

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of assets and liabilities:

1. Loans, advances and Islamic financing assets

Fair value is calculated based on discounted expected future principal and interest cash flows. Loan repayments are assumed to occur at contractual repayment dates, where applicable. For loans that do not have fixed repayment dates or that are subject to prepayment risk, repayments are estimated based on experience in previous periods when interest rates were at levels similar to current levels, adjusted for any differences in interest rate outlook. Expected future cash flows are estimated considering credit risk and any indication of impairment. Expected future cash flows for homogeneous categories of loans are estimated on a portfolio basis and discounted at current rates offered for similar loans to new borrowers with similar credit profiles. The estimated fair values of loans reflect changes in credit status since the loans were made and changes in interest rates in the case of fixed rate loans.

2. Investments

Fair value is based on quoted market prices at the reporting date without any deduction for transaction costs. If a quoted market price is not available, fair value is estimated based on discounted cash flow and other valuation techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market-related rate for a similar instrument at the reporting date.

3. Current account balances due to and due from Banks

The carrying amount of current account balances due to and from Banks was considered to be a reasonable estimate of fair value due to their short term nature.

4. Bank and customer deposits

For demand deposits and deposits with no defined maturities, fair value is taken to be the amount payable on demand at the reporting date. The estimated fair value of fixed-maturity deposits, including certificates of deposit, is based on discounted cash flows using rates currently offered for deposits of similar remaining maturities. The value of long-term relationships with depositors is not taken into account in estimating fair values.

5. Other financial instruments

No fair value adjustment is made with respect to credit-related off-balance sheet financial instruments, which include commitments to extend credit, standby letters of credit and guarantees, as the related future income streams materially reflect contractual fees and commissions actually charged at the reporting date for agreements of similar credit standing and maturity.

Foreign exchange contracts are valued based on market prices. The market value adjustments in respect of foreign exchange contracts are included in other assets and other liabilities.

The fair values of financial instruments that are traded in active markets are based on quoted market prices. Other unquoted equities are valued based on information provided by fund managers, investee financial information and current purchase prices. Industry standard valuation models are used to calculate the expected future value of payments by product, which is discounted back to a present value. The model's interest rate inputs are benchmark and active quoted interest rates in the swap, bond and futures markets. Interest rate volatilities are sourced from brokers and consensus data providers. If consensus prices are not available, these are classified as Level 3 instruments.

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

29 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Valuation models

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table shows an analysis of financial instruments other than derivatives instruments recorded at fair value by level of the fair value hierarchy:

	<i>Level 1</i> <i>RO'000</i>	<i>Level 2</i> <i>RO'000</i>	<i>Total</i> <i>RO'000</i>
30 September 2025			
Investment measured at FVTPL			
Quoted equities	2,552	-	2,552
Unquoted equities	-	2,882	2,882
Total	2,552	2,882	5,434
Investment measured at FVOCI			
Quoted equities	112,378	-	112,378
Total	112,378	-	112,378
TOTAL FINANCIAL ASSETS	114,930	2,882	117,812
	<i>Level 1</i> <i>RO'000</i>	<i>Level 2</i> <i>RO'000</i>	<i>Total</i> <i>RO'000</i>
30 September 2024			
Investment measured at FVTPL			
Quoted equities	1,991	-	1,991
Unquoted equities	-	2,658	2,658
Total	1,991	2,658	4,649
Investment measured at FVOCI			
Quoted equities	87,228	-	87,228
Total	87,228	-	87,228
TOTAL FINANCIAL ASSETS	89,219	2,658	91,877
	<i>Level 1</i> <i>RO'000</i>	<i>Level 2</i> <i>RO'000</i>	<i>Total</i> <i>RO'000</i>
31 December 2024			
Investment measured at FVTPL			
Quoted equities	2,218	-	2,218
Unquoted equities	-	2,648	2,648
Total	2,218	2,648	4,866
Investment measured at FVOCI			
Quoted equities	96,604	-	96,604
Total	96,604	-	96,604
TOTAL FINANCIAL ASSETS	98,822	2,648	101,470

The Bank's primary medium and long-term financial liabilities are the borrowed funds and subordinated liabilities. The fair values of these financial liabilities not materially different from their carrying values, since these liabilities are reprised at intervals of three or six months, depending on the terms and conditions of the instrument and the resultant applicable margins approximate the current spreads that would apply for borrowings with similar maturities.

Derivative financial instrument at level 2 are valued based on counter party valuation, quoted forward rates and yield curves (see note 30). There are no transfers between levels of fair value measurement hierarchy during the period ended on 30 September 2025, 30 September 2024 and year ended 31 December 2024.

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

30 DERIVATIVES

	<i>Positive fair value (Note 7) RO'000</i>	<i>Negative fair value (Note 11) RO'000</i>	<i>Notional amount total RO'000</i>	Notional amounts by term to maturity			
				Within 3 months RO'000	3 – 12 months RO'000	Above 1 Year RO'000	
30 September 2025							
Interest rate swaps	9,792	(9,792)	711,997	24,861	54,107	633,029	
Forward foreign exchange purchase contracts	2	-	459,813	276,892	173,294	9,627	
Forward foreign exchange sales contracts	844	(58)	459,813	277,054	173,132	9,627	
Total	10,638	(9,850)	1,631,623	578,807	400,533	652,283	
30 September 2024							
Interest rate swaps	10,923	(10,923)	288,486	9,182	26,950	252,354	
Forward foreign exchange purchase contracts	26	(7)	206,594	74,216	102,508	29,870	
Forward foreign exchange sales contracts	410	(77)	206,594	74,528	102,217	29,849	
Total	11,359	(11,007)	701,674	157,926	231,675	312,073	
31 December 2024							
Interest rate swaps	11,840	(11,840)	375,400	9,684	29,683	336,033	
Forward foreign exchange purchase contracts	4	(6)	245,196	153,955	63,116	28,125	
Forward foreign exchange sales contracts	893	(40)	245,196	154,053	63,041	28,102	
Total	12,737	(11,886)	865,792	317,692	155,840	392,260	

Derivatives are valued at level 2 based on quoted forward rates.

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

31 LIQUIDITY COVERAGE RATIO

The Liquidity coverage ratio (LCR) is a short time ratio designed to increase resilience against a liquidity shortage of up to 30 days. The LCR is computed as per CBO requirement under the circular BM1127 (BASEL III: Framework on Liquidity coverage ratio and LCR disclosure standards).

	September 2025		September 2024		December 2024	
	Total Unweighted Value (average) RO'000	Total Weighted Value (average) RO'000	Total Unweighted Value (average) RO'000	Total Weighted Value (average) RO'000	Total Unweighted Value (average) RO'000	Total Weighted Value (average) RO'000
High quality liquid assets						
Total High Quality Liquid Assets (HQLA)	-	642,676	-	598,314	-	572,408
Cash outflows						
Stable deposits	340,667	10,220	374,654	11,240	385,896	11,577
Less stable deposits	402,508	40,251	306,178	30,618	296,604	29,660
Retail deposits and deposits from small business customers	743,175	50,471	680,832	41,858	682,500	41,237
Unsecured wholesale funding, of which:						
Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,641,894	683,814	1,374,500	500,099	1,514,221	541,657
Additional requirements, of which:						
Credit and liquidity facilities	8,744	874	24,256	2,426	28,065	2,807
Other contractual funding obligations	15,008	750	10,721	536	5,988	299
Other contingent funding obligations	679,131	180,297	499,590	136,823	540,296	160,455
Total cash outflows	3,087,952	916,206	2,589,899	681,742	2,771,070	746,455
Cash inflows						
Inflows from fully performing exposures	319,096	240,655	355,795	268,565	428,941	355,993
Other cash inflows	202,461	202,461	157,173	157,173	184,245	184,245
Total cash inflows	521,557	443,116	512,968	425,738	613,186	540,238
Total high quality liquid assets	-	642,676	-	598,314	-	572,408
Total net cash outflows	-	473,091	-	256,003	-	206,217
Liquidity coverage ratio (%)	-	135.85	-	233.71	-	277.58

The following tables set out the net stable funding ratio (NSFR) and leverage ratio of the bank:

	30/09/2025 %	30/09/2024 %	31/12/2024 %
NSFR	113.06	108.66	118.71
Leverage ratio	12.55	12.10	13.15

SPECIAL PURPOSES NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
As at 30 September 2025 (unaudited)

32 COMPARATIVE AMOUNTS

The Bank has re-evaluated the presentation of certain transactions in the condensed consolidated interim statement of profit or loss and other comprehensive income to determine if those transactions have been presented appropriately in line with the requirements of IFRS Accounting Standards ("IFRS"). Where necessary, changes in presentation were made in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors".

As a result, the Bank restated the comparatives to adjust for the disaggregation detailed below in the special purposes condensed consolidated interim financial statements for the three month and nine month periods ended 30 September 2025 as prior period restatements.

1) Fee and commission income presentation in the special purposes condensed consolidated interim statement of profit or loss and other comprehensive income

Fee and commission income were previously presented on net basis on the special purposes condensed consolidated interim statement of profit or loss and other comprehensive income.

IAS 1- Presentation of consolidated Financial Statements ("IAS 1") requires the profit or loss section or the statement of profit or loss to present revenue, presenting separately interest revenue calculated using the effective interest method. Furthermore, when items of income or expense are material, an entity shall disclose their nature and amount separately.

As a result, fee and commission income is presented on gross basis.

	Nine months ended 30 September 2024 – As previously reported RO'000	Adjustment RO'000	Nine months ended 30 September 2024 – revised RO'000
Fee and commission income	18,137	9,613	27,750
Fee and commission expenses	-	(9,613)	(9,613)
Net fee and commission income	18,137	-	18,137

	Three months ended 30 September 2024 – As previously reported RO'000	Adjustment RO'000	Three months ended 30 September 2024 – revised RO'000
Fee and commission income	6,252	3,283	9,535
Fee and commission expenses	-	(3,283)	(3,283)
Net fee and commission income	6,252	-	6,252