

National Bank of Oman SAOG

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 June 2025 (UNAUDITED)



PO Box 751 PC 112 Ruwi Sultanate of Oman.

SR.NO	INDEX	PAGE NO
1	CHAIRPERSON’S REPORT	1
2	CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	2
3	CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	3
4	CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS	4
5	CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY	5
6	NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	6 - 33

CHAIRPERSON'S REPORT H1 2025

On behalf of the Board of Directors of National Bank of Oman SAOG (NBO), I am pleased to present the first half 2025 report for the period ended 30 June 2025.

Oman's Economy

The Sultanate's economy continues to demonstrate resilience and steady growth in 2025. Real GDP is projected to expand by 2.3 per cent for the year, supported by stronger non-oil activity and stabilisation in the hydrocarbons sector. The economy's size at constant prices is expected to reach approximately OMR 39.4 billion.

Inflation remains low, with 2025 estimates averaging around 1.5 per cent. This reflects a stable price environment, aided by prudent monetary policy and price control measures. Global oil prices are forecast to average 66 US dollars per barrel for the year, which is above the conservative 2025 budget assumption of 60 US dollars per barrel.

The 2025 State Budget projects revenues of OMR 11.18 billion, with oil and gas contributing about 68 per cent. Non-oil revenues are expected to reach OMR 3.57 billion, reflecting continued improvements in tax and fee collection. Total expenditure is set at OMR 11.8 billion, leaving a modest fiscal deficit of OMR 620 million or around 1.5 per cent of GDP.

Standard & Poor's (S&P) reaffirmed Oman's investment-grade sovereign rating at BBB with a stable outlook in April 2025, citing progress in fiscal consolidation and economic diversification. Public debt levels are projected to decline further to around 30 to 32 per cent of GDP in the medium term. In July 2025, Moody's also upgraded both Oman's sovereign rating and NBO's rating to investment grade.

NBO's Financial Performance

Given this backdrop, Net Interest Income for H1 2025 was OMR 53.34 million, showing an increase of 1.7 per cent compared with the same period last year.

Fee Income for the same period was OMR 26.10 million compared to OMR 21.87 million, an increase of 19.4 per cent.

Operating Expenses for the six months ended 30 June 2025 was OMR 32.38 million, compared to OMR 30.32 million for the corresponding period in 2024, an increase of 6.8 per cent.

Operating Profit, as a result, grew by 6.9 per cent year-on-year.

Net Impairment for the first half of 2025 was OMR 7.10 million, compared to OMR 7.61 million for the corresponding period last year, a decrease of 6.8 per cent, mainly due to higher recoveries in H1 2025.

As a result, the Net Profit for H1 2025 was OMR 34.03 million, a growth of 10.3 per cent over the corresponding period last year.

Gross loans and advances as of 30 June 2025 are at OMR 4.24 billion, reporting a growth of 9.1 per cent over last year. Customer deposits correspondingly are at OMR 4.21 billion, with the Bank continuing to maintain a healthy CASA mix.

The Bank's Core Equity and Total Capital Adequacy Ratio stood at 11.1 per cent and 16.6 per cent, respectively.

Key Updates and Agreements

We successfully concluded the Demo Day of our inaugural Fintech Accelerator Programme, marking a significant milestone in our commitment to driving innovation within the financial services industry. Held at our Head Office, the event brought together regulators, investors, industry leaders, and strategic partners to witness the final showcase of solutions developed by five high-potential fintech start-ups. Through the Fintech Accelerator, we are not only backing promising start-ups but also fostering collaboration across the industry to deliver customer-centric solutions and contribute meaningfully to Oman's digital and economic transformation.

In real estate financing, we signed MoUs with Zain Property Development and Adrak Developers to offer tailored financing for the Husn Alzain and Hai Al Naseem projects under the Sorouh initiative, supporting Oman Vision 2040's goal of sustainable housing. We also partnered with Dar Global to provide credit facilities for the AIDA Oceana project, part of the Yiti Master Development Plan, reinforcing our support for tourism and real estate investment. Additionally, we are delighted to sign two MoUs with Al Sarooj Development Company to support the Sarooj Oasis project.

We arranged a USD 187 million syndicated loan facility as mandated lead arranger for a major energy group, attracting double the subscription from six regional banks. We also arranged a USD 55 million refinancing deal for a leading industrial entity and provided OMR 12 million in working

capital to support a major manufacturer. Our relationship with a key government-related group was strengthened through tailored working capital solutions across six of its subsidiaries.

We strengthened our trade and project financing portfolio with an OMR 16 million facility for a major infrastructure project in Al Batinah. In trade services, we processed over 60 export collection transactions worth USD 8 million and saw 42 per cent year-on-year growth in export finance. The number of Export Letters of Credit also grew by 27 per cent, reflecting increased customer activity. Additionally, we activated an Escrow account and onboarded a client for Direct Debit arrangements, reinforcing our role in complex financial operations.

In capital markets, NBO facilitated the successful subscription of the Asyad Shipping IPO through our digital platform, ensuring a smooth experience for both retail and institutional investors and demonstrating our commitment to supporting Oman's capital market development.

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.

On the Government Banking front, we successfully managed the opening of new revenue and expense accounts under the Treasury Single Account framework, converted existing accounts into Treasury Single Accounts, and opened two sub-revenue accounts to support financial operations.

Digital Capabilities

In line with our steadfast commitment to innovation and financial inclusion, we continued to roll out innovative digital solutions aimed at enhancing customer convenience and empowering communities.

As part of our ongoing digital transformation, we revamped the NBO app's dashboard to deliver a more seamless and user-friendly experience. Several new features were also introduced to enhance customer convenience and accessibility. A key milestone was the launch of a fully digital account opening service, enabling individuals to open an account seamlessly without visiting a branch or submitting physical documents. We also launched a secure, user-friendly feature allowing customers to request Supplementary Credit Cards for family members directly through

the app, reinforcing our commitment to financial empowerment. Additionally, we enhanced the personal loan top-up service, enabling eligible customers with salary-related loans to apply for additional financing quickly and securely, without branch visits.

To add convenience during festive seasons, we rolled out a limited-time Eid notes pre-booking service through the NBO app, allowing customers to reserve their notes in advance and avoid long queues at branches. Additionally, Eid Note Dispensing Machines were deployed across five locations in Oman.

On the corporate banking front, we officially launched our Application Programming Interface (API), marking a significant step towards advancing the Sultanate's digital banking landscape. The secure platform enables seamless integration between the customer's systems and NBO's channels, offering real-time access to a wide range of banking services. The API Gateway serves as a foundational tool for corporate customers, government entities and fintech developers, supporting integration with Enterprise Resource Planning (ERP) systems, treasury functions and custom financial applications. It aligns with the Central Bank of Oman's vision to enable open banking and foster a digitally connected financial ecosystem.

Additionally, we introduced the Direct Debit E-Mandate, a pioneering digital solution developed in alignment with the Central Bank of Oman's digital payment strategy. Designed for both individuals and businesses, this service simplifies recurring transactions, offering users flexible and effortless control over their payments through an intuitive digital platform.

We recorded strong growth in our digital banking services for corporates. Customer acquisition on the Corporate Internet Banking (CIB) platform increased by 111 per cent year-over-year. Bill Payments usage also saw a notable 24 per cent rise. Additionally, 18 corporates connected with the bank through B2B mandates, with overall utilization increasing by 15 per cent year-over-year.

Stakeholder Engagement

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.

Celebrating the power of collaboration and technology, we hosted our inaugural Digital Partnership Awards Ceremony at our Head Office in Muscat. The exclusive event honoured public and private sector partners whose contributions are accelerating Oman's digital transformation and reinforcing NBO's vision of providing seamless, customer-centric banking experiences.

In collaboration with Muscat Stock Exchange, Estidama, the Financial Services Authority, and the Muscat Clearing and Depository Company, we hosted the introductory session for the Incentive Program and the AIM Market. The event spotlighted new incentives in Oman's capital market, with a focus on the Incentives Program and the AIM Market.

We hosted the MEIRA Oman Chapter Meeting and CEO Roundtable at our Azaiba Head Office, in collaboration with the Muscat Stock Exchange and MEIRA. The event gathered industry leaders and experts to discuss the future of Investor Relations and ESG practices, reinforcing our commitment to transparency, responsible finance, and long-term value creation.

We held the third edition of our Market Outlook 2025 event at our Head Office under the theme "Financial Markets in the Trump Era: Disruption or Opportunity." A global expert shared insights on macroeconomic trends and political dynamics, offering valuable perspectives for navigating the evolving financial landscape.

NBO Muzn Islamic Banking

Muzn Islamic Banking continues to perform well with total income for YTD June 2025 growing by 28.8 percent YoY. Gross Financing grew by 29.3 percent YoY to reach OMR 392 million as at 30th June 2025 and customer deposits grew by 6.4 percent YoY to reach OMR 329 million as at 30th June 2025.

NBO Muzn Islamic Banking has announced several strategic initiatives and partnerships during the first half aimed at enhancing customer benefits and expanding access to Shari'a-compliant financial solutions across Oman.

In line with its mission to support national housing development, Muzn Islamic Banking signed multiple Memoranda of Understanding (MOUs) with leading real estate developers to provide Shari'a-compliant home financing under Oman's national housing scheme. Partnerships include Sohar Real Estate Development for the Hai Majd Project, Zain Property Development for the Husn Al Zain Project, Al Masa Real Estate for Hayy Al Azm, Al Daham Real Estate for Hay Al Sumu, Adrak Developers for Yenaier and Hai Al Naseem, and Al Dahab Real Estate. Through these agreements, Muzn will offer tailored financing solutions to eligible customers purchasing properties under the Soroush Initiative. Additionally, Muzn partnered with Oman Housing Bank (OHB) to provide home financing support, including a complimentary Muzn Credit Card with a waived first-year fee for customers applying through OHB.

Reflecting its commitment to offering Shari'a-compliant financial solutions while reinforcing its presence across the Sultanate, Muzn Islamic Banking has opened a new branch in Al Mussanah. Moreover, we have relocated our branch in Al Mabila to a more convenient and accessible location, ensuring improved service delivery and customer experience.

Muzn Islamic Banking advanced its digital capabilities to improve customer convenience and access. Key initiatives included the launch of Dhamani Pay for health insurance transactions, E-IPO services through the Muzn app, and Samsung In-App Tokenization for enhanced payment security. The introduction of E-Mandate for Direct Debit via Corporate Internet Banking and the app boosted automation and efficiency. Muzn also conducted over 50 CIB training sessions for 26 corporates and government entities to support digital adoption.

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 flexible product reinforces Muzn's position as a strategic partner to Oman's corporate sector.

People

NBO CEO Abdullah Zahran Al Hinai participated in two high-profile panel discussions, reflecting the Bank's leadership and national commitment. At the Dubai Fintech Summit, he spoke on "Banking Transformed: The Next Wave of Innovation," sharing insights into NBO's role in digital banking, fintech, and financial inclusion, and underscoring our support for Oman's digital economy and Vision 2040. He also joined a panel on "Institutional Readiness and Strategies to Enhance Sustainability During Crises and Emergencies," organized by the Royal Academy of Management and the National Risk Register, reinforcing our focus on sustainability and the long-term resilience of the national economy.

Maha Saud Al Raisi, Assistant General Manager & Head of Products, and Mustahil Ahmed Al Mamari, Assistant General Manager & Head of Strategy and Transformation, successfully graduated from the prestigious National CEO Programme, delivered by the Royal Academy of Management. This achievement reflects their leadership capabilities, commitment to professional development, and alignment with the Bank's vision for excellence. Their continued contributions are expected to play a key role in advancing our strategic objectives and supporting the broader goals of Oman Vision 2040.

Community Values

We hosted a closing event at our Head Office to mark the successful conclusion of the current school semester's cycle of the More Than Money Programme, delivered in collaboration with INJAZ Oman. This milestone marked the end of a semester-long initiative that positively impacted 1,568 students across Muscat and Al Dakhiliyah governorates. The programme reflects our commitment to youth empowerment and financial education, aligning with our broader efforts to support community development and build a financially literate future generation.

We participated in the 2025 Sultan Qaboos University Career Fair, highlighting career opportunities, training programmes, and workshops to prepare students for the job market. As part of this, we launched the NBO Tomorrow's Leaders Programme for high-potential Omani graduates and the 2025 Internship Programme, both aligned with Oman Vision 2040 and national development goals.

As part of our annual Ramadhan Shahr Al Atta campaign, we supported underprivileged communities through various initiatives, including a charity-driven internal food festival, distribution of food hampers, and events with the Cultural Citizenship Salon and National Autism Center. We also marked Islamic Orphans Day and Qaranqasho with children from the Child Care Centre and those with autism. In partnership with the Zakat Committee, we contributed to the Kaswat Al Eid initiative, providing Eid clothing for children from low-income families.

Global Recognition

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

The Bank was named Best Retail Bank in Oman 2025 at MEED's Middle East and North Africa (MENA) Banking Excellence Awards. This prestigious recognition reflects the Bank's ongoing commitment to investing in innovative financial services and solutions that enhance customer experience.

At the Euromoney Private Banking Awards 2025, the Bank received two distinguished accolades: Oman's Best Private Bank and Best for High-Net-Worth (HNW) Customers. These awards underscore NBO's dedication to delivering tailored financial solutions and comprehensive wealth management strategies, while offering personalised experiences for its clients.

In recognition of its digital leadership, NBO was named Best Bank for Digital Banking Services in Oman 2024 by the Global Banking and Finance Review. This award affirms NBO's commitment to digital innovation and its continued investment in transforming the customer journey through technology.

Additionally, NBO was honoured as the Most Innovative Digital Retail Bank in Oman 2024 by the Global Business Outlook Awards. This accolade highlights the Bank's success in introducing pioneering solutions, including the Sultanate's first digital credit card application process, Eid Note Dispensing Machines across five locations during festive periods, and Self-Service Kiosks that provide a range of banking services without the need for branch visits.

We are proud to be recognized by the Ministry of Labour for achieving one of the highest Omanisation rates standing at 93 per cent. The recognition reflects our ongoing commitment to empower local talent, in alignment with Oman Vision 2040.

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 30 June 2025 (unaudited)

		30/06/2025	30/06/2024	Audited 31/12/2024
	Notes	RO'000	RO'000	RO'000
Assets				
Cash and balances with Central Banks	3	284,914	365,574	302,512
Due from Banks and other money market placements	4	366,777	288,657	372,364
Loans, advances and Islamic financing assets	5	4,067,604	3,720,784	3,926,147
Investment securities	6	593,660	447,811	473,393
Other assets	7	127,213	75,349	108,662
Property and equipment	8	59,888	59,510	59,467
Total assets		5,500,056	4,957,685	5,242,545
Liabilities and equity				
Liabilities				
Due to Banks and other money market deposits	9	329,978	161,439	192,938
Customers' deposits	10	4,204,843	3,990,910	4,128,523
Other liabilities	11	162,501	102,914	133,800
Taxation	12	17,298	16,625	19,123
Total liabilities		4,714,620	4,271,888	4,474,384
Equity				
Share capital		162,595	162,595	162,595
Share premium		34,465	34,465	34,465
Legal reserve		54,198	54,198	54,198
Other reserves	13	19,441	8,798	11,429
Retained earnings		289,700	258,608	280,437
Total equity attributable to the shareholders of the Bank		560,399	518,664	543,124
Tier 1 perpetual bonds	14	225,037	167,133	225,037
Total equity		785,436	685,797	768,161
Total liabilities and equity		5,500,056	4,957,685	5,242,545

The condensed consolidated interim financial statements were authorised for issue on 28 July 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 30 June 2025 (unaudited)

		<i>Six months ended</i>		<i>Three months ended</i>	
		<i>30 June</i>		<i>30 June</i>	
		2025	2024	2025	2024
	<i>Notes</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
Interest income	16	120,908	125,930	60,408	62,630
Interest expense	17	(71,352)	(76,707)	(35,065)	(37,007)
NET INTEREST INCOME		49,556	49,223	25,343	25,623
Income from Islamic financing and Investment		12,376	11,717	6,546	5,963
Interest expenses on Islamic customers' deposits		(8,597)	(8,476)	(4,617)	(4,377)
NET INCOME FROM ISLAMIC FINANCING AND INVESTMENTS		3,779	3,241	1,929	1,586
NET INTEREST INCOME AND NET INCOME FROM ISLAMIC FINANCING AND INVESTMENTS		53,335	52,464	27,272	27,209
Fee and commission income	18	21,440	18,214	11,490	9,298
Fee and commission expenses		(7,699)	(6,329)	(4,184)	(3,230)
Net fee and commission income		13,741	11,885	7,306	6,068
Other operating income	19	12,363	9,980	4,727	3,687
OPERATING INCOME		79,439	74,329	39,305	36,964
Staff costs	20	(20,373)	(19,635)	(10,078)	(9,691)
Other operating expenses	21	(8,818)	(7,598)	(4,494)	(3,727)
Depreciation	8	(3,191)	(3,082)	(1,590)	(1,530)
TOTAL OPERATING EXPENSES		(32,382)	(30,315)	(16,162)	(14,948)
PROFIT FROM OPERATIONS BEFORE IMPAIRMENT LOSSES AND TAX		47,057	44,014	23,143	22,016
Total impairment losses on financial instruments (net)	22.5	(7,097)	(7,612)	(3,288)	(3,737)
PROFIT BEFORE TAX		39,960	36,402	19,855	18,279
Taxation	12	(5,935)	(5,548)	(2,911)	(2,895)
PROFIT FOR THE PERIOD		34,025	30,854	16,944	15,384
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss					
Equity investments at FVOCI – net change in fair value		7,885	539	10,879	952
Tax effect of equity investments at FVOCI – net change in fair value		(1,035)	45	(826)	56
OTHER COMPREHENSIVE INCOME		6,850	584	10,053	1,008
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		40,875	31,438	26,997	16,392
Earnings per share:					
Basic and diluted	23	0.016	0.015	0.005	0.006

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 30 June 2025 (unaudited)

	Notes	Six months ended 30 June	
		2025 RO'000	2024 RO'000
Operating activities			
Profit before taxation		39,960	36,402
Adjustments for:			
Depreciation	8	3,191	3,082
Total impairment losses on financial instruments (net)	22.5	7,097	7,612
Loss/(gain) on investments at FVTPL and amortised cost		(115)	89
Loss/(gain) on sale of property and equipment		5	(9)
Amortisation of premium/(discount) (net)		(707)	(629)
Translation differences		-	(8)
Income from investment securities (dividend and interest)		(16,837)	(17,322)
Operating cash flows before changes in operating assets and liabilities		32,594	29,217
Due from Banks and other money market placements		41,557	(72,337)
Loans, advances and Islamic financing assets		(147,576)	(221,356)
Other assets		(18,551)	(7,049)
Due to Banks and other money market deposits		137,040	(252,770)
Customers' deposits		76,320	380,967
Other liabilities		25,955	(1,796)
Cash generated/(used in) from operating activities		147,339	(145,124)
Taxes paid		(6,973)	(7,918)
Cash generated/(used in) from operating activities		140,366	(153,042)
Investing activities			
Purchase of investment securities		(133,256)	(40,579)
Proceeds from sale of investment securities		21,871	55,535
Purchase of property and equipment	8	(2,103)	(5,729)
Proceeds from sale of property and equipment		10	126
Income from investment securities (dividend and interest)		16,406	17,322
Net cash (used in)/from investing activities		(97,072)	26,675
Financing activities			
Payment of dividend		(15,284)	(13,821)
Payment of lease liabilities		(1,179)	(935)
Payment of interest on Tier 1 perpetual bond		(8,316)	(6,363)
Net cash used in financing activities		(24,779)	(21,119)
Increase / (decrease) in cash and cash equivalents		18,515	(147,486)
Cash and cash equivalents at the beginning of the period		511,310	631,967
Cash and cash equivalents at the end of the period		529,825	484,481
Representing:			
Cash and balances with Central Banks	3	284,414	365,074
Due from Banks with original maturity of three months or less		245,411	119,407
		529,825	484,481

Interest received was RO 128.03 million (30 June 2024: RO 120.64 million) and interest paid was RO 81.27 million (30 June 2024: RO 82.50 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 30 June 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	-	-	-	-	34,025	34,025	-	34,025
Other comprehensive income for the period	-	-	-	6,850	-	6,850	-	6,850
Net losses on de-recognition of financial instruments measured at FVOCI (net of tax)	-	-	-	107	(107)	-	-	-
Transfer to impairment reserve	-	-	-	1,055	(1,055)	-	-	-
Payment of interest on tier 1 perpetual bond	-	-	-	-	(8,316)	(8,316)	-	(8,316)
Dividend paid during the period	-	-	-	-	(15,284)	(15,284)	-	(15,284)
Balance at 30 June 2025	162,595	34,465	54,198	19,441	289,700	560,399	225,037	785,436
Balance at 1 January 2024	162,595	34,465	54,198	7,882	248,270	507,410	167,133	674,543
Profit for the period	-	-	-	-	30,854	30,854	-	30,854
Other comprehensive income for the period	-	-	-	584	-	584	-	584
Transfer to impairment reserve	-	-	-	332	(332)	-	-	-
Payment of interest on tier 1 perpetual bond	-	-	-	-	(6,363)	(6,363)	-	(6,363)
Dividend paid during the period	-	-	-	-	(13,821)	(13,821)	-	(13,821)
Balance at 30 June 2024	162,595	34,465	54,198	8,798	258,608	518,664	167,133	685,797
Balance at 1 July 2024	162,595	34,465	54,198	8,798	258,608	518,664	167,133	685,797
Profit for the period	-	-	-	-	32,209	32,209	-	32,209
Other comprehensive loss for the period	-	-	-	(1,280)	-	(1,280)	-	(1,280)
Net losses on de-recognition of financial instruments measured at FVOCI (net of tax)	-	-	-	1	(1)	-	-	-
Transfer to impairment reserve	-	-	-	3,910	(3,910)	-	-	-
Issuance of tier 1 perpetual bonds	-	-	-	-	-	-	57,904	57,904
Issuance cost on tier 1 perpetual bonds	-	-	-	-	(107)	(107)	-	(107)
Payment of interest on tier 1 perpetual bond	-	-	-	-	(6,362)	(6,362)	-	(6,362)
Balance at 31 December 2024	162,595	34,465	54,198	11,429	280,437	543,124	225,037	768,161

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS As at 30 June 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 six months ended 30 June 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)
As at 30 June 2025 (unaudited)

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

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Cash	36,542	44,376	34,799
Other balances with Central Banks	247,872	320,698	267,213
Cash and cash equivalents	284,414	365,074	302,012
Capital deposit with Central Bank of Oman	500	500	500
Cash and balances with Central Banks	284,914	365,574	302,512

- (i) At 30 June 2025, cash and balances with Central Bank of Oman included balances amounting to RO 500,000 (30 June 2024: RO 500,000, 31 December 2024: RO 500,000) as capital deposit. This deposit cannot be withdrawn without the Central Bank of Oman approval.
- (ii) Minimum cash reserve to be maintained with Central Bank of Oman as of 30 June 2025 is 3% (30 June and 31 December 2024 – 3%) of total deposits and for Central Bank of UAE, is 1% (30 June and 31 December 2024 – 1%) of time deposits and 14% (30 June 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)
As at 30 June 2025 (unaudited)

4 DUE FROM BANKS AND OTHER MONEY MARKET PLACEMENTS

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Loans and advances to Banks	38,057	18,287	26,757
Placement with Banks	309,164	223,691	322,398
Demand balances	19,806	46,746	23,315
Due from Banks and other money market placement	367,027	288,724	372,470
Less: allowance for credit losses (note 22.3)	(250)	(67)	(106)
Due from Banks and other money market placement	366,777	288,657	372,364

5 LOANS, ADVANCES AND ISLAMIC FINANCING ASSETS

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Overdrafts	87,623	66,290	78,564
Personal loans	1,564,536	1,533,575	1,538,728
Term loans, Islamic financing and others	2,587,999	2,285,108	2,473,414
Gross loans, advances and Islamic financing assets for customers	4,240,158	3,884,973	4,090,706
Less: allowance for credit losses (note 22.3)	(172,554)	(164,189)	(164,559)
Loans, advances and Islamic financing assets for customers	4,067,604	3,720,784	3,926,147

Gross loans, advances and Islamic financing assets for customers include RO 122 million due from related parties at 30 June 2025 (30 June 2024 – RO 90 million, 31 December 2024 – RO 118 million).

Included in above the Islamic financing asset (net of allowance for credit losses) of RO 384 million as at 30 June 2025 (30 June 2024 – RO 297 million, 31 December 2024 – RO 352 million).

Provided during the period/year includes contractual interest reserved for RO 5.11 million (30 June 2024 – RO 4.26 million and 31 December 2024 – RO 8.73 million).

Recovered/released during the period/year includes recovery of reserved interest at RO 0.77 million (30 June 2024 – RO 2.24 million and 31 December 2024 – RO 3.03 million).

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

As of 30 June 2025, loans and advances on which interest is not being accrued or where interest has been reserved amounted to RO 195 million (30 June 2024 – RO 172 million and 31 December 2024 – RO 191 million).

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

6 INVESTMENT SECURITIES

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
<i>Investments measured at Fair value through profit and loss (FVTPL)</i>			
Quoted investments-Oman	2,080	1,625	2,052
Quoted investments-Foreign	160	172	166
Unquoted investments in funds	2,790	2,505	2,648
Total FVTPL investments	5,030	4,302	4,866
<i>Investments measured at Fair value through other comprehensive income (FVOCI) - Equity</i>			
Quoted investments-Oman	52,986	45,914	52,167
Quoted investments-Foreign	60,092	37,560	44,437
Total FVOCI investments	113,078	83,474	96,604
<i>Investments measured at amortised cost</i>			
Government development bonds-Oman	286,337	237,489	260,044
Government Sukuk-Oman	31,838	22,439	31,832
Treasury Bills	96,212	39,000	18,772
Quoted investments-Oman	45,712	45,619	45,632
Quoted investments-Foreign	16,377	16,027	16,202
Total – amortised cost	476,476	360,574	372,482
Total investment securities	594,584	448,350	473,952
Less: allowance for credit losses (note 22.3)	(924)	(539)	(559)
Total investment securities	593,660	447,811	473,393

Details of significant investments

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

	Bank's portfolio	Carrying value
	%	RO'000
<u>30/06/2025</u>		
Government Development Bonds - Oman	54%	318,175
Treasury Bills	16%	96,212
<u>30/06/2024</u>		
Government Development Bonds - Oman	58%	259,928
<u>31/12/2024</u>		
Government Development Bonds - Oman	62%	291,876

In 2025 (YTD June), the Bank received dividends of RO 4.27 million from its FVOCI equities (YTD June 2024: RO 3.30 million for FVOCI equities), recorded as other operating income.

Government Sukuk - Oman of RO 19.21 million (30 June 2024 and 31 December 2024: RO 19.21) are assigned as collateral against USD borrowings of RO 12.63 million (30 June 2024 and 31 December 2024: RO 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)
As at 30 June 2025 (unaudited)

7 OTHER ASSETS

	30/06/2025 RO'000	30/06/2024 RO'000	31/12/2024 RO'000
Customers' indebtedness for acceptances (note 12)	101,425	48,765	80,066
Less: allowance for credit losses	(106)	-	(220)
Net Customers' indebtedness for acceptances	101,319	48,765	79,846
Prepaid expenses and others	16,805	11,472	16,079
Positive fair value of derivatives (note 30)	9,089	15,112	12,737
	127,213	75,349	108,662

8 PROPERTY AND EQUIPMENT

	Freehold land and buildings and leasehold improvements RO'000	Motor vehicles, furniture and equipment RO'000	Capital work in progress RO'000	Right to use assets RO'000	Total RO'000
Reconciliation of carrying amount:					
Balance as at 1 January 2025, net of accumulated depreciation	46,018	10,643	1,050	1,756	59,467
Additions	-	1,055	1,048	1,535	3,638
Disposals	(6)	(9)	-	(11)	(26)
Transfers	272	368	(640)	-	-
Depreciation	(832)	(1,498)	-	(861)	(3,191)
Balance at 30 June 2025, net of accumulated depreciation	45,452	10,559	1,458	2,419	59,888
At cost	65,264	54,507	1,458	4,495	125,724
Accumulated depreciation	(19,812)	(43,948)	-	(2,076)	(65,836)
Net carrying value at 30 June 2025	45,452	10,559	1,458	2,419	59,888

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	473	1,114	1,087	6,816
Disposals	-	(32)	(85)	-	(117)
Transfers	74	322	(396)	-	-
Depreciation	(816)	(1,451)	-	(815)	(3,082)
Balance at 30 June 2024, net of accumulated depreciation	46,739	8,781	1,893	2,097	59,510
At cost	66,158	50,915	1,893	4,002	122,968
Accumulated depreciation	(19,419)	(42,134)	-	(1,905)	(63,458)
Net carrying value at 30 June 2024	46,739	8,781	1,893	2,097	59,510

Reconciliation of carrying amount:

Balance as at 1 January 2024, net of accumulated depreciation	43,339	9,469	1,260	1,825	55,893
Additions	4,142	1,872	2,460	1,599	10,073
Disposals	-	(87)	(85)	-	(172)
Transfers	188	2,397	(2,585)	-	-
Depreciation	(1,651)	(3,008)	-	(1,668)	(6,327)
Balance at 31 December 2024, net of accumulated depreciation	46,018	10,643	1,050	1,756	59,467
At cost	65,485	53,442	1,050	3,680	123,657
Accumulated depreciation	(19,467)	(42,799)	-	(1,924)	(64,190)
Net carrying value at 31 December 2024	46,018	10,643	1,050	1,756	59,467

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**
As at 30 June 2025 (unaudited)

9 DUE TO BANKS AND OTHER MONEY MARKET DEPOSITS

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Borrowings	285,138	145,548	178,540
Demand balances	44,840	15,891	14,398
	329,978	161,439	192,938

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

10 CUSTOMERS' DEPOSITS

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Term deposits	1,983,511	2,006,523	2,044,017
Current accounts	1,630,019	1,396,434	1,526,142
Savings accounts	591,313	587,953	558,364
	4,204,843	3,990,910	4,128,523

11 OTHER LIABILITIES

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Liabilities under acceptances (note 7)	101,425	48,765	80,066
Other liabilities and accrued expenses	41,622	33,375	34,549
Negative fair value of derivatives (note 30)	9,371	13,952	11,886
Allowances for credit losses for loan commitments and financial guarantees (note 22.3)	4,630	4,737	4,047
Deferred tax liability (note 12)	3,992	776	2,169
Lease liabilities	1,461	1,309	1,083
	162,501	102,914	133,800

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)
As at 30 June 2025 (unaudited)**

12 TAXATION

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Tax expenses			
Current tax expense for the period/year	5,147	5,572	10,134
Deferred tax	788	(24)	1,010
	5,935	5,548	11,144

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

	30/06/2025	30/06/2024	31/12/2024
Sultanate of Oman (of Combined taxable income)	15%	15%	15%
United Arab Emirates (of taxable income)			
National level	9%	9%	9%
Emirates level	20%	20%	20%
Egypt (of taxable income)	22.5%	22.5%	22.5%

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

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Accounting profit	39,960	36,402	74,207
Tax at applicable rate	5,994	5,460	11,131
Tax exempt revenues	(538)	(333)	(635)
Others	(309)	445	(362)
Total	5,147	5,572	10,134

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

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

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

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Income tax liability			
Through comprehensive income	5,147	5,572	10,134
Through prior years	12,151	11,053	8,989
	17,298	16,625	19,123

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Recognised deferred tax liability			
Deferred tax liabilities are attributable to the following:			
Deductible temporary differences relating to provisions	1,961	140	1,172
FVOCI investments	2,031	636	997
	3,992	776	2,169

Movement of deferred tax liability

	30/06/2025	30/06/2024	31/12/2024
	RO'000	RO'000	RO'000
Balance at the beginning of the period/year	2,169	845	845
Provided /(released) during the period/year	788	(24)	1,010
Tax effect of movement in FVOCI investments	1,035	(45)	314
	3,992	776	2,169

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)
As at 30 June 2025 (unaudited)**

13 OTHER RESERVES

	<i>FVOCI reserve RO'000</i>	<i>Impairment Reserve RO'000</i>	<i>Total RO'000</i>
At 1 January 2025	(3,393)	14,822	11,429
Net movement on FVOCI	7,885	-	7,885
Reclassification of net changes in FVOCI instruments upon de- recognition	107	-	107
Tax effect of net results on FVOCI	(1,035)	-	(1,035)
Transfer from retained earnings	-	1,055	1,055
At 30 June 2025	3,564	15,877	19,441
At 30 June 2024	(2,114)	10,912	8,798
At 31 December 2024	(3,393)	14,822	11,429

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

14 TIER 1 PERPETUAL BOND

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

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

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

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

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

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

As at 30 June 2025 (unaudited)

15 CONTINGENT LIABILITIES AND COMMITMENTS

	30/06/2025 RO'000	30/06/2024 RO'000	31/12/2024 RO'000
Guarantees	286,573	301,191	262,589
Documentary letters of credit	52,092	29,354	50,068
Undrawn commitment to lend	103,511	100,727	140,363
	442,176	431,272	453,020

- (i) The allowances for credit losses for commitments and financial guarantees amounts to RO 4.63 million (30 June 2024 – RO 4.74 million and 31 December 2024 – RO 4.05 million) and is included under note 11.
- (ii) Guarantees include RO 4.92 million (30 June 2024 – RO 5.28 million and 31 December 2024 – RO 4.92 million) relating to non-performing loans.

16 INTEREST INCOME

	6 months ended 30/06/2025 RO'000	6 months ended 30/06/2024 RO'000	3 months ended 30/06/2025 RO'000	3 months ended 30/06/2024 RO'000
Interest from customers	103,134	100,140	51,348	50,656
Interest from banks	6,147	12,472	3,075	5,721
Interest from investments	11,627	13,318	5,985	6,253
	120,908	125,930	60,408	62,630

17 INTEREST EXPENSE

	6 months ended 30/06/2025 RO'000	6 months ended 30/06/2024 RO'000	3 months ended 30/06/2025 RO'000	3 months ended 30/06/2024 RO'000
Interest to customers	65,565	64,853	32,650	32,511
Interest to banks	5,787	11,854	2,415	4,496
	71,352	76,707	35,065	37,007

18 FEE AND COMMISSION INCOME

	6 months ended 30/06/2025 RO'000	6 months ended 30/06/2024 RO'000	3 months ended 30/06/2025 RO'000	3 months ended 30/06/2024 RO'000
Fee and commission income	21,440	18,214	11,490	9,298
Less: fee and commission expenses	(7,699)	(6,329)	(4,184)	(3,230)
Net fee and commission income	13,741	11,885	7,306	6,068

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

19 OTHER OPERATING INCOME

	6 months ended 30/06/2025 RO'000	6 months ended 30/06/2024 RO'000	3 months ended 30/06/2025 RO'000	3 months ended 30/06/2024 RO'000
Net gains from foreign exchange dealings	5,521	4,551	3,145	2,497
Profit/(loss) on investments at FVTPL	115	(89)	196	55
Dividend income	4,350	3,370	245	57
Miscellaneous income	2,377	2,148	1,141	1,078
	12,363	9,980	4,727	3,687

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

20
STAFF COSTS

	6 months ended 30/06/2025 RO'000	6 months ended 30/06/2024 RO'000	3 months ended 30/06/2025 RO'000	3 months ended 30/06/2024 RO'000
Employees' salaries	14,461	13,818	7,210	6,957
Contribution to social insurance schemes	1,460	1,257	725	632
Other staff costs	4,452	4,560	2,143	2,102
	20,373	19,635	10,078	9,691

The Bank employed 1,405 employees as of 30 June 2025 (30 June 2024 – 1,418).

21
OTHER OPERATING EXPENSES

	6 months ended 30/06/2025 RO'000	6 months ended 30/06/2024 RO'000	3 months ended 30/06/2025 RO'000	3 months ended 30/06/2024 RO'000
Establishment costs	2,338	1,534	1,197	865
Operating and administration expenses	6,266	5,841	3,195	2,751
Directors remuneration and sitting fees	214	223	102	111
	8,818	7,598	4,494	3,727

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)
As at 30 June 2025 (unaudited)**

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

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

Impairment charge and provision held as of 30 June 2025

	Amounts in RO'000		
	As per CBO Norms	As per IFRS 9	Difference
Impairment Loss charged to profit and loss	-	7,097	N.A.
Provisions required as per CBO norms/ held as per IFRS 9	197,143	178,464	(18,679)
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 30 June 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	3,471,436	44,758	10,494	34,264	3,460,942	-
	Stage 2	374,565	4,181	11,499	(7,318)	363,066	-
	Stage 3	-	-	-	-	-	-
Subtotal		3,846,001	48,939	21,993	26,946	3,824,008	-
Special Mention	Stage 1	-	-	-	-	-	-
	Stage 2	199,635	2,039	22,452	(20,413)	177,183	-
	Stage 3	-	-	-	-	-	-
Subtotal		199,635	2,039	22,452	(20,413)	177,183	-
Substandard	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	6,872	1,707	1,958	(138)	4,914	113
Subtotal		6,872	1,707	1,958	(138)	4,914	113
Doubtful	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	31,898	14,991	23,879	(7,324)	8,019	1,564
Subtotal		31,898	14,991	23,879	(7,324)	8,019	1,564
Loss	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	155,752	99,052	102,272	25,518	53,480	28,738
Subtotal		155,752	99,052	102,272	25,518	53,480	28,738
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,416,867	-	1,611	(1,611)	1,415,256	-
	Stage 2	250,593	-	3,159	(3,159)	247,434	-
	Stage 3	4,558	-	1,140	(1,140)	3,418	-
Subtotal		1,672,018	-	5,910	(5,910)	1,666,108	-
Total	Stage 1	4,888,303	44,758	12,105	32,653	4,876,198	-
	Stage 2	824,793	6,220	37,110	(30,890)	787,683	-
	Stage 3	199,080	115,750	129,249	16,916	69,831	30,415
	Total	5,912,176	166,728	178,464	18,679	5,733,712	30,415

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

22
CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

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

Impairment charge and provision held as of 30 June 2024

	Amounts in RO’000		
	As per CBO Norms	As per IFRS 9	Difference
Impairment Loss charged to profit and loss	-	7,612	N.A.
Provisions required as per CBO norms/ held as per IFRS 9	182,370	169,532	(12,838)
Gross non-performing loan ratio (percentage)	-	4.4	-
Net non-performing loan ratio (percentage)	-	3.8	-

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

	Amounts in RO’000						
Asset Classification as per CBO Norms	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	2,963,292	39,766	11,268	28,498	2,952,024	-
	Stage 2	546,030	5,751	8,138	(2,387)	537,892	-
	Stage 3	-	-	-	-	-	-
	Subtotal	3,509,322	45,517	19,406	26,111	3,489,916	-
Special Mention	Stage 1	-	-	-	-	-	-
	Stage 2	203,183	2,082	38,625	(36,543)	164,558	-
	Stage 3	-	-	-	-	-	-
	Subtotal	203,183	2,082	38,625	(36,543)	164,558	-
Substandard	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	11,262	2,396	2,599	(6)	8,663	197
	Subtotal	11,262	2,396	2,599	(6)	8,663	197
Doubtful	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	29,234	12,790	15,136	107	14,098	2,453
	Subtotal	29,234	12,790	15,136	107	14,098	2,453
Loss	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	131,972	94,840	88,423	28,512	43,549	22,095
	Subtotal	131,972	94,840	88,423	28,512	43,549	22,095
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,334,181	-	1,084	(1,084)	1,333,097	-
	Stage 2	155,452	-	2,937	(2,937)	152,515	-
	Stage 3	5,276	-	1,322	(1,322)	3,954	-
	Subtotal	1,494,909	-	5,343	(5,343)	1,489,566	-
Total	Stage 1	4,297,473	39,766	12,352	27,414	4,285,121	-
	Stage 2	904,665	7,833	49,700	(41,867)	854,965	-
	Stage 3	177,744	110,026	107,480	27,291	70,264	24,745
	Total	5,379,882	157,625	169,532	12,838	5,210,350	24,745

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)
As at 30 June 2025 (unaudited)**

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

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

Restructured loans as at 30 June 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	193,767	2,330	24,430	(22,100)	169,337	-
	Stage 3	-	-	-	-	-	-
Subtotal		193,767	2,330	24,430	(22,100)	169,337	-
Classified as non-performing	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	60,457	30,342	43,270	(7,508)	17,187	5,420
Sub total		60,457	30,342	43,270	(7,508)	17,187	5,420
Total	Stage 1	-	-	-	-	-	-
	Stage 2	193,767	2,330	24,430	(22,100)	169,337	-
	Stage 3	60,457	30,342	43,270	(7,508)	17,187	5,420
	Total	254,224	32,672	67,700	(29,608)	186,524	5,420

Restructured loans as at 30 June 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	198,246	2,045	34,702	(32,657)	163,544	-
	Stage 3	-	-	-	-	-	-
Subtotal		198,246	2,045	34,702	(32,657)	163,544	-
Classified as non-performing	Stage 1	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-
	Stage 3	31,255	22,746	18,973	7,305	12,282	3,532
Sub total		31,255	22,746	18,973	7,305	12,282	3,532
Total	Stage 1	-	-	-	-	-	-
	Stage 2	198,246	2,045	34,702	(32,657)	163,544	-
	Stage 3	31,255	22,746	18,973	7,305	12,282	3,532
	Total	229,501	24,791	53,675	(25,352)	175,826	3,532

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

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

22.3 Movement in Expected credit losses (ECL)

As at 30 June 2025	Stage 1	Stage 2	Stage 3	Total
	RO' 000	RO'000	RO'000	RO'000
Exposure subject to ECL				
- Central bank balances	284,914	-	-	284,914
- Due from banks and other money market placements	367,027	-	-	367,027
- Loans, advances and Islamic financing assets	3,471,436	574,200	194,522	4,240,158
- Investment securities (debt)	476,476	-	-	476,476
- Acceptances	34,483	66,942	-	101,425
- Contingent liabilities and commitments	253,967	183,651	4,558	442,176
	4,888,303	824,793	199,080	5,912,176
Opening Balance - as at 1 January 2025				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	106	-	-	106
- Loans, advances and Islamic financing assets	10,573	32,716	121,270	164,559
- Investment securities (debt)	559	-	-	559
- Acceptances	93	127	-	220
- Contingent liabilities and commitments	325	2,491	1,231	4,047
	11,656	35,334	122,501	169,491
Net transfer between stages				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	-	-	-	-
- Loans, advances and Islamic financing assets	(151)	(77)	228	-
- Investment securities (debt)	-	-	-	-
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	337	(337)	-	-
	186	(414)	228	-
Charge for the Period (net)				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	144	-	-	144
- Loans, advances and Islamic financing assets	72	1,312	12,121	13,505
- Investment securities (debt)	365	-	-	365
- Acceptances	(69)	(45)	-	(114)
- Contingent liabilities and commitments	(249)	923	(91)	583
	263	2,190	12,030	14,483
Write off for the period				
- Loans, advances and Islamic financing assets	-	-	(5,510)	(5,510)
	-	-	(5,510)	(5,510)
Closing Balance - as at 30 June 2025				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	250	-	-	250
- Loans, advances and Islamic financing assets	10,494	33,951	128,109	172,554
- Investment securities (debt)	924	-	-	924
- Acceptances	24	82	-	106
- Contingent liabilities and commitments	413	3,077	1,140	4,630
	12,105	37,110	129,249	178,464

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

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

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

As at 30 June 2024	<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>
Exposure subject to ECL				
- Central bank balances	365,574	-	-	365,574
- Due from banks and other money market placements	288,724	-	-	288,724
- Loans, advances and Islamic financing assets	2,963,292	749,213	172,468	3,884,973
- Investment securities (debt)	360,574	-	-	360,574
- Acceptances	42,525	6,240	-	48,765
- Contingent liabilities and commitments	276,784	149,212	5,276	431,272
	4,297,473	904,665	177,744	5,379,882
Opening Balance - as at 1 January 2024				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	50	-	-	50
- Loans, advances and Islamic financing assets	5,718	51,783	100,182	157,683
- Investment securities (debt)	526	-	-	526
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	363	2,845	1,279	4,487
	6,657	54,628	101,461	162,746
Net transfer between stages				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	-	-	-	-
- Loans, advances and Islamic financing assets	-	(4,424)	4,424	-
- Investment securities (debt)	-	-	-	-
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	(25)	25	-	-
	(25)	(4,399)	4,424	-
Charge for the Period (net)				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	17	-	-	17
- Loans, advances and Islamic financing assets	5,550	(596)	6,299	11,253
- Investment securities (debt)	13	-	-	13
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	140	67	43	250
	5,720	(529)	6,342	11,533
Write off for the period				
- Loans, advances and Islamic financing assets	-	-	(4,747)	(4,747)
	-	-	(4,747)	(4,747)
Closing Balance - as at 30 June 2024				
- Central bank balances	-	-	-	-
- Due from banks and other money market placements	67	-	-	67
- Loans, advances and Islamic financing assets	11,268	46,763	106,158	164,189
- Investment securities (debt)	539	-	-	539
- Acceptances	-	-	-	-
- Contingent liabilities and commitments	478	2,937	1,322	4,737
	12,352	49,700	107,480	169,532

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025 (unaudited)

22 CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

22.4 Movement in loans

As at 30 June 2025	Stage 1	Stage 2	Stage 3	Total
Exposure subject to ECL	RO' 000	RO' 000	RO' 000	RO' 000
Opening Balance - as at 1 January 2025	3,342,348	557,782	190,576	4,090,706
Transfer to stage 1	5,063	(5,063)	-	-
Transfer to stage 2	(18,313)	18,518	(205)	-
Transfer to stage 3	(13,271)	(3,453)	16,724	-
New loans, advances and Islamic financing assets	193,253	19,211	-	212,464
Recovery of loans, advances and Islamic financing assets	(37,644)	(12,795)	(7,063)	(57,502)
Write off for the period	-	-	(5,510)	(5,510)
Closing Balance - as at 30 June 2025	3,471,436	574,200	194,522	4,240,158

As at 30 June 2024	Stage 1	Stage 2	Stage 3	Total
Exposure subject to ECL	RO' 000	RO' 000	RO' 000	RO' 000
Opening Balance - as at 1 January 2024	2,746,179	754,781	163,483	3,664,443
Transfer to stage 1	3,834	(3,245)	(589)	-
Transfer to stage 2	(4,453)	4,575	(122)	-
Transfer to stage 3	(3,497)	(15,307)	18,804	-
New loans, advances and Islamic financing assets	515,883	103,789	-	619,672
Recovery of loans, advances and Islamic financing assets	(294,654)	(95,380)	(4,361)	(394,395)
Write off for the period	-	-	(4,747)	(4,747)
Closing Balance - as at 30 June 2024	2,963,292	749,213	172,468	3,884,973

22.5 Total impairment losses on financial instruments (net)

	6 months ended 30/06/2025 RO'000	6 months ended 30/06/2024 RO'000	3 months ended 30/06/2025 RO'000	3 months ended 30/06/2024 RO'000
(Impairment)/reversal of impairment for credit losses:				
Due from Banks and other money market placements	(144)	(17)	(92)	4
Loans, advances and Islamic financing assets	(11,022)	(11,933)	(4,910)	(6,771)
Investment securities (debt)	(365)	(13)	(350)	(7)
Acceptances	114	-	(32)	-
Contingent liabilities and commitments	(583)	(250)	(692)	(174)
Total	(12,000)	(12,213)	(6,076)	(6,948)
Recoveries and releases from:				
Provision for credit losses	1,857	2,701	1,111	2,323
Loans, advances and Islamic financing assets written off	3,046	1,900	1,677	888
Total	4,903	4,601	2,788	3,211
Net Impairment losses	(7,097)	(7,612)	(3,288)	(3,737)

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:

	6 months ended 30/06/2025 RO'000	6 months ended 30/06/2024 RO'000	3 months ended 30/06/2025 RO'000	3 months ended 30/06/2024 RO'000
Net profit after tax	34,025	30,854	16,944	15,384
Less: Interest on tier 1 perpetual bond	(8,316)	(6,363)	(8,316)	(6,363)
Profit attributable to shareholders	25,709	24,491	8,628	9,021
Weighted average number of shares outstanding during the year (in '000s)	1,625,946	1,625,946	1,625,946	1,625,946
Earnings per share (in RO)	0.016	0.015	0.005	0.006

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025 (unaudited)

24 ASSETS/ LIABILITIES MISMATCH

The residual maturity behavioral of the assets, liabilities and equity at 30 June 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	139,520	48,238	187,758	64,146	33,010	97,156	284,914
Due from Banks and other money market placements	294,068	52,688	346,756	14,246	5,775	20,021	366,777
Loans, advances and Islamic financing assets	325,742	376,709	702,451	1,364,008	2,001,145	3,365,153	4,067,604
Investment securities	226,572	31,865	258,437	261,192	74,031	335,223	593,660
Other assets	121,575	5,638	127,213	-	-	-	127,213
Property and equipment	-	-	-	-	59,888	59,888	59,888
Total assets	1,107,477	515,138	1,622,615	1,703,592	2,173,849	3,877,441	5,500,056
Future interest cash inflows	60,369	158,763	219,132	634,200	294,626	928,826	1,147,958
Due to Banks and other money market deposits	215,718	5,775	221,493	108,485	-	108,485	329,978
Customers' deposits	759,079	1,139,177	1,898,256	1,471,461	835,126	2,306,587	4,204,843
Other liabilities	139,421	21,843	161,264	54	1,183	1,237	162,501
Taxation	17,298	-	17,298	-	-	-	17,298
Shareholders' equity	-	-	-	-	560,399	560,399	560,399
Tier 1 perpetual bonds	-	-	-	-	225,037	225,037	225,037
Total liabilities and shareholders' equity	1,131,516	1,166,795	2,298,311	1,580,000	1,621,745	3,201,745	5,500,056
Future interest cash outflows	41,429	94,618	136,047	304,591	117,358	421,949	557,996
Total liquidity gap (total assets – total liabilities and shareholders' equity)	(24,039)	(651,657)	(675,696)	123,592	552,104	675,696	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025 (unaudited)

24 ASSETS/ LIABILITIES MISMATCH (continued)

The residual maturity behavioral of the assets, liabilities and equity at 30 June 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	223,126	58,400	281,526	52,805	31,243	84,048	365,574
Due from Banks and other money market placements	220,415	62,159	282,574	-	6,083	6,083	288,657
Loans, advances and Islamic financing assets	368,847	217,592	586,439	1,175,258	1,959,087	3,134,345	3,720,784
Investment securities	113,778	27,986	141,764	229,481	76,566	306,047	447,811
Other assets	71,559	3,783	75,342	7	-	7	75,349
Property and equipment	-	-	-	-	59,510	59,510	59,510
Total assets	997,725	369,920	1,367,645	1,457,551	2,132,489	3,590,040	4,957,685
Future interest cash inflows	63,178	165,774	228,952	675,424	315,804	991,228	1,220,180
Due to Banks and other money market deposits	58,709	12,631	71,340	90,099	-	90,099	161,439
Customers' deposits	769,644	1,178,608	1,948,252	1,355,363	687,295	2,042,658	3,990,910
Other liabilities	81,963	18,055	100,018	2,896	-	2,896	102,914
Taxation	16,625	-	16,625	-	-	-	16,625
Shareholders' equity	-	-	-	-	518,664	518,664	518,664
Tier 1 perpetual bonds	-	-	-	-	167,133	167,133	167,133
Total liabilities and shareholders' equity	926,941	1,209,294	2,136,235	1,448,358	1,373,092	2,821,450	4,957,685
Future interest cash outflows	38,583	87,045	125,628	263,828	95,009	358,837	484,465
Total liquidity gap (total assets – total liabilities and shareholders' equity)	70,784	(839,374)	(768,590)	9,193	759,397	768,590	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 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
Total assets	1,026,547	421,914	1,448,461	1,691,606	2,102,478	3,794,084	5,242,545
Future interest cash inflows	67,352	176,339	243,691	697,862	312,541	1,010,403	1,254,094
Due to Banks and other money market deposits	72,452	30,800	103,252	89,686	-	89,686	192,938
Customers' deposits	739,351	1,110,794	1,850,145	1,561,354	717,024	2,278,378	4,128,523
Other liabilities	129,232	4,527	133,759	41	-	41	133,800
Taxation	19,123	-	19,123	-	-	-	19,123
Shareholders' equity	-	-	-	-	543,124	543,124	543,124
Tier 1 perpetual bonds	-	-	-	-	225,037	225,037	225,037
Total liabilities and shareholders' equity	960,158	1,146,121	2,106,279	1,651,081	1,485,185	3,136,266	5,242,545
Future interest cash outflows	41,254	95,830	137,084	299,115	108,196	407,311	544,395
Total liquidity gap (total assets – total liabilities and shareholders' equity)	66,389	(724,207)	(657,818)	40,525	617,293	657,818	-

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 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>
30 June 2025							
Customers' deposits	2,508,590	833,086	3,341,676	863,114	53	863,167	4,204,843
Due to Banks and other money market deposits	215,718	5,775	221,493	108,485	-	108,485	329,978
Other liabilities	139,421	21,843	161,264	54	1,183	1,237	162,501
Future interest cash outflows	41,429	94,618	136,047	304,591	117,358	421,949	557,996
Contingent liabilities	442,176	-	442,176	-	-	-	442,176
30 June 2024							
Customers' deposits	2,148,450	647,822	2,796,272	1,194,579	59	1,194,638	3,990,910
Due to Banks and other money market deposits	58,709	12,631	71,340	90,099	-	90,099	161,439
Other liabilities	81,963	18,055	100,018	2,896	-	2,896	102,914
Future interest cash outflows	38,583	87,045	125,628	263,828	95,009	358,837	484,465
Contingent liabilities	431,272	-	431,272	-	-	-	431,272
31 December 2024							
Customers' deposits	2,364,192	801,674	3,165,866	962,571	86	962,657	4,128,523
Due to Banks and other money market deposits	72,452	30,800	103,252	89,686	-	89,686	192,938
Other liabilities	81,963	18,055	100,018	2,896	-	2,896	102,914
Future interest cash outflows	41,254	95,830	137,084	299,115	108,196	407,311	544,395
Contingent liabilities	453,020	-	453,020	-	-	-	453,020

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)
As at 30 June 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:

	30/06/2025			31/12/2024		
	<i>Principal shareholder</i>	<i>Others</i>	<i>Total</i>	<i>Principal shareholder</i>	<i>Others</i>	<i>Total</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
Loans, advances and Islamic financing assets	-	122,411	122,411	-	117,932	117,932
Customers' deposits	331	44,563	44,894	330	42,005	42,335
Due from Banks	-	-	-	147	-	147
Due to Banks	30,926	-	30,926	175	-	175
Letters of credit, guarantees and acceptances	849	3,637	4,486	667	4,868	5,535
Investments	2,815	839	3,654	2,679	619	3,298

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

	30/06/2025			30/06/2024		
	<i>Principal shareholder</i>	<i>Others</i>	<i>Total</i>	<i>Principal shareholder</i>	<i>Others</i>	<i>Total</i>
	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>	<i>RO'000</i>
Interest income	11	3,231	3,242	301	2,722	3,023
Commission income	2	203	205	3	257	260
Interest expense	-	520	520	-	330	330
Other expenses	-	1,886	1,886	-	736	736

Details regarding senior management are set out below:

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

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

	30/06/2025	31/12/2024
	RO'000	RO'000
Loans, advances and Islamic financing assets	1,060	900
Customers' deposits	2,168	1,255

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)
As at 30 June 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:

	6 months ended 30/06/2025 RO'000	6 months ended 30/06/2024 RO'000
Interest Income	18	27
Interest Expense	37	29
Salaries and other short-term benefits	2,978	2,835
Post-employment benefits	74	81

26 SHAREHOLDERS

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

	30/06/2025	30/06/2024	31/12/2024
Number of shares held ('000)			
The Commercial Bank of Qatar	567,453	567,453	567,453
Suhail Salim Abdullah Al Mukhaini Bahwan	239,805	239,805	239,805
% of shareholding			
The Commercial Bank of Qatar	34.90%	34.90%	34.90%
Suhail Salim Abdullah Al Mukhaini Bahwan	14.75%	14.75%	14.75%

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

27 CAPITAL ADEQUACY

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

	30/06/2025 RO'000	30/06/2024 RO'000	31/12/2024 RO'000
Capital base			
Common equity Tier 1	493,275	469,414	503,091
Additional Tier 1 - capital	225,037	167,133	225,037
Tier 2 capital	20,769	21,478	19,165
Total capital base	739,081	658,025	747,293
Risk weighted assets			
Credit risk	4,020,610	3,733,258	3,996,512
Operational risk	272,144	254,659	272,144
Market risk	165,888	71,281	94,013
Total risk weighted assets	4,458,642	4,059,198	4,362,669
Common Equity Tier 1 Ratio	11.1%	11.6%	11.5%
Tier 1 Ratio	16.1%	15.7%	16.7%
Risk asset ratio (Basel II norms)	16.6%	16.2%	17.1%

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

28 SEGMENT REPORTING

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

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

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

Segment information by business line is as follows:

	Retail Banking RO'000	Wholesale Banking RO'000	International Banking RO'000	Islamic Banking RO'000	Funding center RO'000	Total RO'000
30 June 2025						
<i>Operating income</i>	30,027	34,394	2,959	5,185	6,874	79,439
<i>Net profit/(loss)</i>	7,881	19,213	130	648	6,153	34,025
<i>Total assets</i>	1,509,468	2,869,713	219,705	538,728	362,442	5,500,056
30 June 2024						
<i>Operating income</i>	27,137	38,471	3,400	4,025	1,296	74,329
<i>Net profit/(loss)</i>	4,971	21,320	860	2,605	1,098	30,854
<i>Total assets</i>	1,468,981	2,403,600	230,253	422,937	431,914	4,957,685

Disaggregated revenues

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

30 June 2025	Retail RO'000	Wholesale RO'000	International RO'000	Islamic RO'000	Total RO'000
Transactional	5,377	-	2	17	5,396
Trade Income	31	1,259	131	39	1,460
Account Services	10	754	(6)	22	780
Underwriting & Syndication	363	4,318	88	602	5,371
Investment banking	-	734	-	-	734
Total	5,781	7,065	215	680	13,741

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

As at 30 June 2025 (unaudited)

28 SEGMENT REPORTING (continued)

Disaggregated revenues (continued)

30 June 2024	Retail RO'000	Wholesale RO'000	International RO'000	Islamic RO'000	Total RO'000
Transactional	4,289	-	1	(15)	4,275
Trade Income	27	1,514	112	36	1,689
Account Services	57	609	(15)	21	672
Underwriting & Syndication	282	3,760	174	296	4,512
Investment banking	-	737	-	-	737
Total	4,655	6,620	272	338	11,885

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

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

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

For the period ended 30 June 2025	<i>Oman</i> RO'000	<i>UAE</i> RO'000	<i>Egypt</i> RO'000	<i>Total</i> RO'000
Net interest income and income from Islamic financing and Investment activities	51,426	1,909	-	53,335
Fees, Commission and other operating income	25,054	1,038	12	26,104
Operating income/(loss)	76,480	2,947	12	79,439
Operating expenses	(31,168)	(1,195)	(19)	(32,382)
Operating profit/(loss)	45,312	1,752	(7)	47,057
Impairment losses (net) and taxation	(12,403)	(699)	70	(13,032)
Segment profit/(loss) for the period	32,909	1,053	63	34,025

Other information

Segment assets	5,280,351	218,978	727	5,500,056
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For the period ended 30 June 2024	<i>Oman</i> RO'000	<i>UAE</i> RO'000	<i>Egypt</i> RO'000	<i>Total</i> RO'000
Net interest income and income from Islamic financing and Investment activities	49,773	2,690	1	52,464
Fees, Commission and other operating income	21,156	951	(242)	21,865
Operating income/(loss)	70,929	3,641	(241)	74,329
Operating expenses	(29,229)	(1,027)	(59)	(30,315)
Operating profit/(loss)	41,700	2,614	(300)	44,014
Impairment losses (net) and taxation	(12,578)	(582)	-	(13,160)
Segment profit/(loss) for the period	29,122	2,032	(300)	30,854

Other information

Segment assets	4,727,432	229,645	608	4,957,685
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)
As at 30 June 2025 (unaudited)**

29 FAIR VALUE OF FINANCIAL INSTRUMENTS

Based on the valuation methodology outlined below, the fair values of all financial instruments at 30 June 2025, 30 June 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 30 June 2025 (unaudited)**

29 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Valuation models

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

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

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

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

	<i>Level 1</i> <i>RO'000</i>	<i>Level 2</i> <i>RO'000</i>	<i>Total</i> <i>RO'000</i>
30 June 2025			
Investment measured at FVTPL			
Quoted equities	2,240	-	2,240
Unquoted equities	-	2,790	2,790
Total	2,240	2,790	5,030
Investment measured at FVOCI			
Quoted equities	113,078	-	113,078
Total	113,078	-	113,078
TOTAL FINANCIAL ASSETS	115,318	2,790	118,108
	<i>Level 1</i> <i>RO'000</i>	<i>Level 2</i> <i>RO'000</i>	<i>Total</i> <i>RO'000</i>
30 June 2024			
Investment measured at FVTPL			
Quoted equities	1,797	-	1,797
Unquoted equities	-	2,505	2,505
Total	1,797	2,505	4,302
Investment measured at FVOCI			
Quoted equities	83,474	-	83,474
Total	83,474	-	83,474
TOTAL FINANCIAL ASSETS	85,271	2,505	87,776
	<i>Level 1</i> <i>RO'000</i>	<i>Level 2</i> <i>RO'000</i>	<i>Total</i> <i>RO'000</i>
31 December 2024			
Investment measured at FVTPL			
Quoted equities	2,218	-	2,218
Unquoted equities	-	2,648	2,648
Total	2,218	2,648	4,866
Investment measured at FVOCI			
Quoted equities	96,604	-	96,604
Total	96,604	-	96,604
TOTAL FINANCIAL ASSETS	98,822	2,648	101,470

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2025 (unaudited)

30 DERIVATIVES

	<i>Positive fair value (Note 7) RO'000</i>	<i>Negative fair value (Note 11) RO'000</i>	<i>Notional amount total RO'000</i>	Notional amounts by term to maturity		
				Within 3 months RO'000	3 – 12 months RO'000	Above 1 Year RO'000
30 June 2025						
Interest rate swaps	8,821	(8,821)	488,630	15,404	38,719	434,507
Forward foreign exchange purchase contracts	42	(21)	474,055	252,387	187,362	34,306
Forward foreign exchange sales contracts	226	(529)	474,055	252,281	187,265	34,509
Total	9,089	(9,371)	1,436,740	520,072	413,346	503,322
30 June 2024						
Interest rate swaps	13,938	(13,938)	292,215	9,182	26,588	256,445
Forward foreign exchange purchase contracts	12	(1)	177,665	64,704	112,961	-
Forward foreign exchange sales contracts	1,162	(13)	177,665	65,110	112,555	-
Total	15,112	(13,952)	647,545	138,996	252,104	256,445
31 December 2024						
Interest rate swaps	11,840	(11,840)	375,400	9,684	29,683	336,033
Forward foreign exchange purchase contracts	4	(6)	245,196	153,955	63,116	28,125
Forward foreign exchange sales contracts	893	(40)	245,196	154,053	63,041	28,102
Total	12,737	(11,886)	865,792	317,692	155,840	392,260

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 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).

	June 2025		June 2024		December 2024	
	Total Unweighted Value (average) RO'000	Total Weighted Value (average) RO'000	Total Unweighted Value (average) RO'000	Total Weighted Value (average) RO'000	Total Unweighted Value (average) RO'000	Total Weighted Value (average) RO'000
High quality liquid assets						
Total High Quality Liquid Assets (HQLA)	-	693,567	-	728,583	-	572,408
Cash outflows						
Stable deposits	394,850	11,845	404,845	12,145	385,896	11,577
Less stable deposits	332,968	33,297	298,738	29,874	296,604	29,660
Retail deposits and deposits from small business customers	727,818	45,142	703,583	42,019	682,500	41,237
Unsecured wholesale funding, of which:						
Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,698,508	660,569	1,428,217	513,465	1,514,221	541,657
Additional requirements, of which:						
Credit and liquidity facilities	23,083	2,308	17,892	1,789	28,065	2,807
Other contractual funding obligations	18,771	939	16,280	814	5,988	299
Other contingent funding obligations	605,952	196,853	527,050	158,224	540,296	160,455
Total cash outflows	3,074,132	905,811	2,693,022	716,311	2,771,070	746,455
Cash inflows						
Inflows from fully performing exposures	316,033	246,678	471,345	375,285	428,941	355,993
Other cash inflows	228,778	228,778	180,570	180,570	184,245	184,245
Total cash inflows	544,811	475,456	651,915	555,855	613,186	540,238
Total high quality liquid assets	-	693,567	-	728,583	-	572,408
Total net cash outflows	-	430,355	-	179,078	-	206,217
Liquidity coverage ratio (%)	-	161.16	-	406.85	-	277.58

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

	30/06/2025 %	30/06/2024 %	31/12/2024 %
NSFR	113.34	108.30	118.71
Leverage ratio	12.30	12.18	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.