

# **National Bank of Oman SAOG**

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**31 March 2025 (UNAUDITED)**



PO Box 751 PC 112 Ruwi Sultanate of Oman.

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## **CHAIRPERSON'S REPORT Q1 2025**

On behalf of the Board of Directors of National Bank of Oman SAOG (NBO), I am pleased to present the first quarter 2025 report for the period ended 31 March 2025.

### **Oman's Economy**

Oman's 2025 economic outlook remains positive, supported by sustained fiscal reforms and a continuous focus on economic diversification. The Sultanate navigates the complexities of a dynamic global environment while maintaining its commitment to Oman Vision 2040 and the final year of the Tenth Five-Year Development Plan.

In January 2025, the Government of the Sultanate of Oman released its State Budget for 2025, projecting revenues of OMR 11.18 billion and expenditures of OMR 11.8 billion, resulting in a modest fiscal deficit of OMR 620 million.

Oil and gas revenues are expected to contribute 68 percent of total revenues, based on a conservative average oil price assumption of USD 60 per barrel. Notably, non-oil revenues – including taxes and fees – are set to rise to OMR 3.57 billion, with corporate tax and VAT revenues showing a year-on-year increase.

The Sultanate's creditworthiness continues to strengthen, with Standard & Poor's affirming Oman's investment-grade rating at BBB- with a stable outlook. S&P cited improved public finance performance, reduced debt levels, and progress in diversifying the economy as key drivers behind the rating. Oman's public debt has fallen significantly, from 68 percent of GDP in 2020 to 36 percent in 2024, and is projected to decline further to approximately 30 percent by 2028.

### **NBO's Financial Performance**

Given this backdrop, the Bank's Net Profit for the three months ended 31 March 2025 was OMR 17.08 million, compared to OMR 15.47 million for the same period last year, reflecting an increase of 10.4 per cent.

Net Interest Income for the three months ended 31 March 2025 was OMR 26.06 million, showing an increase of 3.2 percent compared with the same period last year.

Fee Income for the three months ended 31 March 2025 was OMR 14.07 million compared to OMR 12.11 million last year, registering a growth of 16.2 per cent.

Operating Expenses for the three months ended 31 March 2025 was OMR 16.22 million, compared to OMR 15.37 million for the corresponding period in 2024, an increase of 5.6 percent.

Operating Profit, as a result, grew by 8.7 percent year-on-year.

Net Impairment for the first quarter of 2025 was OMR 3.81 million, compared to OMR 3.88 million for the corresponding period last year, a decrease of 1.7 percent.

Gross loans and advances as of 31 March 2025 are at OMR 4.15 billion, showing growth of 10.6 percent over last year. Customer deposits correspondingly are at OMR 4.01 billion, with the Bank continuing to maintain a healthy CASA mix.

Total assets as of 31 March 2025 stood at OMR 5.28 billion a growth of 2.0 percent over last year.

The Bank's Core Equity and Total Capital Adequacy Ratio stood at 11.3 percent and 16.8 percent, respectively.

#### **Key Achievements and Partnerships**

We continued to advance our digital transformation journey with the launch of the Direct Debit E-Mandate, a secure and efficient digital solution that simplifies recurring transactions for both businesses and individuals. Developed under the Central Bank of Oman's (CBO) digital payment framework, this innovative service enables customers to manage and control their payments seamlessly through a user-friendly platform, offering enhanced flexibility and convenience.

Building on our digital momentum, we introduced Digital Onboarding for New-to-Bank customers, allowing individuals to open accounts entirely online without the need to visit a branch. The process is fully digital, featuring instant account activation, debit card delivery, and seamless integration with Oman's Credit and Financial Information Centre (Mala'a) for electronic Know Your Customer (E-KYC) verification.

To provide greater value to customers, we launched multiple cashback campaigns in collaboration with leading retail partners. Notably, credit cardholders received 20 percent cashback on Easy Payment Plan (EPP) purchases at Nesto Hypermarket and Sharaf DG, enabling purchases of OMR 100 or more to be converted into 6 or 12 month interest-free instalments. In partnership with Shell Oman, a special campaign awarded the first 3,000 customers with 20 percent cashback in Rewards Points on their first fuel purchase. These initiatives reflect NBO's commitment to enhancing customers' lifestyles with flexible and rewarding payment solutions.

In real estate financing, we signed two Memoranda of Understanding (MoUs) with Zain Property Development and Adrak Developers to offer tailored financing for the Husn Alzain

and Hai Al Naseem projects, both part of the Ministry of Housing and Urban Planning's Soroush initiative. These partnerships align with Oman Vision 2040 by promoting access to sustainable, affordable housing. We also partnered with Dar Global to provide credit facilities for the AIDA Oceana project, a key component of the Yiti Master Development Plan in Muscat, furthering our support for tourism diversification and real estate investment.

We successfully arranged a USD 187 million syndicated loan facility as a mandated lead arranger for a major energy group. The deal was oversubscribed two times, attracting participation from six regional banks. Additionally, we were appointed as an arranger in a USD 55 million refinancing transaction for a leading industrial entity and extended OMR 12 million in working capital facilities to support raw material procurement for a prominent manufacturing company. We also deepened our engagement with a key government-related group by providing working capital solutions across six of its subsidiaries.

We recorded strong digital adoption among corporates, with a 301 percent increase in users on our Corporate Internet Banking platform, rising to over 1,400 new customers in Q1 2025 compared to 493 in Q1 2024. WPS transactions also increased by 37 percent year-on-year, highlighting the growing trust in our digital platforms.

In Trade Finance, we allocated an OMR 16 million facility to a major infrastructure contractor for a strategic water distribution project. Our export finance business recorded a 42 percent year-on-year growth. Additionally, we activated an Escrow account for a key real estate developer and onboarded another for Direct Debit arrangements, reinforcing our role as a trusted partner in complex financial operations.

Further enhancing capital market participation, NBO played a key role in the successful subscription of the Asyad Shipping IPO via our digital platform. Our seamless process ensured a smooth experience for both retail and institutional investors, underscoring our commitment to supporting Oman's capital market ecosystem.

In Investment Banking, we launched the NBO Money Market Fund, our third open-ended mutual fund, following a successful public offering that closed in February. Designed to generate returns while preserving capital and maintaining daily liquidity, the fund invests in low-risk instruments across Omani, regional, and international markets. In addition, we continue to offer the NBO GCC Fund and NBO Global Equity Fund, providing both retail and corporate clients with diversified equity investment opportunities.

In the first quarter of 2025, we hosted a series of high-profile events to connect more meaningfully with our stakeholders and customers and share valuable financial insights, reinforcing our role as a trusted partner in both personal and professional banking journeys.

We were proud to host the MEIRA Oman Chapter Meeting and CEO Roundtable at our Azaiba Head Office, in collaboration with the Muscat Stock Exchange (MSX) and the Middle East Investor Relations Association (MEIRA). The event brought together industry leaders, financial experts, and executives to discuss the future of Investor Relations (IR) and Environmental, Social, and Governance (ESG) practices. It also served as a platform to strengthen our engagement with the sector, reinforcing our ongoing commitment to transparency, responsible finance, and long-term value creation.

To enhance the experience of our premium customers, we organized an exclusive Iftar for our Private Banking and Sadara Priority Banking clients. It was a valuable opportunity to engage directly with key customers and highlight the bespoke services, wealth advisory, and exclusive privileges available through these segments.

We also hosted a special Iftar in celebration of Mother's Day, honouring top cardholders and their mothers following a Credit Card campaign. Twelve winners were selected based on their spending activity on our Credit Cards, Debit Cards and Badeel Prepaid Cards. The evening concluded with a heartfelt celebration and presentation of gifts, reflecting our commitment to delivering personalized experiences and showing genuine appreciation for the customers across all segments.

At our Head Office, we held the third edition of our Market Outlook 2025 event under the theme "Financial Markets in the Trump Era: Disruption or Opportunity." We were joined by a global expert who shared valuable insights into the macroeconomic outlook and examined how shifting political dynamics may shape financial markets and investment strategies. The session created a meaningful platform for our customers, partners, and peers to exchange ideas and gain informed perspectives to navigate the evolving global financial landscape.

### **NBO Muzn Islamic Banking**

Muzn Islamic Banking continues to perform well with total income for YTD March 2025 growing by 21.3 percent YoY. Gross Financing grew by 20.7 percent YoY to reach OMR 357 million as at 31st March 2025 and customer deposits grew by 12.1 percent YoY to reach OMR 342 million as at 31st March 2025.

In the first quarter of 2025, NBO Muzn Islamic Banking, the Shari'ah-compliant window of NBO, continued to reinforce its leadership in Islamic finance by introducing tailored products and services that address the evolving needs of both retail and corporate customers across the Sultanate.

Muzn made progress on the digital front, enhancing convenience and accessibility for customers. Key developments included the implementation of Dhamani Pay, an electronic platform developed to streamline and regulate health insurance transactions across Oman, and the launch of E-IPO services through Muzn app, simplifying participation in capital markets. Additionally, Samsung In-App Tokenization Provisioning was introduced to enhance payment security and user experience. Muzn also onboarded 111 new Corporate Islamic Banking (CIB) customers, a clear testament to its commitment to digital transformation and capacity building.

During the holy month of Ramadhan, Muzn rolled out exclusive financing offers for Auto and Goods Financing, featuring competitive profit rates starting at 4.75 percent for tenures under two years, and flexible repayment options of up to ten years, providing customers with affordable and convenient solutions.

Strengthening its role in the real estate sector, Muzn signed a Memorandum of Understanding (MoU) with Al Dahab Real Estate to offer mortgage solutions that make homeownership more accessible to Omanis. This builds on an earlier agreement with Oman Housing Bank (OHB), aimed at expediting housing finance for eligible applicants, further underscoring Muzn's alignment with national housing priorities.

To meet the working capital and liquidity needs of businesses, Muzn introduced the Corporate Running Wakala Finance, a Shari'ah-compliant alternative to conventional overdrafts. Designed to support businesses of all sizes, this ethical and flexible product reinforces Muzn's position as a strategic partner to Oman's corporate sector.

### **Cadres and Competencies**

NBO's Chief Executive Officer, Abdullah Zahran Al Hinai, participated in a panel discussion on "Institutional Readiness and Strategies to Enhance Sustainability During Crises and Emergencies," organized by the Royal Academy of Management in coordination with the National Risk Register at the General Secretariat of the National Security Council. His participation reflects our commitment to sharing knowledge and expertise in sustainability while contributing to the long-term resilience of the national economy.

We were delighted to host our annual NBO Day, bringing together employees and their families for a day filled with fun, connection, and celebration. It was a meaningful opportunity to spend time together and strengthen our bonds. Also, during the holy month of Ramadhan, we gathered for a staff Iftar. The evening provided a warm and welcoming space to connect, share conversations, and reflect the spirit of the season.

## **Community Values**

Throughout the first quarter of 2025, we reinforced our commitment to human capital development and youth empowerment through strategic initiatives aimed at cultivating future leaders and supporting Oman's national workforce priorities.

We participated in the Sultan Qaboos University (SQU) Career Fair 2025, where we focused on three key pillars: offering career opportunities, promoting training programmes, and delivering practical workshops that equipped students with the tools to navigate the job market with confidence. As part of our participation, we launched the NBO Tomorrow's Leaders Programme, a graduate initiative designed to nurture high-potential Omani talent. Tailored for recent graduates passionate about banking, the programme offers a structured pathway to build technical expertise, leadership capabilities, and hands-on experience, supporting Oman Vision 2040 and the nation's sustainable economic development. We also launched our 2025 Internship Programme, aimed at attracting students and graduates to gain hands-on experience across various areas of banking.

In our continued mission to promote financial literacy and entrepreneurship, we partnered with INJAZ Oman to sponsor two of its flagship programmes, "More Than Money" and "The Company Program and Competition." Through these two initiatives, more than 3,500 Omani students will gain essential skills in financial decision-making, business development, and entrepreneurship. This collaboration underlines our dedication to preparing the next generation for leadership by equipping them with critical thinking, financial confidence, and real-world business acumen.

As part of our annual Ramadhan Shahr Al Atta campaign, we reaffirmed our support for the underprivileged and underserved through a range of initiatives. These included an internal Ramadhan Food Festival, with proceeds dedicated to those in need; the distribution of food hampers in collaboration with local committees and organizations; and social events with the Cultural Citizenship Salon and the National Autism Center. We also celebrated Islamic Orphans Day and Qaranqasho, bringing joy and empowerment to children from the Child Care Centre and those with autism. Additionally, through our partnership with the Zakat Committee in the Wilayat of Seeb, we supported the Kaswat Al Eid initiative, providing new clothes to children from low-income families for a dignified Eid celebration.

## **Global Recognition**

In the first quarter of 2025, NBO was recognised with two prestigious international accolades, reaffirming its leadership in digital transformation and customer-centric banking.



The Bank was named as the Best Bank for Digital Banking Services in Oman 2024 by the Global Banking and Finance Review. The recognition reflects the Bank's unwavering commitment towards pioneering digital innovation and enhancing the banking experience through technology. It also acknowledges NBO's continued investment in digital transformation.

Moreover, NBO was also celebrated as the Most Innovative Digital Retail Bank in Oman 2024 by the Global Business Outlook Awards. This accolade highlights NBO's ability to address customer needs with innovative solutions, such as the Sultanate's first digital Credit Card application process, Eid Note Dispensing Machines, deployed across five locations during festive seasons to better serve customers, and Self-Service Kiosks that eliminate the need for branch visits by offering a range of banking services.

### **Appreciation**

On behalf of the Board of Directors, I would like to thank our customers, shareholders, executive management, and the entire team of NBO for their support and efforts in implementing the Bank's strategy and achieving its goals and objectives.

We would also like to sincerely thank our regulators, the Central Bank of Oman, the Central Bank of the United Arab Emirates and the Financial Services Authority, for their constant support and dedicated efforts to develop Oman's financial industry, especially the banking sector.

We pay tribute to His Majesty Sultan Haitham bin Tarik, under whose visionary leadership and wise guidance Oman continues its steadfast march towards sustainable economic growth and social development.

**Amal Suhail Bahwan**

**Chairperson**



**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

As at 31 March 2025 (unaudited)

		31/03/2025	31/03/2024	Audited 31/12/2024
	Notes	RO'000	RO'000	RO'000
<b>Assets</b>				
Cash and balances with Central Banks	3	235,062	290,582	302,512
Due from Banks and other money market placements	4	276,908	454,063	372,364
Loans, advances and Islamic financing assets	5	3,985,589	3,593,488	3,926,147
Investment securities	6	581,571	687,436	473,393
Other assets	7	139,131	86,053	108,662
Property and equipment	8	59,031	59,808	59,467
<b>Total assets</b>		<b>5,277,292</b>	<b>5,171,430</b>	<b>5,242,545</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Due to Banks and other money market deposits	9	317,340	303,923	192,938
Customers' deposits	10	4,006,846	4,059,082	4,128,523
Other liabilities	11	164,220	111,094	133,800
Taxation	12	22,131	21,563	19,123
<b>Total liabilities</b>		<b>4,510,537</b>	<b>4,495,662</b>	<b>4,474,384</b>
<b>Equity</b>				
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	12,255	10,036	11,429
Retained earnings		278,205	247,341	280,437
<b>Total equity attributable to the shareholders of the Bank</b>		<b>541,718</b>	<b>508,635</b>	<b>543,124</b>
Tier 1 perpetual bonds	14	225,037	167,133	225,037
<b>Total equity</b>		<b>766,755</b>	<b>675,768</b>	<b>768,161</b>
<b>Total liabilities and equity</b>		<b>5,277,292</b>	<b>5,171,430</b>	<b>5,242,545</b>

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

  
Chief Executive Officer

  
Director

  
Chairperson

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
**For the period ended 31 March 2025 (unaudited)**

		<i>Three months ended 31 March</i>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>RO'000</b>	<b>RO'000</b>
Interest income	16	<b>60,500</b>	63,300
Interest expense	17	<b>(36,287)</b>	(39,700)
<b>NET INTEREST INCOME</b>		<b>24,213</b>	23,600
Income from Islamic financing and Investment		<b>5,830</b>	5,754
Interest expenses on Islamic customers' deposits		<b>(3,980)</b>	(4,099)
<b>NET INCOME FROM ISLAMIC FINANCING AND INVESTMENTS</b>		<b>1,850</b>	1,655
<b>NET INTEREST INCOME AND NET INCOME FROM ISLAMIC FINANCING AND INVESTMENTS</b>		<b>26,063</b>	25,255
Fee and commission income	18	<b>9,950</b>	8,916
Fee and commission expenses		<b>(3,515)</b>	(3,099)
Net fee and commission income		<b>6,435</b>	5,817
Other operating income	19	<b>7,636</b>	6,293
<b>OPERATING INCOME</b>		<b>40,134</b>	37,365
Staff costs	20	<b>(10,295)</b>	(9,944)
Other operating expenses	21	<b>(4,324)</b>	(3,871)
Depreciation	8	<b>(1,601)</b>	(1,552)
<b>TOTAL OPERATING EXPENSES</b>		<b>(16,220)</b>	(15,367)
<b>PROFIT FROM OPERATIONS BEFORE IMPAIRMENT LOSSES AND TAX</b>		<b>23,914</b>	21,998
Total impairment losses on financial instruments (net)	22.5	<b>(3,809)</b>	(3,875)
<b>PROFIT BEFORE TAX</b>		<b>20,105</b>	18,123
Taxation	12	<b>(3,024)</b>	(2,653)
<b>PROFIT FOR THE PERIOD</b>		<b>17,081</b>	15,470
<b>OTHER COMPREHENSIVE LOSS</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Equity investments at FVOCI – net change in fair value		<b>(2,994)</b>	(413)
Tax effect of equity investments at FVOCI – net change in fair value		<b>(209)</b>	(11)
<b>OTHER COMPREHENSIVE LOSS</b>		<b>(3,203)</b>	(424)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>13,878</b>	15,046
Earnings per share:			
Basic and diluted	23	<b>0.011</b>	0.010

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**For the period ended 31 March 2025 (unaudited)**

	Notes	<i>Three months ended</i>	
		<b>31 March</b>	
		<b>2025</b>	<b>2024</b>
		<b>RO'000</b>	<b>RO'000</b>
<b>Operating activities</b>			
<b>Profit before taxation</b>		<b>20,105</b>	<b>18,123</b>
Adjustments for:			
Depreciation	8	<b>1,601</b>	1,552
Total impairment losses on financial instruments (net)	22.5	<b>3,809</b>	3,875
Loss on investments at FVTPL and amortised cost		<b>81</b>	144
Loss/(gain) on sale of property and equipment		<b>4</b>	(9)
Amortisation of premium/(discount) (net)		<b>(148)</b>	(264)
Translation differences		-	(8)
Income from investment securities (dividend and interest)		<b>(10,174)</b>	(10,695)
<b>Operating cash flows before changes in operating assets and liabilities</b>		<b>15,278</b>	<b>12,718</b>
Due from Banks and other money market placements		<b>15,244</b>	(243,004)
Loans, advances and Islamic financing assets		<b>(63,439)</b>	(90,500)
Other assets		<b>(30,470)</b>	(17,753)
Due to Banks and other money market deposits		<b>124,402</b>	(110,286)
Customers' deposits		<b>(121,677)</b>	449,139
Other liabilities		<b>30,570</b>	6,526
<b>Cash (used in) /generated from operating activities</b>		<b>(30,092)</b>	6,840
Taxes paid		-	(81)
<b>Cash (used in) /generated from operating activities</b>		<b>(30,092)</b>	<b>6,759</b>
<b>Investing activities</b>			
Purchase of investment securities		<b>(113,952)</b>	(229,813)
Proceeds from sale of investment securities		<b>3,059</b>	3,723
Purchase of property and equipment	8	<b>(695)</b>	(4,816)
Proceeds from sale of property and equipment		-	82
Income from investment securities (dividend and interest)		<b>9,947</b>	10,695
<b>Net cash used in investing activities</b>		<b>(101,641)</b>	<b>(220,129)</b>
<b>Financing activities</b>			
Payment of dividend		<b>(15,284)</b>	(13,821)
Payment of lease liabilities		<b>(594)</b>	(544)
<b>Net cash used in financing activities</b>		<b>(15,878)</b>	<b>(14,365)</b>
Decrease in cash and cash equivalents		<b>(147,611)</b>	(227,735)
Cash and cash equivalents at the beginning of the period		<b>511,310</b>	631,967
<b>Cash and cash equivalents at the end of the period</b>		<b>363,699</b>	<b>404,232</b>
<b>Representing:</b>			
Cash and balances with Central Banks	3	<b>234,562</b>	290,082
Due from Banks with original maturity of three months or less		<b>129,137</b>	114,150
		<b>363,699</b>	<b>404,232</b>

Interest received was RO 58.73 million (31 March 2024: RO 50.63 million) and interest paid was RO 42.45 million (31 March 2024: RO 40.31 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.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**For the period ended 31 March 2025 (unaudited)**

<i>(RO'000)</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Legal reserve</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Tier 1 perpetual bond</i>	<i>Total equity</i>
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	-	-	-	-	17,081	17,081	-	17,081
Other comprehensive loss for the period	-	-	-	(3,203)	-	(3,203)	-	(3,203)
Transfer to impairment reserve	-	-	-	4,029	(4,029)	-	-	-
Dividend paid during the period	-	-	-	-	(15,284)	(15,284)	-	(15,284)
Balance at 31 March 2025	162,595	34,465	54,198	12,255	278,205	541,718	225,037	766,755
<i>Balance at 1 January 2024</i>	162,595	34,465	54,198	7,882	248,270	507,410	167,133	674,543
Profit for the period	-	-	-	-	15,470	15,470	-	15,470
Other comprehensive loss for the period	-	-	-	(424)	-	(424)	-	(424)
Transfer to impairment reserve	-	-	-	2,578	(2,578)	-	-	-
Dividend paid during the period	-	-	-	-	(13,821)	(13,821)	-	(13,821)
<i>Balance at 31 March 2024</i>	162,595	34,465	54,198	10,036	247,341	508,635	167,133	675,768
Balance at 1 April 2024	162,595	34,465	54,198	10,036	247,341	508,635	167,133	675,768
Profit for the period	-	-	-	-	47,593	47,593	-	47,593
Other comprehensive loss for the period	-	-	-	(272)	-	(272)	-	(272)
Net losses on de-recognition of financial instruments measured at FVOCI (net of tax)	-	-	-	1	(1)	-	-	-
Transfer to impairment reserve	-	-	-	1,664	(1,664)	-	-	-
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	-	-	-	-	(12,725)	(12,725)	-	(12,725)
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 condensed consolidated interim financial statement

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As at 31 March 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

### 2 MATERIAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements of the Bank are prepared in accordance with IFRS Accounting Standard 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 standards. The condensed consolidated interim financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the three months ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The accounting policies 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.

The 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 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)
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(CONTINUED)**  
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**2 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(continued)**

**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 significant judgments made by the Management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

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 incurred loss 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.

From a sensitivity analysis point of view, if the pessimistic scenario was changed by +10% / - 10%, ECL change would not be material to the condensed consolidated interim financial statements.

**3 CASH AND BALANCES WITH CENTRAL BANKS**

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
Cash	<b>43,769</b>	43,793	34,799
Other balances with Central Banks	<b>190,793</b>	246,289	267,213
<b>Cash and cash equivalents</b>	<b>234,562</b>	290,082	302,012
Capital deposit with Central Bank of Oman	<b>500</b>	500	500
<b>Cash and balances with Central Banks</b>	<b>235,062</b>	290,582	302,512

- (i) At 31 March 2025, cash and balances with Central Bank of Oman included balances amounting to RO 500,000 (31 March 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 31 March 2025 is 3% (31 March and 31 December 2024 – 3%) of total deposits and for Central Bank of UAE, is 1% (31 March and 31 December 2024 – 1%) of time deposits and 14% (31 March 2024 – 7% 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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(CONTINUED)**  
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**4 DUE FROM BANKS AND OTHER MONEY MARKET PLACEMENTS**

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
Loans and advances to Banks	<b>34,458</b>	12,512	26,757
Placement with Banks	<b>217,596</b>	384,821	322,398
Demand balances	<b>25,012</b>	56,801	23,315
<b>Due from Banks and other money market placement</b>	<b>277,066</b>	454,134	372,470
Less: allowance for credit losses (note 22.3)	<b>(158)</b>	(71)	(106)
<b>Due from Banks and other money market placement</b>	<b>276,908</b>	454,063	372,364

**5 LOANS, ADVANCES AND ISLAMIC FINANCING ASSETS**

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
Overdrafts	<b>85,188</b>	69,013	78,564
Personal loans	<b>1,558,175</b>	1,502,256	1,538,728
Term loans, Islamic financing and others	<b>2,509,761</b>	2,182,364	2,473,414
<b>Gross loans, advances and Islamic financing assets for customers</b>	<b>4,153,124</b>	3,753,633	4,090,706
Less: allowance for credit losses (note 22.3)	<b>(167,535)</b>	(160,145)	(164,559)
<b>Loans, advances and Islamic financing assets for customers</b>	<b>3,985,589</b>	3,593,488	3,926,147

Gross loans, advances and Islamic financing assets for customers include RO 125 million due from related parties at 31 March 2025 (31 March 2024 – RO 81 million, 31 December 2024 – RO 118 million).

Included in above the Islamic financing asset (net of allowance for credit losses) of RO 351 million as at 31 March 2025 (31 March 2024 – RO 291 million, 31 December 2024 – RO 352 million).

Provided during the period/year includes contractual interest reserved for RO 2.49 million (31 March 2024 – RO 2.15 million and 31 December 2024 – RO 8.73 million).

Recovered/released during the period/year includes recovery of reserved interest at RO 0.49 million (31 March 2024 – RO 1.31 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 31 March 2025, loans and advances on which interest is not being accrued or where interest has been reserved amounted to RO 190 million (31 March 2024 – RO 172 million and 31 December 2024 – RO 191 million).



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)  
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**6 INVESTMENT SECURITIES**

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
<b><i>Investments measured at Fair value through profit and loss (FVTPL)</i></b>			
Quoted investments-Oman	1,941	1,663	2,052
Quoted investments-Foreign	155	192	166
Unquoted investments in funds	2,660	2,439	2,648
<b>Total FVTPL investments</b>	<b>4,756</b>	<b>4,294</b>	<b>4,866</b>
<b><i>Investments measured at Fair value through other comprehensive income (FVOCI) - Equity</i></b>			
Quoted investments-Oman	49,524	40,485	52,167
Quoted investments-Foreign	52,628	34,113	44,437
<b>Total FVOCI investments</b>	<b>102,152</b>	<b>74,598</b>	<b>96,604</b>
<b><i>Investments measured at amortised cost</i></b>			
Government development bonds-Oman	283,311	226,153	260,044
Government Sukuk-Oman	32,085	22,574	31,832
Treasury Bills	97,902	298,984	18,772
Quoted investments-Oman	45,649	45,425	45,632
Quoted investments-Foreign	16,290	15,940	16,202
<b>Total – amortised cost</b>	<b>475,237</b>	<b>609,076</b>	<b>372,482</b>
<b>Total investment securities</b>	<b>582,145</b>	<b>687,968</b>	<b>473,952</b>
<b>Less: allowance for credit losses (note 22.3)</b>	<b>(574)</b>	<b>(532)</b>	<b>(559)</b>
<b>Total investment securities</b>	<b>581,571</b>	<b>687,436</b>	<b>473,393</b>

**Details of significant investments**

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

	<b>Bank's portfolio</b>	<b>Carrying value</b>
	<b>%</b>	<b>RO'000</b>
<b><u>31/03/2025</u></b>		
Government Development Bonds - Oman	54%	315,396
Treasury Bills	17%	97,902
<b><u>31/03/2024</u></b>		
Treasury Bills	43%	298,984
Government Development Bonds - Oman	36%	248,727
<b><u>31/12/2024</u></b>		
Government Development Bonds - Oman	62%	291,876

In 2025 (YTD March), the Bank received dividends of RO 4.06 million from its FVOCI equities (YTD March 2024: 3.27 million for FVOCI equities), recorded as other operating income.

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

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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(CONTINUED)**  
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**7 OTHER ASSETS**

	31/03/2025 RO'000	31/03/2024 RO'000	31/12/2024 RO'000
Customers' indebtedness for acceptances (note 12)	84,683	45,507	80,066
Less: allowance for credit losses	(74)	-	(220)
Net Customers' indebtedness for acceptances	84,609	45,507	79,846
Prepaid expenses and others	43,163	21,451	16,079
Positive fair value of derivatives (note 30)	11,359	19,095	12,737
	<b>139,131</b>	<b>86,053</b>	<b>108,662</b>

**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
<b>Reconciliation of carrying amount:</b>					
Balance as at 1 January 2025, net of accumulated depreciation	46,018	10,643	1,050	1,756	59,467
Additions	-	91	604	474	1,169
Disposals	-	(4)	-	-	(4)
Transfers	55	200	(255)	-	-
Depreciation	(408)	(734)	-	(459)	(1,601)
<b>Balance at 31 March 2025, net of accumulated depreciation</b>	<b>45,665</b>	<b>10,196</b>	<b>1,399</b>	<b>1,771</b>	<b>59,031</b>
At cost	65,540	53,675	1,399	3,660	124,274
Accumulated depreciation	(19,875)	(43,479)	-	(1,889)	(65,243)
<b>Net carrying value at 31 March 2025</b>	<b>45,665</b>	<b>10,196</b>	<b>1,399</b>	<b>1,771</b>	<b>59,031</b>

**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	218	456	724	5,540
Disposals	-	(29)	(44)	-	(73)
Depreciation	(405)	(740)	-	(407)	(1,552)
<b>Balance at 31 March 2024, net of accumulated depreciation</b>	<b>47,076</b>	<b>8,918</b>	<b>1,672</b>	<b>2,142</b>	<b>59,808</b>
At cost	66,084	50,389	1,672	4,083	122,228
Accumulated depreciation	(19,008)	(41,471)	-	(1,941)	(62,420)
<b>Net carrying value at 31 March 2024</b>	<b>47,076</b>	<b>8,918</b>	<b>1,672</b>	<b>2,142</b>	<b>59,808</b>

**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)
<b>Balance at 31 December 2024, net of accumulated depreciation</b>	<b>46,018</b>	<b>10,643</b>	<b>1,050</b>	<b>1,756</b>	<b>59,467</b>
At cost	65,485	53,442	1,050	3,680	123,657
Accumulated depreciation	(19,467)	(42,799)	-	(1,924)	(64,190)
<b>Net carrying value at 31 December 2024</b>	<b>46,018</b>	<b>10,643</b>	<b>1,050</b>	<b>1,756</b>	<b>59,467</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**9 DUE TO BANKS AND OTHER MONEY MARKET DEPOSITS**

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
Borrowings	<b>298,134</b>	286,775	178,540
Demand balances	<b>19,206</b>	17,148	14,398
	<b>317,340</b>	303,923	192,938

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

**10 CUSTOMERS' DEPOSITS**

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
Term deposits	<b>1,946,663</b>	2,126,029	2,044,017
Current accounts	<b>1,473,282</b>	1,361,049	1,526,142
Savings accounts	<b>586,901</b>	572,004	558,364
	<b>4,006,846</b>	4,059,082	4,128,523

**11 OTHER LIABILITIES**

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
Liabilities under acceptances (note 7)	<b>84,683</b>	45,507	80,066
Other liabilities and accrued expenses	<b>60,548</b>	42,530	34,549
Negative fair value of derivatives (note 30)	<b>11,696</b>	16,303	11,886
Allowances for credit losses for loan commitments and financial guarantees (note 22.3)	<b>3,938</b>	4,563	4,047
Deferred tax liability (note 12)	<b>2,383</b>	828	2,169
Lease liabilities	<b>972</b>	1,363	1,083
	<b>164,220</b>	111,094	133,800

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**12 TAXATION**

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
<b>Tax expenses</b>			
Current tax expense for the period/year	<b>3,019</b>	2,681	10,134
Deferred tax	<b>5</b>	(28)	1,010
	<b>3,024</b>	<b>2,653</b>	<b>11,144</b>

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

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
Sultanate of Oman (of Combined taxable income)	<b>15%</b>	15%	15%
United Arab Emirates (of taxable income)			
National level	<b>9%</b>	9%	9%
Emirates level	<b>20%</b>	20%	20%
Egypt (of taxable income)	<b>22.5%</b>	22.5%	22.5%

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

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
Accounting profit	<b>20,105</b>	18,123	74,207
Tax at applicable rate	<b>3,016</b>	2,718	11,131
Tax exempt revenues	<b>(454)</b>	(309)	(635)
Others	<b>457</b>	272	(362)
Total	<b>3,019</b>	<b>2,681</b>	<b>10,134</b>

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 financial position as at 31 March 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.

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
<b>Income tax liability</b>			
Through comprehensive income	<b>3,019</b>	2,681	10,134
Through prior years	<b>19,112</b>	18,882	8,989
	<b>22,131</b>	<b>21,563</b>	<b>19,123</b>

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
<b>Recognised deferred tax liability</b>			
Deferred tax assets are attributable to the following:			
Deductible temporary differences relating to provisions	<b>1,177</b>	136	1,172
FVOCI investments	<b>1,206</b>	692	997
	<b>2,383</b>	<b>828</b>	<b>2,169</b>

**Movement of deferred tax liability**

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
Balance at the beginning of the period/year	<b>2,169</b>	845	845
Provided /(released) during the period/year	<b>5</b>	(28)	1,010
Tax effect of movement in FVOCI investments	<b>209</b>	11	314
	<b>2,383</b>	<b>828</b>	<b>2,169</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**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	(2,994)	-	(2,994)
Tax effect of net results on FVOCI	(209)	-	(209)
Transfer from retained earnings	-	4,029	4,029
<b>At 31 March 2025</b>	<b>(6,596)</b>	<b>18,851</b>	<b>12,255</b>
At 31 March 2024	(3,122)	13,158	10,036
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.

<b>Issuance Month/Year</b>	<b>Issued Amount</b>	<b>Coupon Rate</b>
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).

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**15 CONTINGENT LIABILITIES AND COMMITMENTS**

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
Guarantees	<b>284,503</b>	300,222	262,589
Documentary letters of credit	<b>63,531</b>	39,487	50,068
Undrawn commitment to lend	<b>167,341</b>	107,417	140,363
	<b>515,375</b>	447,126	453,020

- (i) The allowances for credit losses for commitments and financial guarantees amounts to RO 3.94 million (31 March 2024 – RO 4.56 million and 31 December 2024 – RO 4.05 million) and is included under note 11.
- (ii) Guarantees include RO 4.92 million (31 March 2024 – RO 5.28 million and 31 December 2024 – RO 4.92 million) relating to non-performing loans.

**16 INTEREST INCOME**

	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31/03/2025</b>	<b>31/03/2024</b>
	<b>RO'000</b>	<b>RO'000</b>
Interest from customers	<b>51,786</b>	49,484
Interest from Banks	<b>3,072</b>	6,751
Interest from investments	<b>5,642</b>	7,065
	<b>60,500</b>	63,300

**17 INTEREST EXPENSE**

	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31/03/2025</b>	<b>31/03/2024</b>
	<b>RO'000</b>	<b>RO'000</b>
Interest to customer	<b>32,915</b>	32,342
Interest to Banks	<b>3,372</b>	7,358
	<b>36,287</b>	39,700

**18 FEE AND COMMISSION INCOME**

	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31/03/2025</b>	<b>31/03/2024</b>
	<b>RO'000</b>	<b>RO'000</b>
Fee and commission income	<b>9,950</b>	8,916
Less: fee and commission expenses	<b>(3,515)</b>	(3,099)
Net fee and commission income	<b>6,435</b>	5,817

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

**19 OTHER OPERATING INCOME**

	<b>3 months ended</b>	<b>3 months ended</b>
	<b>31/03/2025</b>	<b>31/03/2024</b>
	<b>RO'000</b>	<b>RO'000</b>
Net gains from foreign exchange dealings	<b>2,376</b>	2,054
Loss profit on investments at FVTPL	<b>(81)</b>	(144)
Dividend income	<b>4,105</b>	3,313
Miscellaneous income	<b>1,236</b>	1,070
	<b>7,636</b>	6,293

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)**

**As at 31 March 2025 (unaudited)**

**20 STAFF COSTS**

	<b>3 months ended 31/03/2025 RO'000</b>	<b>3 months ended 31/03/2024 RO'000</b>
Employees' salaries	<b>7,251</b>	6,861
Contribution to social insurance schemes	<b>735</b>	625
Other staff costs	<b>2,309</b>	2,458
	<b>10,295</b>	9,944

The Bank employed 1,423 employees as of 31 March 2025 (31 March 2024 – 1,402).

**21 OTHER OPERATING EXPENSES**

	<b>3 months ended 31/03/2025 RO'000</b>	<b>3 months ended 31/03/2024 RO'000</b>
Establishment costs	<b>1,141</b>	669
Operating and administration expenses	<b>3,071</b>	3,083
Directors' remuneration and sitting fees	<b>112</b>	119
	<b>4,324</b>	3,871

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)  
As at 31 March 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 31 March 2025

	Amounts in RO'000		
	As per CBO Norms	As per IFRS 9	Difference
Impairment Loss charged to profit and loss	-	3,809	NA
Provisions required as per CBO norms/ held as per IFRS 9	194,457	172,279	(22,178)
Gross non-performing loan ratio (percentage)	-	4.6	-
Net non-performing loan ratio (percentage)	-	3.9	-

**Mapping of IFRS 9 and CBO norms as of 31 March 2025**

Asset Classification as per CBO Norms	Amounts in RO'000						
	Asset Classification as per IFRS 9	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	3,422,627	43,833	9,749	34,084	3,412,878	-
	Stage 2	359,068	3,911	6,649	(2,738)	352,419	-
	Stage 3	-	-	-	-	-	-
Subtotal		3,781,695	47,744	16,398	31,346	3,765,297	-
Special Mention	Stage 1	-	-	-	-	-	-
	Stage 2	181,461	1,924	28,015	(26,091)	153,446	-
	Stage 3	-	-	-	-	-	-
Subtotal		181,461	1,924	28,015	(26,091)	153,446	-
Substandard	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	4,957	1,326	1,390	7	3,567	71
Subtotal		4,957	1,326	1,390	7	3,567	71
Doubtful	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	50,468	22,302	35,512	(9,054)	14,956	4,156
Subtotal		50,468	22,302	35,512	(9,054)	14,956	4,156
Loss	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	134,543	92,985	86,220	30,714	48,323	23,949
Subtotal		134,543	92,985	86,220	30,714	48,323	23,949
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,335,827	-	1,065	(1,065)	1,334,762	-
	Stage 2	246,673	-	2,448	(2,448)	244,225	-
	Stage 3	4,923	-	1,231	(1,231)	3,692	-
Subtotal		1,587,423	-	4,744	(4,744)	1,582,679	-
Total	Stage 1	4,758,454	43,833	10,814	33,019	4,747,640	-
	Stage 2	787,202	5,835	37,112	(31,277)	750,090	-
	Stage 3	194,891	116,613	124,353	20,436	70,538	28,176
	Total	5,740,547	166,281	172,279	22,178	5,568,268	28,176



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)  
As at 31 March 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 31 March 2024

	Amounts in RO’000		
	As per CBO Norms	As per IFRS 9	Difference
Impairment Loss charged to profit and loss	-	3,875	NA
Provisions required as per CBO norms/ held as per IFRS 9	180,791	165,311	(15,480)
Gross non-performing loan ratio (percentage)	-	4.6	-
Net non-performing loan ratio (percentage)	-	4.0	-

Mapping of IFRS 9 and CBO norms as of 31 March 2024

Asset Classification as per CBO Norms	Amounts in RO’000						
	Asset Classification as per IFRS 9	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	2,812,978	38,002	6,091	31,911	2,806,887	-
	Stage 2	558,555	5,911	9,188	(3,277)	549,367	-
	Stage 3	-	-	-	-	-	-
	Subtotal	3,371,533	43,913	15,279	28,634	3,356,254	-
Special Mention	Stage 1	-	-	-	-	-	-
	Stage 2	210,590	2,161	41,472	(39,311)	169,118	-
	Stage 3	-	-	-	-	-	-
	Subtotal	210,590	2,161	41,472	(39,311)	169,118	-
Substandard	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	15,530	3,816	4,364	(362)	11,166	186
	Subtotal	15,530	3,816	4,364	(362)	11,166	186
Doubtful	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	22,583	9,767	11,477	349	11,106	2,059
	Subtotal	22,583	9,767	11,477	349	11,106	2,059
Loss	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	133,397	97,290	87,553	31,336	45,844	21,599
	Subtotal	133,397	97,290	87,553	31,336	45,844	21,599
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,673,795	-	1,038	(1,038)	1,672,757	-
	Stage 2	167,354	-	2,809	(2,809)	164,545	-
	Stage 3	5,276	-	1,319	(1,319)	3,957	-
	Subtotal	1,846,425	-	5,166	(5,166)	1,841,259	-
Total	Stage 1	4,486,773	38,002	7,129	30,873	4,479,644	-
	Stage 2	936,499	8,072	53,469	(45,397)	883,030	-
	Stage 3	176,786	110,873	104,713	30,004	72,073	23,844
	Total	5,600,058	156,947	165,311	15,480	5,434,747	23,844

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)  
As at 31 March 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 31 March 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	201,095	2,035	26,404	(24,369)	174,691	-
	Stage 3	-	-	-	-	-	-
Subtotal		201,095	2,035	26,404	(24,369)	174,691	-
Classified as non-performing	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	59,176	37,088	41,165	724	18,011	4,801
Sub total		59,176	37,088	41,165	724	18,011	4,801
Total	Stage 1	-	-	-	-	-	-
	Stage 2	201,095	2,035	26,404	(24,369)	174,691	-
	Stage 3	59,176	37,088	41,165	724	18,011	4,801
	Total	260,271	39,123	67,569	(23,645)	192,702	4,801

**Restructured loans as at 31 March 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	192,297	1,986	33,302	(31,316)	158,995	-
	Stage 3	-	-	-	-	-	-
Subtotal		192,297	1,986	33,302	(31,316)	158,995	-
Classified as non-performing	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	30,200	22,172	18,482	7,141	11,718	3,451
Sub total		30,200	22,172	18,482	7,141	11,718	3,451
Total	Stage 1	-	-	-	-	-	-
	Stage 2	192,297	1,986	33,302	(31,316)	158,995	-
	Stage 3	30,200	22,172	18,482	7,141	11,718	3,451
	Total	222,497	24,158	51,784	(24,175)	170,713	3,451

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)  
As at 31 March 2025 (unaudited)**

**22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**

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

As at 31 March 2025	Stage 1	Stage 2	Stage 3	Total
	RO' 000	RO'000	RO'000	RO'000
<b>Exposure subject to ECL</b>				
- Central bank balances	235,062	-	-	235,062
- Due from banks and other money market placements	277,066	-	-	277,066
- Loans, advances and Islamic financing assets	3,422,627	540,529	189,968	4,153,124
- Investment securities (debt)	475,237	-	-	475,237
- Acceptances	21,289	63,394	-	84,683
- Contingent liabilities and commitments	327,173	183,279	4,923	515,375
	4,758,454	787,202	194,891	5,740,547
<b>Opening Balance - as at 1 January 2025</b>				
- 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
<b>Net transfer between stages</b>				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	-	-	-	-
- Loans, advances and Islamic financing assets	(161)	(26,618)	26,779	-
- Investment securities (debt)	-	-	-	-
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	63	(63)	-	-
	(98)	(26,681)	26,779	-
<b>Charge for the Period (net)</b>				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	52	-	-	52
- Loans, advances and Islamic financing assets	(663)	28,566	(20,539)	7,364
- Investment securities (debt)	15	-	-	15
- Acceptances	(80)	(66)	-	(146)
- Contingent liabilities and commitments	(68)	(41)	-	(109)
	(744)	28,459	(20,539)	7,176
<b>Write off for the period</b>				
- Loans, advances and Islamic financing assets	-	-	(4,388)	(4,388)
	-	-	(4,388)	(4,388)
<b>Closing Balance - as at 31 March 2025</b>				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	158	-	-	158
- Loans, advances and Islamic financing assets	9,749	34,664	123,122	167,535
- Investment securities (debt)	574	-	-	574
- Acceptances	13	61	-	74
- Contingent liabilities and commitments	320	2,387	1,231	3,938
	10,814	37,112	124,353	172,279

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)  
As at 31 March 2025 (unaudited)**

**22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**

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

<b>As at 31 March 2024</b>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>RO' 000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
<b>Exposure subject to ECL</b>				
- Central bank balances	290,582	-	-	290,582
- Due from banks and other money market placements	454,134	-	-	454,134
- Loans, advances and Islamic financing assets	2,812,978	769,145	171,510	3,753,633
- Investment securities (debt)	609,076	-	-	609,076
- Acceptances	45,507	-	-	45,507
- Contingent liabilities and commitments	274,496	167,354	5,276	447,126
	4,486,773	936,499	176,786	5,600,058
<b>Opening Balance - as at 1 January 2024</b>				
- 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
<b>Net transfer between stages</b>				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	-	-	-	-
- Loans, advances and Islamic financing assets	(491)	(3,198)	3,689	-
- Investment securities (debt)	-	-	-	-
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	(265)	265	-	-
	(756)	(2,933)	3,689	-
<b>Charge for the Period (net)</b>				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	21	-	-	21
- Loans, advances and Islamic financing assets	864	2,075	2,680	5,619
- Investment securities (debt)	6	-	-	6
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	337	(301)	40	76
	1,228	1,774	2,720	5,722
<b>Write off for the period</b>				
- Loans, advances and Islamic financing assets	-	-	(3,157)	(3,157)
	-	-	(3,157)	(3,157)
<b>Closing Balance - as at 31 March 2024</b>				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	71	-	-	71
- Loans, advances and Islamic financing assets	6,091	50,660	103,394	160,145
- Investment securities (debt)	532	-	-	532
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	435	2,809	1,319	4,563
	7,129	53,469	104,713	165,311

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)**

**As at 31 March 2025 (unaudited)**

**22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)**

**22.4 Movement in loans**

As at 31 March 2025	Stage 1	Stage 2	Stage 3	Total
	RO' 000	RO' 000	RO' 000	RO' 000
<b>Exposure subject to ECL</b>				
Opening Balance - as at 1 January 2025	3,342,348	557,782	190,576	4,090,706
Transfer to stage 1	4,859	(4,823)	(36)	-
Transfer to stage 2	(19,502)	19,650	(148)	-
Transfer to stage 3	(795)	(3,682)	4,477	-
New loans, advances and Islamic financing assets	242,086	47,521	-	289,607
Recovery of loans, advances and Islamic financing assets	(146,369)	(75,919)	(513)	(222,801)
Write off for the period	-	-	(4,388)	(4,388)
Closing Balance - as at 31 March 2025	3,422,627	540,529	189,968	4,153,124

As at 31 March 2024	Stage 1	Stage 2	Stage 3	Total
	RO' 000	RO' 000	RO' 000	RO' 000
<b>Exposure subject to ECL</b>				
Opening Balance - as at 1 January 2024	2,735,344	754,781	163,484	3,653,609
Transfer to stage 1	1,879	(1,600)	(279)	-
Transfer to stage 2	(5,714)	5,762	(48)	-
Transfer to stage 3	(386)	(13,224)	13,610	-
New loans, advances and Islamic financing assets	214,645	75,953	-	290,598
Recovery of loans, advances and Islamic financing assets	(132,790)	(52,527)	(2,100)	(187,417)
Write off for the period	-	-	(3,157)	(3,157)
Closing Balance - as at 31 March 2024	2,812,978	769,145	171,510	3,753,633

**22.5 Total impairment losses on financial instruments (net)**

	3 months ended 31/03/2025 RO'000	3 months ended 31/03/2024 RO'000
<b>(Impairment)/reversal of impairment for credit losses:</b>		
Due from Banks and other money market placements	(52)	(21)
Loans, advances and Islamic financing assets	(6,112)	(5,162)
Investment securities (debt)	(15)	(6)
Acceptances	146	-
Contingent liabilities and commitments	109	(76)
<b>Total</b>	<b>(5,924)</b>	<b>(5,265)</b>
<b>Recoveries and releases from:</b>		
Provision for credit losses	746	378
Loans, advances and Islamic financing assets written off	1,369	1,012
<b>Total</b>	<b>2,115</b>	<b>1,390</b>
<b>Net Impairment losses</b>	<b>(3,809)</b>	<b>(3,875)</b>

**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:

	3 months ended 31/03/2025 RO'000	3 months ended 31/03/2024 RO'000
Net profit after tax (RO'000s)	17,081	15,470
Weighted average number of shares outstanding during the period (in '000s)	1,625,946	1,625,946
Basic and diluted earnings per share (RO)	0.011	0.010

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 31 March 2025 (unaudited)

### 24 ASSETS/ LIABILITIES MISMATCH

The residual maturity behavioral of the assets, liabilities and equity at 31 March 2025 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	132,040	31,844	163,884	45,884	25,294	71,178	235,062
Due from Banks and other money market placements	190,283	73,150	263,433	7,700	5,775	13,475	276,908
Loans, advances and Islamic financing assets	383,024	233,894	616,918	1,357,316	2,011,355	3,368,671	3,985,589
Investment securities	207,416	42,340	249,756	280,441	51,374	331,815	581,571
Other assets	134,178	4,953	139,131	-	-	-	139,131
Property and equipment	-	-	-	-	59,031	59,031	59,031
<b>Total assets</b>	<b>1,046,941</b>	<b>386,181</b>	<b>1,433,122</b>	<b>1,691,341</b>	<b>2,152,829</b>	<b>3,844,170</b>	<b>5,277,292</b>
<b>Future interest cash inflows</b>	<b>59,299</b>	<b>158,640</b>	<b>217,939</b>	<b>646,099</b>	<b>301,246</b>	<b>947,345</b>	<b>1,165,284</b>
Due to Banks and other money market deposits	132,179	19,250	151,429	165,911	-	165,911	317,340
Customers' deposits	707,184	1,039,675	1,746,859	1,473,192	786,795	2,259,987	4,006,846
Other liabilities	161,884	1,312	163,196	52	972	1,024	164,220
Taxation	22,131	-	22,131	-	-	-	22,131
Shareholders' equity	-	-	-	-	541,718	541,718	541,718
Tier 1 perpetual bonds	-	-	-	-	225,037	225,037	225,037
<b>Total liabilities and shareholders' equity</b>	<b>1,023,378</b>	<b>1,060,237</b>	<b>2,083,615</b>	<b>1,639,155</b>	<b>1,554,522</b>	<b>3,193,677</b>	<b>5,277,292</b>
<b>Future interest cash outflows</b>	<b>41,165</b>	<b>96,401</b>	<b>137,566</b>	<b>309,348</b>	<b>114,943</b>	<b>424,291</b>	<b>561,857</b>
<b>Total liquidity gap (total assets – total liabilities and shareholders' equity)</b>	<b>23,563</b>	<b>(674,056)</b>	<b>(650,493)</b>	<b>52,186</b>	<b>598,307</b>	<b>650,493</b>	<b>-</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 31 March 2025 (unaudited)

### 24 ASSETS/ LIABILITIES MISMATCH (continued)

The residual maturity behavioral of the assets, liabilities and equity at 31 March 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	157,022	50,386	207,408	52,061	31,113	83,174	290,582
Due from Banks and other money market placements	337,295	109,915	447,210	6,853	-	6,853	454,063
Loans, advances and Islamic financing assets	428,950	176,590	605,540	1,064,366	1,923,582	2,987,948	3,593,488
Investment securities	368,030	10,903	378,933	221,964	86,539	308,503	687,436
Other assets	82,144	3,909	86,053	-	-	-	86,053
Property and equipment	-	-	-	-	59,808	59,808	59,808
<b>Total assets</b>	<b>1,373,441</b>	<b>351,703</b>	<b>1,725,144</b>	<b>1,345,244</b>	<b>2,101,042</b>	<b>3,446,286</b>	<b>5,171,430</b>
Future interest cash inflows	63,846	157,842	221,688	647,467	307,550	955,017	1,176,705
Due to Banks and other money market deposits	46,047	13,401	59,448	244,475	-	244,475	303,923
Customers' deposits	917,239	1,066,078	1,983,317	1,402,470	673,295	2,075,765	4,059,082
Other liabilities	109,029	2,029	111,058	36	-	36	111,094
Taxation	21,563	-	21,563	-	-	-	21,563
Shareholders' equity	-	-	-	-	508,635	508,635	508,635
Tier 1 perpetual bonds	-	-	-	-	167,133	167,133	167,133
<b>Total liabilities and shareholders' equity</b>	<b>1,093,878</b>	<b>1,081,508</b>	<b>2,175,386</b>	<b>1,646,981</b>	<b>1,349,063</b>	<b>2,996,044</b>	<b>5,171,430</b>
Future interest cash outflows	41,026	94,199	135,225	285,784	93,411	379,195	514,420
<b>Total liquidity gap (total assets – total liabilities and shareholders' equity)</b>	<b>279,563</b>	<b>(729,805)</b>	<b>(450,242)</b>	<b>(301,737)</b>	<b>751,979</b>	<b>450,242</b>	<b>-</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)**  
**As at 31 March 2025 (unaudited)**

**24 ASSETS/ LIABILITIES MISMATCH (continued)**

The residual maturity behavioral of the assets, liabilities and equity at 31 December 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	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
<b>Total assets</b>	<b>1,026,547</b>	<b>421,914</b>	<b>1,448,461</b>	<b>1,691,606</b>	<b>2,102,478</b>	<b>3,794,084</b>	<b>5,242,545</b>
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
<b>Total liabilities and shareholders' equity</b>	<b>960,158</b>	<b>1,146,121</b>	<b>2,106,279</b>	<b>1,651,081</b>	<b>1,485,185</b>	<b>3,136,266</b>	<b>5,242,545</b>
Future interest cash outflows	41,254	95,830	137,084	299,115	108,196	407,311	544,395
<b>Total liquidity gap (total assets – total liabilities and shareholders' equity)</b>	<b>66,389</b>	<b>(724,207)</b>	<b>(657,818)</b>	<b>40,525</b>	<b>617,293</b>	<b>657,818</b>	<b>-</b>

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



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 31 March 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".

	<i>On demand</i>		<i>Subtotal</i>			<i>Subtotal</i>	
	<i>within 3</i>	<i>3 to 12</i>	<i>less than 12</i>	<i>1 to 5</i>	<i>Over 5</i>	<i>over 12</i>	<i>Total</i>
	<i>months</i>	<i>months</i>	<i>months</i>	<i>years</i>	<i>years</i>	<i>months</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>	<i>RO'000</i>
<b>31 March 2025</b>							
Customers' deposits	2,304,563	796,237	3,100,800	906,008	38	906,046	4,006,846
Due to Banks and other money market deposits	132,179	19,250	151,429	165,911	-	165,911	317,340
Other liabilities	161,884	1,312	163,196	52	972	1,024	164,220
Future interest cash outflows	41,165	96,401	137,566	309,348	114,943	424,291	561,857
Contingent liabilities	150,056	127,654	277,710	67,127	3,197	70,324	348,034
<b>31 March 2024</b>							
Customers' deposits	2,250,107	558,431	2,808,538	1,250,483	61	1,250,544	4,059,082
Due to Banks and other money market deposits	46,047	13,401	59,448	244,475	-	244,475	303,923
Other liabilities	109,029	2,029	111,058	36	-	36	111,094
Future interest cash outflows	41,026	94,199	135,225	285,784	93,411	379,195	514,420
Contingent liabilities	145,210	146,578	291,788	46,791	1,130	47,921	339,709
<b>31 December 2024</b>							
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	41,379	96,205	137,584	301,115	109,446	410,561	548,145
Contingent liabilities	453,020	-	453,020	-	-	-	453,020

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(CONTINUED)**  
**As at 31 March 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. The Bank engages in transactions with related parties at arm's length terms and in accordance with relevant laws and regulations. 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:

	<b>31/03/2025</b>			<b>31/12/2024</b>		
	<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	-	125,247	125,247	-	117,932	117,932
Customers' deposits	405	54,043	54,448	330	42,005	42,335
Due from Banks	15,503	-	15,503	147	-	147
Due to Banks	5,514	-	5,514	175	-	175
Letters of credit, guarantees and acceptances	672	11,287	11,959	667	4,868	5,535
Investments	2,680	558	3,238	2,679	619	3,298

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

	<b>31/03/2025</b>			<b>31/03/2024</b>		
	<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	1,280	1,291	301	1,293	1,594
Commission income	-	67	67	1	174	175
Interest expense	-	291	291	-	172	172
Other expenses	-	1,645	1,645	-	688	688

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:

	<b>31/03/2025</b>	<b>31/12/2024</b>
	<b>RO'000</b>	<b>RO'000</b>
Loans, advances and Islamic financing assets	1,091	900
Customers' deposits	2,321	1,255

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)  
As at 31 March 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:

	<b>3 months ended 31/03/2025 RO'000</b>	<b>3 months ended 31/03/2024 RO'000</b>
Interest Income	9	14
Interest Expense	18	14
Salaries and other short-term benefits	2,196	2,120
Post-employment benefits	70	77

**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.

	<b>31/03/2025</b>	<b>31/03/2024</b>	<b>31/12/2024</b>
<b><i>Number of shares held ('000)</i></b>			
The Commercial Bank of Qatar	567,453	567,453	567,453
Suhail Salim Abdullah Al Mukhaini Bahwan	239,805	239,805	239,805
<b><i>% of shareholding</i></b>			
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:

	<b>31/03/2025 RO'000</b>	<b>31/03/2024 RO'000</b>	<b>31/12/2024 RO'000</b>
<b>Capital base</b>			
Common equity Tier 1	495,021	473,929	503,091
Additional Tier 1 - capital	225,037	167,133	225,037
Tier 2 capital	16,174	16,407	19,165
Total capital base	736,232	657,469	747,293
<b>Risk weighted assets</b>			
Credit risk	3,986,232	3,702,112	3,996,512
Operational risk	272,144	254,659	272,144
Market risk	126,438	93,054	94,013
Total risk weighted assets	4,384,814	4,049,825	4,362,669
Common Equity Tier 1 Ratio	11.3%	11.7%	11.5%
Tier 1 Ratio	16.4%	15.8%	16.7%
Risk asset ratio (Basel II norms)	16.8%	16.2%	17.1%

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(CONTINUED)**  
**As at 31 March 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:

	<b>Retail Banking RO'000</b>	<b>Wholesale Banking RO'000</b>	<b>International Banking RO'000</b>	<b>Islamic Banking RO'000</b>	<b>Funding center RO'000</b>	<b>Total RO'000</b>
<b>31 March 2025</b>						
<i>Operating income</i>	<b>14,633</b>	<b>18,670</b>	<b>1,708</b>	<b>2,695</b>	<b>2,428</b>	<b>40,134</b>
<i>Net profit/(loss)</i>	<b>3,471</b>	<b>9,429</b>	<b>403</b>	<b>1,606</b>	<b>2,172</b>	<b>17,081</b>
<i>Total assets</i>	<b>1,496,187</b>	<b>2,667,704</b>	<b>215,511</b>	<b>496,325</b>	<b>401,565</b>	<b>5,277,292</b>
<b>31 March 2024</b>						
<i>Operating income</i>	14,005	20,679	1,400	2,222	(941)	37,365
<i>Net profit/(loss)</i>	3,296	10,305	50	2,614	(795)	15,470
<i>Total assets</i>	1,450,664	2,377,904	179,682	415,794	747,386	5,171,430

**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:

<b>31 March 2025</b>	<b>Retail RO'000</b>	<b>Wholesale RO'000</b>	<b>International RO'000</b>	<b>Islamic RO'000</b>	<b>Total RO'000</b>
Transactional	<b>2,625</b>	-	<b>1</b>	<b>(15)</b>	<b>2,611</b>
Trade Income	<b>20</b>	<b>593</b>	<b>67</b>	<b>16</b>	<b>696</b>
Account Services	<b>5</b>	<b>372</b>	<b>(4)</b>	<b>11</b>	<b>384</b>
Underwriting & Syndication	<b>155</b>	<b>1,901</b>	<b>61</b>	<b>406</b>	<b>2,523</b>
Investment banking	-	<b>221</b>	-	-	<b>221</b>
<b>Total</b>	<b>2,805</b>	<b>3,087</b>	<b>125</b>	<b>418</b>	<b>6,435</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)**

**As at 31 March 2025 (unaudited)**

**28 SEGMENT REPORTING (continued)**

**Disaggregated revenues (continued)**

31 March 2024	Retail RO'000	Wholesale RO'000	International RO'000	Islamic RO'000	Total RO'000
Transactional	2,090	-	-	16	2,106
Trade Income	16	902	51	9	978
Account Services	28	303	-	10	341
Underwriting & Syndication	152	1,583	19	159	1,913
Investment banking	-	479	-	-	479
<b>Total</b>	<b>2,286</b>	<b>3,267</b>	<b>70</b>	<b>194</b>	<b>5,817</b>

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:

<b>For the period ended 31 March 2025</b>	<b><i>Oman</i> RO'000</b>	<b><i>UAE</i> RO'000</b>	<b><i>Egypt</i> RO'000</b>	<b><i>Total</i> RO'000</b>
Net interest income and income from Islamic financing and Investment activities	25,165	899	(1)	26,063
Fees, Commission and other operating income	13,261	807	3	14,071
<b>Operating income/(loss)</b>	<b>38,426</b>	<b>1,706</b>	<b>2</b>	<b>40,134</b>
Operating expenses	(15,597)	(612)	(11)	(16,220)
<b>Operating profit/(loss)</b>	<b>22,829</b>	<b>1,094</b>	<b>(9)</b>	<b>23,914</b>
Impairment losses (net) and taxation	(6,683)	(150)	-	(6,833)
<b>Segment profit/(loss) for the period</b>	<b>16,146</b>	<b>944</b>	<b>(9)</b>	<b>17,081</b>

**Other information**

<b>Segment assets</b>	<b>5,061,781</b>	<b>214,883</b>	<b>628</b>	<b>5,277,292</b>
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<b>For the period ended 31 March 2024</b>	<b><i>Oman</i> RO'000</b>	<b><i>UAE</i> RO'000</b>	<b><i>Egypt</i> RO'000</b>	<b><i>Total</i> RO'000</b>
Net interest income and income from Islamic financing and Investment activities	24,004	1,250	1	25,255
Fees, Commission and other operating income	11,961	385	(236)	12,110
Operating income/(loss)	35,965	1,635	(235)	37,365
Operating expenses	(14,850)	(466)	(51)	(15,367)
Operating profit/(loss)	21,115	1,169	(286)	21,998
Impairment losses (net) and taxation	(6,177)	(351)	-	(6,528)
<b>Segment profit/(loss) for the period</b>	<b>14,938</b>	<b>818</b>	<b>(286)</b>	<b>15,470</b>

**Other information**

<b>Segment assets</b>	<b>4,991,748</b>	<b>179,099</b>	<b>583</b>	<b>5,171,430</b>
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)  
As at 31 March 2025 (unaudited)**

**29 FAIR VALUE OF FINANCIAL INSTRUMENTS**

Based on the valuation methodology outlined below, the fair values of all financial instruments at 31 March 2025, 31 March 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.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(CONTINUED)  
As at 31 March 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>
<b>31 March 2025</b>			
<b>Investment measured at FVTPL</b>			
Quoted equities	2,096	-	2,096
Unquoted equities	-	2,660	2,660
<b>Total</b>	<b>2,096</b>	<b>2,660</b>	<b>4,756</b>
<b>Investment measured at FVOCI</b>			
Quoted equities	102,152	-	102,152
<b>Total</b>	<b>102,152</b>	<b>-</b>	<b>102,152</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>104,248</b>	<b>2,660</b>	<b>106,908</b>
<b>31 March 2024</b>			
<b>Investment measured at FVTPL</b>			
Quoted equities	1,855	-	1,855
Unquoted equities	-	2,439	2,439
<b>Total</b>	<b>1,855</b>	<b>2,439</b>	<b>4,294</b>
<b>Investment measured at FVOCI</b>			
Quoted equities	74,598	-	74,598
<b>Total</b>	<b>74,598</b>	<b>-</b>	<b>74,598</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>76,453</b>	<b>2,439</b>	<b>78,892</b>
<b>31 December 2024</b>			
<b>Investment measured at FVTPL</b>			
Quoted equities	2,218	-	2,218
Unquoted equities	-	2,648	2,648
<b>Total</b>	<b>2,218</b>	<b>2,648</b>	<b>4,866</b>
<b>Investment measured at FVOCI</b>			
Quoted equities	96,604	-	96,604
<b>Total</b>	<b>96,604</b>	<b>-</b>	<b>96,604</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>98,822</b>	<b>2,648</b>	<b>101,470</b>

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 31 March 2025, 31 March 2024 and year ended 31 December 2024.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 31 March 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>	<b>Notional amounts by term to maturity</b>		
				<b>Within 3 months RO'000</b>	<b>3 – 12 months RO'000</b>	<b>Above 1 Year RO'000</b>
<b>31 March 2025</b>						
Interest rate swaps	11,029	(11,029)	415,507	8,782	36,177	370,548
Forward foreign exchange purchase contracts	62	(5)	323,492	136,323	160,772	26,397
Forward foreign exchange sales contracts	268	(662)	323,492	136,404	160,714	26,374
<b>Total</b>	<b>11,359</b>	<b>(11,696)</b>	<b>1,062,491</b>	<b>281,509</b>	<b>357,663</b>	<b>423,319</b>
<b>31 March 2024</b>						
Interest rate swaps	16,280	(16,280)	306,112	8,941	26,099	271,072
Forward foreign exchange purchase contracts	670	-	324,973	178,446	146,527	-
Forward foreign exchange sales contracts	2,145	(23)	324,973	178,867	146,106	-
<b>Total</b>	<b>19,095</b>	<b>(16,303)</b>	<b>956,058</b>	<b>366,254</b>	<b>318,732</b>	<b>271,072</b>
<b>31 December 2024</b>						
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
<b>Total</b>	<b>12,737</b>	<b>(11,886)</b>	<b>865,792</b>	<b>317,692</b>	<b>155,840</b>	<b>392,260</b>

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



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 31 March 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). It is applicable from January 1, 2015 with a minimum ratio of 60% and increasing by 10% every year thereafter till it reaches a minimum required level of 100% on 1 January, 2020.

	March 2025		March 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
<b>High quality liquid assets</b>						
<b>Total High Quality Liquid Assets (HQLA)</b>	-	665,625	-	918,770	-	572,408
<b>Cash outflows</b>						
Stable deposits	394,744	11,842	414,476	12,434	385,896	11,577
Less stable deposits	307,434	30,743	287,224	28,722	296,604	29,660
<b>Retail deposits and deposits from small business customers</b>	702,178	42,585	701,700	41,156	682,500	41,237
<b>Unsecured wholesale funding, of which:</b>						
Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,593,294	596,254	1,339,740	463,153	1,514,221	541,657
<b>Additional requirements, of which:</b>						
Credit and liquidity facilities	20,632	2,063	20,797	2,080	28,065	2,807
Other contractual funding obligations	18,330	917	13,701	685	5,988	299
Other contingent funding obligations	543,132	137,942	579,787	224,623	540,296	160,455
<b>Total cash outflows</b>	2,877,566	779,761	2,655,725	731,697	2,771,070	746,455
<b>Cash inflows</b>						
Inflows from fully performing exposures	342,437	262,592	488,276	401,004	428,941	355,993
Other cash inflows	166,058	166,058	237,693	237,693	184,245	184,245
<b>Total cash inflows</b>	508,495	428,650	725,969	638,697	613,186	540,238
<b>Total high quality liquid assets</b>	-	665,625	-	918,770	-	572,408
<b>Total net cash outflows</b>	-	351,111	-	182,924	-	206,217
<b>Liquidity coverage ratio (%)</b>	-	189.58	-	502.27	-	277.58

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

	31/03/2025 %	31/03/2024 %	31/12/2024 %
NSFR	114.46	119.85	118.71
Leverage ratio	12.90	11.73	13.15

### 32 COMPARATIVE AMOUNTS

Certain of the corresponding figures for 2024 have been reclassified in order to conform to the presentation for the current period.