



بنك عُمان العربي  
OMAN ARAB BANK

**CONDENSED INTERIM FINANCIAL STATEMENTS  
AS AT AND FOR THE THREE MONTHS  
PERIOD ENDED 31 MARCH 2026**

# OMAN ARAB BANK SAOG

## Condensed Interim Financial Statements As at and for the period ended 31 March 2026

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## CHAIRMAN'S REPORT – FIRST QUARTER 2026

Dear Shareholders,

I am pleased to present to you the financial results of Oman Arab Bank SAOG (the Bank) for the first quarter ended 31 March 2026.

### OPERATING ENVIRONMENT

In Q1 2026, International Monetary Fund highlighted Oman's continued fiscal improvement, supported by prudent spending and steady non-oil growth, while maintaining a stable outlook. S&P Global Ratings affirmed Oman's rating with a positive outlook, citing strengthened public finances and declining debt levels.

This reinforces a more stable operating environment for OAB, with improved liquidity, investor confidence, and lending opportunities. It also supports the Bank's growth strategy, enabling prudent expansion while maintaining strong asset quality and risk discipline.

Additionally, Q1-2026 witnessed the breakout of the Iran-US war, which had major implications on the global markets. CPI in the US marked a sharp spike reaching up to 3.3% Y-o-Y, mainly driven by the inflated oil and gas prices. Thus, future pricing shows a very low probability of an interest rates cut in the upcoming two quarters.

### CONSOLIDATED FINANCIAL PERFORMANCE

The Bank's performance for the three-month period ended 31 March 2026 shows a consolidated net profit after tax of **₹ 8.2 million**, up 11% compared to **₹ 7.4 million** for the same period in 2025.

Net interest income from conventional banking and net income from Islamic financing stood at **₹ 28.8 million** for the first quarter of 2026, up 1% compared to **₹ 28.5 million** for the same period in 2025 due to an increase in net financing income by 7% and a decline in interest expense by 7%.

Operating income increased at a slower rate of 1% to **₹ 35.4 million** for the three-month period ended 31 March 2026 compared to **₹ 35.2 million** for the same period in 2025, while operating expenses increased by 3% to reach **₹ 19.5 million** compared to **₹ 19.0 million** for the same period in 2025. This has led to a decline in operating profit by 2% to reach **₹ 15.9 million** in the three-month period ended 31 March 2026 compared to **₹ 16.2 million** for the same period last year. Net allowances for expected credit losses recorded **₹ 6.1 million** in the three-month period ended 31 March 2026 declining by 17% compared to **₹ 7.3 million** for the same period in 2025.



Net loans and advances, including Islamic finance, grew 7% to **₹** 3,806 million compared to **₹** 3,543 million at 31 March 2025. Customer deposits reached **₹** 3,869 million by the end of the first quarter of 2026, up 5% compared to **₹** 3,672 million at 31 March 2025.

## **PERFORMANCE OF THE PARENT COMPANY**

The parent company recorded a net profit after tax of **₹** 8.3 million for the three-month period ended 31 March 2026, up 11% compared to **₹** 7.5 million for the same period in 2025. Interest income declined 4%, driven by lower recoveries which was partly offset by the growth in loans and investments interest income. Interest expense decreased by 7% due to a favourable change in the deposit mix and increasing CASA. Operating income reached **₹** 28.1 million for the three-month period ended 31 March 2026 compared to **₹** 28.4 million in the same period of 2025. Operating expenses increased by 2% to reach **₹** 14.2 million for the three-month period ended 31 March 2026 compared to the same period in 2025 and operating profit recorded a decline of 5%. Net allowances for expected credit losses decreased by 27% to record **₹** 4.4 million for the three-month period ended 31 March 2026 compared to **₹** 6.0 million for the same period in 2025.

Net loans and advances stood at **₹** 2,574 million at 31 March 2026, up 6% compared to **₹** 2,420 million for the same period last year. Customer deposits reached **₹** 2,558 million at 31 March 2026, up 2% compared to **₹** 2,518 million at 31 March 2025.

## **PERFORMANCE OF ALIZZ ISLAMIC BANK**

Alizz Islamic Bank exceeded its growth expectations in the first quarter of 2026 as a result of a well-defined strategy. The Bank's net profit grew by 9% to **₹** 2.6 million for the first quarter compared to **₹** 2.4 million for the same period in 2025. Net financing receivables increased by 10% and reached **₹** 1,232 million at 31 March 2026 compared to **₹** 1,123 million for the same period last year. Customer deposits reached **₹** 1,310 million at 31 March 2026, up 14% compared to **₹** 1,154 million at 31 March 2025.

The Bank's financing portfolio grew by 2.1% from 2025 to reach **₹** 1,250 million while deposits increased by 2.3% to reach **₹** 1,298 million.

## **PRODUCTS AND SERVICES**

During the first quarter, the Bank introduced a limited-time fixed deposit campaign, offering a competitive 6% return and attracting new relationships, as well as the Markabati Auto Loan campaign, which provided flexible and accessible financing solutions for customers at different stages of their journey.



## **HUMAN CAPITAL DEVELOPMENT**

Oman Arab Bank continued to place strong emphasis on its people, recognising that performance is driven by a clear sense of purpose and alignment. The annual Townhall served as an important moment to reflect on achievements, set direction, and reinforce a culture built on accountability, collaboration, and shared ambition.

Alizz Islamic Bank launched the Women Empowerment & Leadership Programme. The programme is designed to develop potential female leaders and enroll them in comprehensive sessions, workshops and live coaching.

## **CORPORATE SOCIAL RESPONSIBILITY**

Oman Arab Bank remains closely connected to the communities it serves. Its participation in the Village of Happiness Carnival reflected a genuine commitment to inclusion and social wellbeing, while Masar Al Khair, the Ramadan Journey, brought the Bank closer to people across the Sultanate through a series of meaningful initiatives. These efforts were complemented by Ramadan and Eid activities that created moments of engagement and support during a time that holds deep significance for communities across Oman.

In addition, Alizz Islamic Bank and Sharakah upscaled the second edition of the Programme, reaching out to more businesses and expanding its reach across the Sultanate.

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

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

**Rashad Al Zubair,  
Chairman of Board of Directors.**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2026**

	Note	Consolidated		Parent Company	
		Unaudited	Audited	Unaudited	Audited
		31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
		﷮ '000	﷮ '000	﷮ '000	﷮ '000
Cash and balances with central bank	3	149,748	193,796	96,262	114,052
Due from banks	4	123,226	73,514	96,925	62,208
Loans, advances and financing to customers	5	3,805,594	3,720,017	2,573,832	2,513,740
Investment securities	6	535,439	502,492	369,326	347,508
Investment in subsidiary		-	-	147,659	145,941
Property and equipment		39,207	39,573	32,585	32,797
Intangible assets	7	5,892	5,970	-	-
Other assets	8	57,484	51,621	42,667	45,502
<b>Total assets</b>		<b>4,716,590</b>	<b>4,586,983</b>	<b>3,359,256</b>	<b>3,261,748</b>
Due to banks	9	47,445	23,389	47,123	22,856
Customer deposits	10	3,868,681	3,774,537	2,558,432	2,494,703
Borrowed funds	11	57,750	57,750	57,750	57,750
Other liabilities	12	83,352	75,174	68,549	61,886
Taxation		16,534	14,951	14,067	12,942
<b>Total liabilities</b>		<b>4,073,762</b>	<b>3,945,801</b>	<b>2,745,921</b>	<b>2,650,137</b>
Share capital		216,941	216,941	216,941	216,941
Share premium		36,565	36,565	36,565	36,565
Legal reserve		57,325	57,325	57,313	57,313
General reserve		25,560	25,560	25,560	25,560
Special reserve		3,837	3,837	3,837	3,837
Fair value reserve		5,989	2,547	5,690	2,248
Impairment reserve		20,400	20,400	20,400	20,400
Retained earnings		89,945	91,741	90,763	92,481
<b>Shareholders' equity</b>		<b>456,562</b>	<b>454,916</b>	<b>457,069</b>	<b>455,345</b>
Perpetual Tier 1 capital bonds	13	186,266	186,266	156,266	156,266
<b>Total equity</b>		<b>642,828</b>	<b>641,182</b>	<b>613,335</b>	<b>611,611</b>
<b>Total equity and liabilities</b>		<b>4,716,590</b>	<b>4,586,983</b>	<b>3,359,256</b>	<b>3,261,748</b>
Net assets value per share (﷮)	25 (b)	0.228	0.227	0.228	0.227
Contingent liabilities and commitments	24	345,356	331,123	170,494	170,130

The financial statements were authorised on 11 May 2026 for issue in accordance with a resolution of the Board of Directors and signed by:

Chairman

Director

Chief Executive Officer

The accompanying notes from 1 to 28 form an integral part of these condensed consolidated and separate interim financial statements.

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2026**

	Note	Consolidated		Parent Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
		﷮'000	﷮'000	﷮'000	﷮'000
Interest income	14	40,700	42,397	40,723	42,574
Interest expense	15	(20,085)	(21,707)	(20,085)	(21,707)
<b>Net interest income</b>		<b>20,615</b>	<b>20,690</b>	<b>20,638</b>	<b>20,867</b>
Income from Islamic financing and investing activities		19,014	18,179	-	-
Profit paid on participatory deposits and banks		(10,853)	(10,379)	-	-
<b>Net income from Islamic financing and investing activities</b>	16	<b>8,161</b>	<b>7,800</b>	-	-
<b>Net interest income and income from Islamic financing</b>		<b>28,776</b>	<b>28,490</b>	<b>20,638</b>	<b>20,867</b>
Net fee and commission income	17	4,809	5,022	3,474	3,876
Net income from investment securities	18	265	283	174	192
Other operating income	19	1,535	1,352	1,154	1,064
Share of profit from subsidiary		-	-	2,615	2,410
<b>Total income</b>		<b>35,385</b>	<b>35,147</b>	<b>28,055</b>	<b>28,409</b>
Operating expenses	20	(19,468)	(18,963)	(14,221)	(13,913)
Net allowances for credit losses		(6,117)	(7,335)	(4,414)	(6,009)
<b>Profit before tax</b>		<b>9,800</b>	<b>8,849</b>	<b>9,420</b>	<b>8,487</b>
Income tax expense		(1,582)	(1,430)	(1,124)	(991)
<b>Net Profit for the period</b>		<b>8,218</b>	<b>7,419</b>	<b>8,296</b>	<b>7,496</b>
<b>Other comprehensive income / (loss)</b>					
Items that will not be reclassified to profit or loss in the subsequent periods					
- Equity investment at FVOCI – net change in fair value		5,245	(426)	4,302	(297)
Share of OCI from subsidiary		-	-	943	(129)
Items that are or may be reclassified to profit or loss in the subsequent periods					
- Debt investment at FVOCI – net change in fair value		(1,803)	595	(1,171)	485
Share of OCI from subsidiary		-	-	(632)	110
<b>Other comprehensive income for the period</b>		<b>3,442</b>	<b>169</b>	<b>3,442</b>	<b>169</b>
<b>Total comprehensive income for the period – net of tax</b>		<b>11,660</b>	<b>7,588</b>	<b>11,738</b>	<b>7,665</b>
<b>Earnings per share:</b>					
Basic and diluted (﷮)	25 (a)	0.004	0.004	0.004	0.004

The accompanying notes from 1 to 28 form an integral part of these condensed consolidated and separate interim financial statements.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2026**

	Share capital	Share premium	Legal reserve	General reserve	Special reserve	Fair value reserve	Impairment reserve	Retained earnings	Sub total	Perpetual Tier 1 capital bonds	Total
<b>Consolidated (Unaudited)</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>
<b>Balance at 1 January 2025</b>	<b>166,941</b>	<b>36,565</b>	<b>53,626</b>	<b>25,560</b>	<b>3,837</b>	<b>(1,707)</b>	<b>16,800</b>	<b>77,876</b>	<b>379,498</b>	<b>186,266</b>	<b>565,764</b>
Net Profit for the period	-	-	-	-	-	-	-	7,419	7,419	-	7,419
Unrealised gain on FVOCI investments	-	-	-	-	-	169	-	-	169	-	169
Realised loss on FVOCI investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>169</b>	<b>-</b>	<b>7,419</b>	<b>7,588</b>	<b>-</b>	<b>7,588</b>
<b>At 31 March 2025</b>	<b>166,941</b>	<b>36,565</b>	<b>53,626</b>	<b>25,560</b>	<b>3,837</b>	<b>(1,538)</b>	<b>16,800</b>	<b>85,295</b>	<b>387,086</b>	<b>186,266</b>	<b>573,352</b>
<b>Consolidated (Unaudited)</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>
<b>Balance at 1 January 2026</b>	<b>216,941</b>	<b>36,565</b>	<b>57,325</b>	<b>25,560</b>	<b>3,837</b>	<b>2,547</b>	<b>20,400</b>	<b>91,741</b>	<b>454,916</b>	<b>186,266</b>	<b>641,182</b>
Net Profit for the period	-	-	-	-	-	-	-	8,218	8,218	-	8,218
Unrealised gain on FVOCI investments	-	-	-	-	-	3,442	-	-	3,442	-	3,442
Realised loss on FVOCI investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,442</b>	<b>-</b>	<b>8,218</b>	<b>11,660</b>	<b>-</b>	<b>11,660</b>
Dividends paid	-	-	-	-	-	-	-	(10,014)	(10,014)	-	(10,014)
<b>At 31 March 2026</b>	<b>216,941</b>	<b>36,565</b>	<b>57,325</b>	<b>25,560</b>	<b>3,837</b>	<b>5,989</b>	<b>20,400</b>	<b>89,945</b>	<b>456,562</b>	<b>186,266</b>	<b>642,828</b>

The accompanying notes from 1 to 28 form an integral part of these condensed consolidated and separate interim financial statements.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2026**

	Share capital	Share premium	Legal reserve	General reserve	Special reserve	Fair value reserve	Impairment reserve	Retained earnings	Sub total	Perpetual Tier 1 capital bonds	Total
<b>Parent Company (Unaudited)</b>	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
<b>Balance at 1 January 2025</b>	<b>166,941</b>	<b>36,565</b>	<b>53,614</b>	<b>25,560</b>	<b>3,837</b>	<b>(1,975)</b>	<b>16,800</b>	<b>78,275</b>	<b>379,617</b>	<b>156,266</b>	<b>535,883</b>
Net Profit for the period	-	-	-	-	-	-	-	7,496	7,496	-	7,496
Unrealised loss on FVOCI investments	-	-	-	-	-	169	-	-	169	-	169
Realised loss on FVOCI investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	<b>169</b>	-	<b>7,496</b>	<b>7,665</b>	-	<b>7,665</b>
<b>At 31 March 2025</b>	<b>166,941</b>	<b>36,565</b>	<b>53,614</b>	<b>25,560</b>	<b>3,837</b>	<b>(1,806)</b>	<b>16,800</b>	<b>85,771</b>	<b>387,282</b>	<b>156,266</b>	<b>543,548</b>
	Share capital	Share premium	Legal reserve	General reserve	Special reserve	Fair value reserve	Impairment reserve	Retained earnings	Sub total	Perpetual Tier 1 capital bonds	Total
<b>Parent Company (Unaudited)</b>	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
<b>Balance at 1 January 2026</b>	<b>216,941</b>	<b>36,565</b>	<b>57,313</b>	<b>25,560</b>	<b>3,837</b>	<b>2,248</b>	<b>20,400</b>	<b>92,481</b>	<b>455,345</b>	<b>156,266</b>	<b>611,611</b>
Net Profit for the period	-	-	-	-	-	-	-	8,296	8,296	-	8,296
Unrealised loss on FVOCI investments	-	-	-	-	-	3,442	-	-	3,442	-	3,442
Realised loss on FVOCI investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	-	-	<b>3,442</b>	-	<b>8,296</b>	<b>11,738</b>	-	<b>11,738</b>
Dividends paid	-	-	-	-	-	-	-	(10,014)	(10,014)	-	(10,014)
<b>At 31 March 2026</b>	<b>216,941</b>	<b>36,565</b>	<b>57,313</b>	<b>25,560</b>	<b>3,837</b>	<b>5,690</b>	<b>20,400</b>	<b>90,763</b>	<b>467,083</b>	<b>156,266</b>	<b>613,335</b>

The accompanying notes from 1 to 28 form an integral part of these condensed consolidated and separate interim financial statements.

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2026**

	Notes	Consolidated		Parent Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
		₹ '000	₹ '000	₹ '000	₹ '000
<b>Operating activities:</b>					
Profit before tax		9,800	8,849	9,420	8,487
Adjustments:					
Share of profit from Subsidiary		-	-	(2,615)	(2,410)
Depreciation	20	2,033	2,128	1,576	1,734
Amortization	20	78	78	-	-
Net impairment for credit losses		6,117	7,335	4,414	6,009
Dividend income	18	(245)	(269)	(154)	(178)
Loss on sale of property and equipment		-	(12)	-	(12)
Changes in fair value of financial assets at FVTPL	18	(20)	(14)	(20)	(14)
<b>Operating cashflow before working capital changes</b>		<b>17,763</b>	<b>18,095</b>	<b>12,621</b>	<b>13,616</b>
CBO capital deposit		1,000	-	500	-
Loans, advances and financing to customers		(91,585)	(78,332)	(64,413)	(53,740)
Due from banks		(15,000)	-	-	-
Due to banks		24,092	(25,095)	24,267	(12,717)
Other assets		(7,306)	(115)	2,526	(2,522)
Customer deposits		94,144	100,500	63,729	51,110
Other liabilities		9,711	(5,785)	8,232	2,172
<b>Net cash from operating activities</b>		<b>32,819</b>	<b>9,268</b>	<b>47,462</b>	<b>(2,081)</b>
<b>Investing activities:</b>					
Purchase of investments		(172,062)	(228,003)	(114,042)	(181,780)
Proceeds from sale/maturities of investments		120,272	236,888	73,150	198,226
Purchase of property and equipment		(1,369)	(1,447)	(1,066)	(1,298)
Proceeds from sale of property and equipment		-	-	-	-
Dividend Income	18	245	269	154	178
<b>Net cash from / (used in) investing activities</b>		<b>(52,914)</b>	<b>7,707</b>	<b>(41,804)</b>	<b>15,326</b>
<b>Financing activities:</b>					
Dividends paid		(10,014)	-	(10,014)	-
<b>Net cash used in financing activities</b>		<b>(10,014)</b>	<b>-</b>	<b>(10,014)</b>	<b>-</b>
Net increase / (decrease) in cash and cash equivalents		(30,109)	16,975	(4,356)	13,245
Cash and cash equivalents at the beginning of the period		341,309	327,409	258,440	263,976
<b>Cash and cash equivalents at the end of the period</b>	21	<b>311,200</b>	<b>344,384</b>	<b>254,084</b>	<b>277,221</b>
<b>Operational cash flows from interest</b>					
Interest and financing income received		61,257	66,110	42,272	48,110
Interest and profit paid		(26,533)	(25,675)	(17,061)	(16,482)

The accompanying notes from 1 to 28 form an integral part of these condensed consolidated and separate interim financial statements.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

### 1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Oman Arab Bank SAOG (the Parent Company or the Bank) was incorporated in the Sultanate of Oman on 1 October 1984 as a closed joint stock company (SAOC). On 6 July 2020, Oman Arab Bank SAOC acquired Al Izz Islamic Bank SAOC (AIB) and become a public joint stock company (SAOG) and was listed on the Muscat Stock Exchange (MSX). The Parent Company is principally engaged in commercial and investment banking activities through a network of branches in the Sultanate of Oman. The registered head office of the Bank is North Al Ghoubra, P.O. Box 2240, Al-Udhayabah, Postal Code 130, Muscat, Sultanate of Oman. The Parent Company is a subsidiary of Arab Bank PLC, an entity listed in Jordan.

The consolidated financial statements as at and for the period ended 31 March 2026 comprises the results of the Parent Company and Al Izz Islamic Bank (AIB) (the Subsidiary).

The Subsidiary prepares its own separate set of financial statements in accordance with Financial Accounting Standards ("FAS") issued by Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), the Sharia Rules and Principles as determined by the Sharia Supervisory Board (the "SSB") and other applicable requirements of the CBO. The Subsidiary's financial statements are then converted into International Financial Reporting Standards (IFRS) compliant financial information and included in these consolidated financial statements.

The Parent Company and the Subsidiary together are referred to as 'the Group' or 'the Bank'.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### 2.1. Basis of preparation

The unaudited condensed consolidated and separate interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting', the requirements of the Commercial Companies Law of 2019, the disclosure requirements of the Financial Services Authorities (FSA) of the Sultanate of Oman and the applicable regulations of the Central Bank of Oman (CBO).

The FSA requires that all Public Joint Stock Companies to disclose the financial statements of the Parent Company in a separate column in the consolidated financial statements (via circular E/2/2007 from 21 January 2007).

The Bank presents its statement of financial position in descending order of liquidity, as this presentation is more appropriate to the Bank's operations.

The financial statements have been prepared under the historical cost convention except for derivative financial instruments, financial instruments at fair value through profit or loss (FVTPL) and financial instruments at fair value through other comprehensive income (FVOCI) which have been measured at fair value.

The financial statements are presented in Rial Omani ("﷋"), which is the Bank's functional (currency of primary economic environment in which the Bank operates), rounded to the nearest thousand unless otherwise stated.

The unaudited condensed consolidated and separate interim financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Bank's annual consolidated and separate financial statements as at and for the year ended 31 December 2025. In addition, results of the Bank for the period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year 2026.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

#### 2.2. Change in accounting policies and disclosures

The accounting policies are consistent with those used in the previous financial year except for where the Parent Company and Group has adopted certain new standards, amendments and interpretations to IFRS. During the previous year, the Bank has voluntarily changed an accounting policy with respect to investment in subsidiary in separate financial statement. The change is related with accounting policy of the Bank for investment in subsidiary from cost method to equity method of accounting. This amendment has been applied retrospectively. Details of the restatement are set out in note 28.

#### 2.3. Use of judgements and estimates

The preparation of the condensed interim financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### 2.4. New standards, implementations and amendments in existing standards

The accounting policies adopted in the preparation of the condensed consolidated and separate interim financial statements are consistent with those followed in the preparation of the Bank's annual consolidated and separate financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2026, but do not have a material impact on the condensed consolidated and separate interim financial statements of the Bank.

### 3. CASH AND BALANCES WITH CENTRAL BANK

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	﷮' 000	﷮' 000	﷮' 000	﷮' 000
Cash in hand	27,733	21,912	21,195	16,469
Balances with the Central Bank of Oman:				
- Clearing account	98,145	138,519	75,067	97,083
- Placements	23,870	32,340	-	-
- Capital deposit	-	1,025	-	500
<b>Total</b>	<b>149,748</b>	<b>193,796</b>	<b>96,262</b>	<b>114,052</b>

- (i) In January 2026, pursuant to the provisions of the new Banking Law (02/2025), the requirement for licensed banks to maintain a capital deposit with Central Bank has been removed and accordingly the capital deposit has been repaid to the Bank.
- (ii) Cash and balances with Central Bank is classified under stage 1 as per IFRS 9. However, there are no expected credit losses and hence no provision has been recognised.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**4. DUE FROM BANKS**

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	₹' 000	₹' 000	₹' 000	₹' 000
Placements	111,815	45,884	89,115	38,184
Current accounts	11,464	27,683	7,834	24,033
<b>Due from banks and other money market placements</b>	<b>123,279</b>	<b>73,567</b>	<b>96,949</b>	<b>62,217</b>
Less: allowance for credit losses	(53)	(53)	(24)	(9)
<b>Total</b>	<b>123,226</b>	<b>73,514</b>	<b>96,925</b>	<b>62,208</b>

Movement in allowance for the credit losses is set out below:

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	₹' 000	₹' 000	₹' 000	₹' 000
Balance at the beginning of the period	53	37	9	30
Charge / (release) during the period	-	16	15	(21)
<b>Balance at the end of the period</b>	<b>53</b>	<b>53</b>	<b>24</b>	<b>9</b>

**5. LOANS, ADVANCES AND FINANCING TO CUSTOMERS**

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	₹' 000	₹' 000	₹' 000	₹' 000
Term loans	1,669,934	1,670,707	1,669,934	1,670,707
Overdrafts	153,077	128,342	153,077	128,342
Bills discounted	14,270	13,572	14,270	13,572
Islamic finance	719,601	714,003	-	-
<b>Corporate loans</b>	<b>2,556,882</b>	<b>2,526,624</b>	<b>1,837,281</b>	<b>1,812,621</b>
Consumer loans	463,545	464,813	463,545	464,813
Mortgage loans	406,327	399,785	406,327	399,785
Overdrafts	4,730	4,754	4,730	4,754
Credit cards	12,779	13,171	12,779	13,171
Islamic finance	569,593	548,415	-	-
<b>Retail loans</b>	<b>1,456,974</b>	<b>1,430,938</b>	<b>887,381</b>	<b>882,523</b>
<b>Gross loans, advances and financing to customers</b>	<b>4,013,856</b>	<b>3,957,562</b>	<b>2,724,662</b>	<b>2,695,144</b>
Allowance for credit losses	162,190	184,638	112,531	135,624
Contractual interest not recognised	46,072	52,907	38,299	45,780
<b>Less: allowance for credit losses and suspended interest</b>	<b>(208,262)</b>	<b>(237,545)</b>	<b>(150,830)</b>	<b>(181,404)</b>
<b>Net loans, advances and financing to customers</b>	<b>3,805,594</b>	<b>3,720,017</b>	<b>2,573,832</b>	<b>2,513,740</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**5. LOANS, ADVANCES AND FINANCING TO CUSTOMERS (CONTINUED)**

The movements in the allowance for the credit losses and contractual interest not recognised on loans, advances and financing to customers were as follows:

Consolidated Unaudited	Allowance for credit losses	Contractual interest not recognised	Total
2026	ﷲ' 000	ﷲ' 000	ﷲ' 000
<b>Balance at 1 January 2026</b>	<b>184,638</b>	<b>52,907</b>	<b>237,545</b>
Provided during the period	6,318	5,057	11,375
Amounts written off and net transfer from / (to) memorandum portfolio	(27,414)	(10,131)	(37,545)
Amounts released / recovered during the period	(1,352)	(1,761)	(3,113)
<b>Balance at 31 March 2026</b>	<b>162,190</b>	<b>46,072</b>	<b>208,262</b>
2025			
<b>Balance at 1 January 2025</b>	<b>180,592</b>	<b>54,203</b>	<b>234,795</b>
Provided during the period	8,245	4,816	13,061
Amounts written off and net transfer from / (to) memorandum portfolio	(3,975)	(2,758)	(6,733)
Amounts released / recovered during the period	(1,184)	(3,397)	(4,581)
<b>Balance at 31 March 2025</b>	<b>183,678</b>	<b>52,864</b>	<b>236,542</b>
<b>Parent Company Unaudited</b>	<b>Allowance for credit losses</b>	<b>Contractual interest not recognised</b>	<b>Total</b>
2026	ﷲ' 000	ﷲ' 000	ﷲ' 000
<b>Balance at 1 January 2026</b>	<b>135,624</b>	<b>45,780</b>	<b>181,404</b>
Provided during the period	5,607	4,411	10,018
Amounts written off and net transfer from / (to) memorandum portfolio	(27,414)	(10,131)	(37,545)
Amounts released / recovered during the period	(1,286)	(1,761)	(3,047)
<b>Balance at 31 March 2026</b>	<b>112,531</b>	<b>38,299</b>	<b>150,830</b>
2025			
<b>Balance at 1 January 2025</b>	<b>135,788</b>	<b>48,506</b>	<b>184,294</b>
Provided during the period	6,864	4,742	11,606
Amounts written off and net transfer from / (to) memorandum portfolio	(3,975)	(2,758)	(6,733)
Amounts released / recovered during the period	(1,059)	(3,397)	(4,456)
<b>Balance at 31 March 2025</b>	<b>137,618</b>	<b>47,093</b>	<b>184,711</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**5. LOANS, ADVANCES AND FINANCING TO CUSTOMERS (CONTINUED)**

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	ﷲ' 000	ﷲ' 000	ﷲ' 000	ﷲ' 000
Performing loans, advances and financings	3,792,956	3,741,428	2,558,764	2,531,094
Allowance for the credit losses on performing loans	80,255	98,116	58,160	76,264
Non-performing loans, advances and financings on which interest was not accrued	220,900	216,134	165,898	164,050
Allowance for the credit losses on non-performing loans	128,007	139,429	92,670	105,140

The analysis of the Islamic financing activities is as follows:

	Corporate	Retail	Total
31 March 2026 (Unaudited)	ﷲ' 000	ﷲ' 000	ﷲ' 000
Musharaka	402,208	393,177	795,385
Murabaha	74,544	89,256	163,800
Ijarah Muntahia Bittamleek	47,319	82,422	129,741
Wakala	195,460	1,999	197,459
Others	70	2,739	2,809
<b>Balance at 31 March 2026</b>	<b>719,601</b>	<b>569,593</b>	<b>1,289,194</b>
31 December 2025 (Audited)			
Musharaka	397,807	376,413	774,220
Murabaha	72,846	82,261	155,107
Ijarah Muntahia Bittamleek	47,781	84,879	132,660
Wakala	195,445	2,001	197,446
Others	124	2,861	2,985
<b>Balance at 31 December 2025</b>	<b>714,003</b>	<b>548,415</b>	<b>1,262,418</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**6. INVESTMENT SECURITIES**

	Consolidated		Parent Company	
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	﷮' 000	﷮' 000	﷮' 000	﷮' 000
- Banking and investment sector	287	277	287	277
Quoted investments – Oman	287	277	287	277
- Banking and investment sector	253	243	253	243
Quoted investments – Foreign	253	243	253	243
<b>Investments measured at FVTPL</b>	<b>540</b>	<b>520</b>	<b>540</b>	<b>520</b>
- Banking and investment sector	2,782	2,700	2,082	2,081
- Manufacturing sector	2,751	1,740	2,751	1,740
- Oil & gas	8,162	6,047	4,921	3,668
- Service sector	5,516	3,479	5,516	3,479
Quoted investments – Oman	19,211	13,966	15,270	10,968
- Service sector	1,191	1,191	194	194
Unquoted investments – Oman	1,191	1,191	194	194
Equity investments measured at FVOCI	20,402	15,157	15,464	11,162
- Government Sukuk	115,450	115,796	17,999	18,000
- Government Development Bonds (GDBs)	52,848	51,186	52,848	51,186
- Corporate Bonds	92,960	83,197	29,156	29,940
Debt investments measured at FVOCI	261,258	250,179	100,003	99,126
<b>Investments measured at FVOCI</b>	<b>281,660</b>	<b>265,336</b>	<b>115,467</b>	<b>110,288</b>
- Government Development Bonds (GDBs)	158,619	141,667	158,619	141,667
- Government Sukuk	21,466	-	21,466	-
- Treasury bills	60,873	82,671	60,873	82,671
- Corporate Bonds	12,574	12,585	12,574	12,585
<b>Investments measured at amortized cost</b>	<b>253,532</b>	<b>236,923</b>	<b>253,532</b>	<b>236,923</b>
<b>Total financial investments</b>	<b>535,732</b>	<b>502,779</b>	<b>369,539</b>	<b>347,731</b>
Less: allowance for credit losses	(293)	(287)	(213)	(223)
<b>Net financial investments</b>	<b>535,439</b>	<b>502,492</b>	<b>369,326</b>	<b>347,508</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**6. INVESTMENT SECURITIES (CONTINUED)**

The fair value hierarchy of the financial investments is as follows:

<b>Consolidated</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
31 March 2026 (Unaudited)	₹' 000	₹' 000	₹' 000	₹' 000
- Quoted investments	540	-	-	540
<b>Investment measured at FVTPL</b>	<b>540</b>	<b>-</b>	<b>-</b>	<b>540</b>
- Quoted investments	15,270	-	-	15,270
- Unquoted investments	-	-	194	194
<b>Equity investment measured at FVOCI</b>	<b>15,270</b>	<b>-</b>	<b>194</b>	<b>15,464</b>
- Quoted investments	103,944	-	-	103,944
<b>Debt investments measured at FVOCI</b>	<b>103,944</b>	<b>-</b>	<b>997</b>	<b>104,941</b>
<b>Consolidated</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
31 December 2025 (Audited)	₹' 000	₹' 000	₹' 000	₹' 000
- Quoted investments	520	-	-	520
<b>Investment measured at FVTPL</b>	<b>520</b>	<b>-</b>	<b>-</b>	<b>520</b>
- Quoted investments	13,966	-	-	13,966
- Unquoted investments	-	-	1,191	1,191
<b>Equity investment measured at FVOCI</b>	<b>13,966</b>	<b>-</b>	<b>1,191</b>	<b>15,157</b>
- Quoted investments	99,126	151,053	-	250,179
<b>Debt investments measured at FVOCI</b>	<b>99,126</b>	<b>151,053</b>	<b>-</b>	<b>250,179</b>
<b>Parent Company</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
31 March 2026 (Unaudited)	₹' 000	₹' 000	₹' 000	₹' 000
- Quoted investments	540	-	-	540
<b>Investment measured at FVTPL</b>	<b>540</b>	<b>-</b>	<b>-</b>	<b>540</b>
- Quoted investments	15,270	-	-	15,270
- Unquoted investments	-	-	194	194
<b>Equity investment measured at FVOCI</b>	<b>15,270</b>	<b>-</b>	<b>194</b>	<b>15,464</b>
- Quoted investments	100,003	-	-	100,003
<b>Debt investments measured at FVOCI</b>	<b>100,003</b>	<b>-</b>	<b>-</b>	<b>100,003</b>
<b>Parent Company</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
31 December 2025 (Audited)	₹' 000	₹' 000	₹' 000	₹' 000
- Quoted investments	520	-	-	520
<b>Investment measured at FVTPL</b>	<b>520</b>	<b>-</b>	<b>-</b>	<b>520</b>
- Quoted investments	10,968	-	-	10,968
- Unquoted investments	-	-	194	194
<b>Equity investment measured at FVOCI</b>	<b>10,968</b>	<b>-</b>	<b>194</b>	<b>11,162</b>
- Quoted investments	99,126	-	-	99,126
<b>Debt investments measured at FVOCI</b>	<b>99,126</b>	<b>-</b>	<b>-</b>	<b>99,126</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

## 7. INTANGIBLE ASSETS

On 30 June 2020, Oman Arab Bank acquired 100% of AIB and AIB became a wholly owned subsidiary. Following the finalisation of the PPA, core deposits, banking license and brand were recognised as intangible assets in 2021.

The core deposits intangible (CDI) is estimated to have a useful life of 10 years and is amortised based on a straight line method.

## 8. OTHER ASSETS

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	﷮' 000	﷮' 000	﷮' 000	﷮' 000
Customers' indebtedness against acceptances	11,722	9,984	11,722	9,984
Fees receivable	1,224	1,202	1,224	1,202
Interest receivable	5,539	4,445	3,632	3,144
Prepayments	4,758	4,271	3,757	3,365
Repossessed collateral	3,054	3,054	2,424	2,424
Positive fair value of derivatives	2,479	2,788	2,479	2,788
Deferred tax asset	189	189	189	189
Others	28,519	25,688	17,240	22,406
<b>Total</b>	<b>57,484</b>	<b>51,621</b>	<b>42,667</b>	<b>45,502</b>

## 9. DUE TO BANKS

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	﷮' 000	﷮' 000	﷮' 000	﷮' 000
Current accounts	9,508	8,621	9,223	8,124
Borrowings	37,937	14,768	37,900	14,732
<b>Total</b>	<b>47,445</b>	<b>23,389</b>	<b>47,123</b>	<b>22,856</b>

## 10. CUSTOMER DEPOSITS

	Consolidated		Parent Company	
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	﷮' 000	﷮' 000	﷮' 000	﷮' 000
Term deposits	1,666,262	1,703,584	1,105,379	1,121,756
Demand and call accounts	1,517,469	1,410,592	963,411	897,574
Saving accounts	684,950	660,361	489,642	475,373
<b>Total</b>	<b>3,868,681</b>	<b>3,774,537</b>	<b>2,558,432</b>	<b>2,494,703</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

### 11. BORROWED FUNDS

Borrowed funds includes long term USD borrowings from banks and financial institutions. These borrowings are unsecured and the financial covenants for these borrowings have been complied by the Bank for the period ended 31 March 2026.

### 12. OTHER LIABILITIES

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	₹' 000	₹' 000	₹' 000	₹' 000
Liabilities against acceptances	11,722	9,984	11,722	9,984
Interest payable	643	492	643	492
Accrued expenses and other payables	31,181	30,581	29,552	27,357
Cheques and trade settlement payable	8,276	4,957	7,220	3,753
Staff end of service benefits	1,474	1,353	988	904
Interest and commission received in advance	8,140	7,659	8,140	7,659
Negative fair value of derivatives	2,149	2,904	2,149	2,904
Deferred tax liability	140	140	-	-
Provision for loan commitments, financial guarantees and acceptances	5,271	4,126	3,794	3,706
Others	6,998	4,603	2	15
Lease liabilities	7,358	8,375	4,339	5,112
<b>Total</b>	<b>83,352</b>	<b>75,174</b>	<b>68,549</b>	<b>61,886</b>

### 13. PERPETUAL TIER 1 CAPITAL BONDS

On 7 June 2021, the Bank issued unsecured perpetual Tier 1 bonds of USD 250 million equivalent to ₹ 96.25 million. The bonds are listed on the International Security Market (ISM) of the London Stock Exchange. The bonds carry a fixed coupon rate of 7.625 per cent per annum payable semi-annually in arrears. Interest is treated as a deduction from equity. Interest is non-cumulative and payable at Bank's discretion. The bonds form part of Tier 1 Capital of the Bank and comply with Basel-III and the CBO regulations.

On 16 October 2023, the Bank issued unsecured perpetual Tier 1 bonds of ₹ 50 million (50,000,000 units of ₹ 1 each through private placement). The bonds carry a fixed coupon rate of 7 per cent per annum payable semi-annually in arrears. Interest is treated as a deduction from equity. Interest is non-cumulative and payable at Bank's discretion. The bonds are in pari-passu with earlier issue.

On 9 October 2024, the Bank issued unsecured mandatory convertible bonds qualifying as additional Tier 1 capital of ₹ 10 million (10,016,460 units of ₹ 1 each) as dividend to its shareholders. The bonds carry a fixed interest rate of 6 per cent per annum payable semi-annually in arrears. Interest is treated as a deduction from equity. Interest is non-cumulative and payable at Bank's discretion. These bonds would be mandatorily converted in to equity shares after 2 years (9 October 2026) by means of issuing 8 ordinary shares against each bond at an underlying price of 125 baiza per share. The bonds are in pari-passu with other Tier 1 bonds.

On 9 December 2024, the subsidiary of the Bank through its SPC issued its first unsecured perpetual Mudaraba additional tier 1 Sukuk with an aggregated face amount of the ₹ Certificates and USD Certificates not exceeding ₹ 30,000,000 listed in MSX being issued in dual currency with Omani Rial tranche of ₹ 26 million and US Dollar tranche of USD 10 million equivalent to approx. OMR 4 million. The Sukuk pays an indicative profit rate of 6.5% p.a payable semi-annually. The Bank has the right not to pay profit and the sukuk holders have no right to claim profit on the sukuk. Event of non-payment is not considered as an event of default. Alizz Sukuk SPC was established as a sole proprietor company, in accordance with Article 239 of the



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

### 13. PERPETUAL TIER 1 CAPITAL BONDS (CONTINUED)

Commercial Companies Law. Alizz Sukuk SPC (in its separate capacities as the Issuer and Trustee) is licensed by the FSA as a special purpose vehicle for the purpose of issuing the Sukuk.

The Tier 1 bonds and sukuk constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 bonds do not have a fixed or final maturity date and are redeemable by the Bank at its sole discretion. The bond issued in 2021 has First Call date on 4 June 2026 or on any interest payment date thereafter subject to the prior consent of the regulatory authority. The bond issued in 2023 has First Call date on 16 October 2028 or on any interest reset date thereafter subject to the prior consent of the regulatory authority. The sukuk issued in 2024 has First Call date on 9 December 2029 or on any period distribution date thereafter subject to the prior consent of the regulatory authority.

### 14. INTEREST INCOME

	Consolidated		Parent Company	
	Unaudited 31-Mar-26	Unaudited 31-Mar-25	Unaudited 31-Mar-26	Unaudited 31-Mar-25
	₹' 000	₹' 000	₹' 000	₹' 000
Loans and advances	36,202	37,358	36,202	37,358
Investment securities	3,880	3,673	3,880	3,673
Placements with banks	618	1,366	641	1,543
<b>Total</b>	<b>40,700</b>	<b>42,397</b>	<b>40,723</b>	<b>42,574</b>

### 15. INTEREST EXPENSE

	Consolidated		Parent Company	
	Unaudited 31-Mar-26	Unaudited 31-Mar-25	Unaudited 31-Mar-26	Unaudited 31-Mar-25
	₹' 000	₹' 000	₹' 000	₹' 000
Customer deposits	19,007	20,863	19,007	20,863
Bank borrowings	1,036	794	1,036	794
Interest cost on lease liabilities	42	50	42	50
<b>Total</b>	<b>20,085</b>	<b>21,707</b>	<b>20,085</b>	<b>21,707</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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**16. NET INCOME FROM ISLAMIC FINANCING**

	Consolidated		Parent Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
	ﷲ' 000	ﷲ' 000	ﷲ' 000	ﷲ' 000
Income from Islamic financing and investing activities				
Islamic financing receivables	16,900	16,234	-	-
Islamic due from banks	255	368	-	-
Islamic investment	1,859	1,577	-	-
<b>Total income from Islamic financing</b>	<b>19,014</b>	<b>18,179</b>	-	-
Profit paid on participatory deposits and banks			-	-
Islamic customers' deposits	10,755	9,995	-	-
Islamic bank borrowings	98	384	-	-
<b>Total expense from Islamic financing</b>	<b>10,853</b>	<b>10,379</b>	-	-
<b>Net Income from Islamic financing and investing activities</b>	<b>8,161</b>	<b>7,800</b>	-	-

**17. NET FEE AND COMMISSION INCOME**

	Consolidated		Parent Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
	ﷲ' 000	ﷲ' 000	ﷲ' 000	ﷲ' 000
Fee and commission income	8,306	8,050	6,805	6,671
Fee and commission expense	(3,497)	(3,028)	(3,331)	(2,795)
<b>Total</b>	<b>4,809</b>	<b>5,022</b>	<b>3,474</b>	<b>3,876</b>

**18. NET INCOME FROM INVESTMENT SECURITIES**

	Consolidated		Parent Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
	ﷲ' 000	ﷲ' 000	ﷲ' 000	ﷲ' 000
Fair value changes	20	14	20	14
Dividend income	245	269	154	178
<b>Total</b>	<b>265</b>	<b>283</b>	<b>174</b>	<b>192</b>

**19. OTHER OPERATING INCOME**

	Consolidated		Parent Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
	ﷲ' 000	ﷲ' 000	ﷲ' 000	ﷲ' 000
Exchange income	1,336	1,255	955	967
Other income	199	97	199	97
<b>Total</b>	<b>1,535</b>	<b>1,352</b>	<b>1,154</b>	<b>1,064</b>



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**20. OPERATING EXPENSES**

	Consolidated		Parent Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
	₹' 000	₹' 000	₹' 000	₹' 000
Staff costs	11,706	11,461	8,073	7,989
Other operating expenses	5,551	5,196	4,497	4,115
Depreciation	2,033	2,128	1,576	1,734
Amortization	78	78	-	-
Directors' remuneration	100	100	75	75
<b>Total</b>	<b>19,468</b>	<b>18,963</b>	<b>14,221</b>	<b>13,913</b>

**21. CASH AND CASH EQUIVALENTS**

	Consolidated		Parent Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
	₹' 000	₹' 000	₹' 000	₹' 000
Cash and balances with the Central Bank of Oman (CBO) (note 3)	149,748	136,486	96,262	89,999
Due from banks (note 4)	100,579	145,482	96,949	124,281
T.bills	60,873	63,441	60,873	63,441
Restricted deposits included under balances with the CBO	-	(1,025)	-	(500)
<b>Total</b>	<b>311,200</b>	<b>344,384</b>	<b>254,084</b>	<b>277,221</b>

**22. ASSETS LIABILITIES GAP**

The Bank's maturity position of assets and liabilities is given below:

Consolidated	Assets	Liabilities	Gap	Cumulative Gap
<b>31 March 2026 (Unaudited)</b>	₹' 000	₹' 000	₹' 000	₹' 000
0-3 months	654,279	610,691	43,588	43,588
3-12 months	401,121	625,378	(224,257)	(180,669)
1-5 years	1,566,384	509,778	1,056,606	875,937
More than 5 years	1,588,966	12,514	1,576,452	2,452,389
Not tied to maturity	505,840	2,315,401	(1,809,561)	642,828
<b>Total</b>	<b>4,716,590</b>	<b>4,073,762</b>	<b>642,828</b>	
<b>31 December 2025 (Audited)</b>				
0-3 months	547,518	332,652	214,866	214,866
3-12 months	402,500	805,315	(402,815)	(187,949)
1-5 years	1,548,327	640,831	907,496	719,547
More than 5 years	1,636,427	12,555	1,623,872	2,343,419
Not tied to maturity	452,211	2,154,448	(1,702,237)	641,182
<b>Total</b>	<b>4,586,983</b>	<b>3,945,801</b>	<b>641,182</b>	



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**22. ASSETS LIABILITIES GAP (CONTINUED)**

Parent Company	Assets	Liabilities	Gap	Cumulative Gap
<b>31 March 2026 (Unaudited)</b>	<b>₹' 000</b>	<b>₹' 000</b>	<b>₹' 000</b>	<b>₹' 000</b>
0-3 months	477,587	470,430	7,157	7,157
3-12 months	227,919	406,599	(178,680)	(171,523)
1-5 years	1,116,879	319,528	797,351	625,828
More than 5 years	987,926	12,489	975,437	1,601,265
Not tied to maturity	548,945	1,536,875	(987,930)	613,335
<b>Total</b>	<b>3,359,256</b>	<b>2,745,921</b>	<b>613,335</b>	
<b>31 December 2025 (Audited)</b>	<b>₹' 000</b>	<b>₹' 000</b>	<b>₹' 000</b>	<b>₹' 000</b>
0-3 months	390,301	252,484	137,817	137,817
3-12 months	212,760	491,526	(278,766)	(140,949)
1-5 years	1,114,486	452,161	662,325	521,376
More than 5 years	1,001,648	12,555	989,093	1,510,469
Not tied to maturity	542,553	1,441,411	(898,858)	611,611
<b>Total</b>	<b>3,261,748</b>	<b>2,650,137</b>	<b>611,611</b>	

**23. RELATED PARTY TRANSACTIONS**

(a) Technical and administrative services with major shareholders

During the period ended 31 March 2026, the cost of technical and administrative services provided by Arab Bank Plc amounted to ₹ 24,654 (31 March 2025: ₹ 22,257).

(b) Other related party transactions

In the ordinary course of business, the Bank conducts transactions with its major shareholders and other related parties comprising of Directors, senior management and companies with which they have significant interest, on arm's length basis with the approval of Board of Directors. The aggregate amounts of balances with such related parties are as follows:

Consolidated	Major shareholders	Others	Total
31 March 2026 (Unaudited)	₹' 000	₹' 000	₹' 000
Loans and advances	34,333	120,233	154,566
Customers' deposits	670	68,150	68,820
Due from banks	9,563	45	9,608
Due to banks	8,191	-	8,191
Letters of credit, guarantees and acceptances	33,951	2,774	36,725
31 December 2025 (Audited)			
Loans and advances	36,000	126,439	162,439
Customers' deposits	1,069	53,203	54,272
Due from banks	10,083	28	10,111
Due to banks	7,829	-	7,829
Letters of credit, guarantees and acceptances	33,191	2,883	36,074


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**23. RELATED PARTY TRANSACTIONS (CONTINUED)**

Parent Company	Subsidiary	Major shareholders	Others	Total
31 March 2026 (Unaudited)	₹' 000	₹' 000	₹' 000	₹' 000
Loans and advances	-	34,333	92,635	<b>126,968</b>
Customers' deposits	-	670	63,752	<b>64,422</b>
Due from banks	-	9,563	-	<b>9,563</b>
Due to banks	-	8,191	-	<b>8,191</b>
Letters of credit, guarantees and acceptances	-	33,951	2,774	<b>36,725</b>
31 December 2025 (Audited)	₹' 000	₹' 000	₹' 000	₹' 000
Loans and advances	-	36,000	97,901	<b>133,901</b>
Customers' deposits	-	1,069	37,667	<b>38,736</b>
Due from banks	-	10,083	-	<b>10,083</b>
Due to banks	-	7,829	-	<b>7,829</b>
Letters of credit, guarantees and acceptances	-	33,191	2,883	<b>36,074</b>

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

Consolidated	Major shareholders	Others	Total
31 March 2026 (Unaudited)	₹' 000	₹' 000	₹' 000
Interest and commission income	545	1,747	<b>2,292</b>
Interest expense	80	362	<b>442</b>
31 March 2025 (Unaudited)	₹' 000	₹' 000	₹' 000
Interest and commission income	665	2,354	<b>3,019</b>
Interest expense	219	326	<b>545</b>

Parent Company	Subsidiary	Major shareholders	Others	Total
31 March 2026 (Unaudited)	₹' 000	₹' 000	₹' 000	₹' 000
Interest and commission income	23	545	1,257	<b>1,825</b>
Interest expense	-	80	430	<b>510</b>
31 March 2025 (Unaudited)	₹' 000	₹' 000	₹' 000	₹' 000
Interest and commission income	177	665	1,900	<b>2,742</b>
Interest expense	-	219	383	<b>602</b>

**24. CONTINGENT LIABILITIES AND COMMITMENTS**
**(a) Letters of credit and guarantees**

The Bank is a party to financial instrument with off-balance sheet credit risk in the normal course of business to meet the financing needs of its customers. These financial instruments include standby letters of credit, financial guarantees to third parties, commitments to extend credit and others. The Bank's exposure to credit loss in the event of non-performance by the other party to such financial instruments is represented by the contract value or the notional amount of the instrument. However, generally the credit risk on these transactions is lower than the contract value or the notional amount.

The risk involved is essentially the same as the credit risk involved in extending loan facilities and therefore these transactions are subject to the same credit organisation, portfolio maintenance and collateral requirements for customers applying for loans and advances.



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**24. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)**

The outstanding contract value or the notional amounts of these instruments at 31 March 2026 were as follows:

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	₹'000	₹'000	₹'000	₹'000
Letters of credit	134,307	130,283	26,829	29,968
Guarantees	211,049	200,840	143,665	140,162
<b>Total</b>	<b>345,356</b>	<b>331,123</b>	<b>170,494</b>	<b>170,130</b>

Letters of credit and guarantees amounting to ₹ 49,033 thousand (31 December 2025: ₹ 49,130 thousand) were counter guaranteed by other banks in the Parent Company. As of reporting date the subsidiary has no material letters of credit and guarantees that were counter guaranteed by other banks.

The allowances for credit losses for commitments and financial guarantees is included under note 12.

As at 31 March 2026, the unutilised commitment of facilities of ₹ 529,041 thousand (Consolidated), ₹ 463,255 thousand (Parent Company); [(31 December 2025 ₹ 516,139 thousand (Consolidated), ₹ 457,559 thousand (Parent Company))].

As at 31 March 2026, contingent liabilities include ₹ 5,829 thousand (Consolidated), ₹ 5,805 thousand (Parent Company); [31 December 2025 ₹ 5,753 thousand (Consolidated), ₹ 5,729 thousand (Parent Company)] relating to non-performing loans.

**25. EARNINGS PER SHARE/ NET ASSETS PER SHARE**

**(a) Basic and diluted earnings per share**

The basic earnings per share (EPS) is the outcome of dividing the profit for the period attributable to the ordinary shareholders by the weighted average number of shares outstanding.

	Consolidated		Parent Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
	₹'000	₹'000	₹'000	₹'000
Profit for the period	8,218	7,419	8,296	7,496
<b>Profit / (loss) for the period attributable to shareholders</b>	<b>8,218</b>	<b>7,419</b>	<b>8,296</b>	<b>7,496</b>
Weighted average number of shares outstanding during the period	2,002,743,333	1,749,541,680	2,002,743,333	1,749,541,680
Basic/Diluted earnings / (loss) per share (₹)	0.004	0.004	0.004	0.004

Weighted average number of shares outstanding	
1 January 2026 to 31 March 2026	
Weighted average as at 31 March 2026	2,002,743,333

The diluted EPS was equal to the basic EPS for both periods as the Bank has not issued any instruments, which would have an impact on earnings per share when exercised.



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**25. EARNINGS PER SHARE/ NET ASSETS PER SHARE (CONTINUED)**

**(b) Net assets value per share**

The calculation of net assets per share is based on net assets as at 31 March 2026 attributable to ordinary shareholders of ~~₹~~ 216,941 million (31 December 2025: ~~₹~~ 216,941 million) and on 2,002,743,333 ordinary shares (31 December 2025 – 2,002,743,333 ordinary shares) being the number of shares outstanding as at 31 March 2026.

	Consolidated		Parent Company	
	Unaudited 31-Mar-26	Audited 31-Dec-25	Unaudited 31-Mar-26	Audited 31-Dec-25
Shareholders' equity ( <del>₹</del> '000)	456,562	454,916	457,069	455,345
Number of shares	2,002,743,333	2,002,743,333	2,002,743,333	2,002,743,333
<b>Net assets value per share (<del>₹</del>)</b>	<b>0.228</b>	<b>0.227</b>	<b>0.228</b>	<b>0.227</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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**26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS**

(a) Exposure at default and movement in the expected credit losses:

	Consolidated (Unaudited)							
	31-Mar-26				31-Mar-25			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Exposure at default</b>	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
- Loans and Advances to Customers including interest receivables	3,160,829	632,127	220,900	<b>4,013,856</b>	2,934,388	627,584	218,047	<b>3,780,019</b>
- Investment Securities (Debt)	514,790	-	-	<b>514,790</b>	430,382	-	-	<b>430,382</b>
- Loan Commitments, financial guarantees and acceptances	774,968	105,322	5,829	<b>886,119</b>	807,263	69,254	5,790	<b>882,307</b>
- Due from Banks	123,279	-	-	<b>123,279</b>	145,482	-	-	<b>145,482</b>
<b>Exposure subject to ECL</b>	<b>4,573,866</b>	<b>737,449</b>	<b>226,729</b>	<b>5,538,044</b>	<b>4,317,515</b>	<b>696,838</b>	<b>223,837</b>	<b>5,238,190</b>
<b>Movement of ECL</b>								
- Loans and Advances to Customers including interest receivables	9,426	72,536	102,676	<b>184,638</b>	8,090	72,413	100,089	<b>180,592</b>
- Investment Securities (Debt)	287	-	-	<b>287</b>	173	-	-	<b>173</b>
- Loan Commitments, financial guarantees and acceptances	934	358	2,834	<b>4,126</b>	670	387	2,761	<b>3,818</b>
- Due from Banks	53	-	-	<b>53</b>	37	-	-	<b>37</b>
<b>Opening balance as at 1 January</b>	<b>10,700</b>	<b>72,894</b>	<b>105,510</b>	<b>189,104</b>	<b>8,970</b>	<b>72,800</b>	<b>102,850</b>	<b>184,620</b>
- Loans and Advances to Customers including interest receivables	(403)	(18,605)	19,008	-	(992)	(771)	1,763	-
- Investment Securities (Debt)	-	-	-	-	-	-	-	-
- Loan Commitments, financial guarantees and acceptances	(12)	12	-	-	(16)	16	-	-
- Due from Banks	-	-	-	-	-	-	-	-
<b>Net transfer between stages</b>	<b>(415)</b>	<b>(18,593)</b>	<b>19,008</b>	<b>-</b>	<b>(1,008)</b>	<b>(755)</b>	<b>1,763</b>	<b>-</b>
- Loans and Advances to Customers including interest receivables	989	3,622	355	<b>4,966</b>	1,650	(406)	5,817	<b>7,061</b>
- Investment Securities (Debt)	6	-	-	<b>6</b>	32	-	-	<b>32</b>
- Loan Commitments, financial guarantees and acceptances	1,032	37	76	<b>1,145</b>	107	(68)	43	<b>82</b>
- Due from Banks	-	-	-	-	160	-	-	<b>160</b>
<b>Charge for the period (net)</b>	<b>2,027</b>	<b>3,659</b>	<b>431</b>	<b>6,117</b>	<b>1,949</b>	<b>(474)</b>	<b>5,860</b>	<b>7,335</b>
<b>Write Off</b>	<b>-</b>	<b>-</b>	<b>(27,414)</b>	<b>(27,414)</b>	<b>-</b>	<b>-</b>	<b>(3,975)</b>	<b>(3,975)</b>
- Loans and Advances to Customers including interest receivables	10,012	57,553	94,625	<b>162,190</b>	8,748	71,236	103,694	<b>183,678</b>
- Investment Securities (Debt)	293	-	-	<b>293</b>	205	-	-	<b>205</b>
- Loan Commitments, financial guarantees and acceptances	1,954	407	2,910	<b>5,271</b>	761	335	2,804	<b>3,900</b>
- Due from Banks	53	-	-	<b>53</b>	197	-	-	<b>197</b>
<b>Closing balance as at 31 March</b>	<b>12,312</b>	<b>57,960</b>	<b>97,535</b>	<b>167,807</b>	<b>9,911</b>	<b>71,571</b>	<b>106,498</b>	<b>187,980</b>



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**26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)**

(a) Exposure at default and movement in the expected credit losses:

	Parent Company (Unaudited)							
	31-Mar-26				31-Mar-25			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Exposure at default</b>	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
- Loans and Advances to Customers including interest receivables	2,094,566	464,198	165,898	<b>2,724,662</b>	1,972,045	467,135	165,518	<b>2,604,698</b>
- Investment Securities (Debt)	353,535	-	-	<b>353,535</b>	303,264	-	-	<b>303,264</b>
- Loan Commitments, financial guarantees and acceptances	535,095	104,571	5,805	<b>645,471</b>	605,753	68,230	5,753	<b>679,736</b>
- Due from Banks	96,949	-	-	<b>96,949</b>	124,281	-	-	<b>124,281</b>
<b>Exposure subject to ECL</b>	<b>3,080,145</b>	<b>568,769</b>	<b>171,703</b>	<b>3,820,617</b>	<b>3,005,343</b>	<b>535,365</b>	<b>171,271</b>	<b>3,711,979</b>
<b>Movement of ECL</b>								
- Loans and Advances to Customers including interest receivables	6,586	55,807	73,231	<b>135,624</b>	4,831	57,522	73,435	<b>135,788</b>
- Investment Securities (Debt)	223	-	-	<b>223</b>	134	-	-	<b>134</b>
- Loan Commitments, financial guarantees and acceptances	549	339	2,818	<b>3,706</b>	440	347	2,741	<b>3,528</b>
- Due from Banks	9	-	-	<b>9</b>	30	-	-	<b>30</b>
<b>Opening balance as at 1 January</b>	<b>7,367</b>	<b>56,146</b>	<b>76,049</b>	<b>139,562</b>	<b>5,435</b>	<b>57,869</b>	<b>76,176</b>	<b>139,480</b>
- Loans and Advances to Customers including interest receivables	(153)	(18,031)	18,184	-	(406)	(797)	1,203	-
- Investment Securities (Debt)	-	-	-	-	-	-	-	-
- Loan Commitments, financial guarantees and acceptances	(12)	12	-	-	(16)	16	-	-
- Due from Banks	-	-	-	-	-	-	-	-
<b>Net transfer between stages</b>	<b>(165)</b>	<b>(18,019)</b>	<b>18,184</b>	<b>-</b>	<b>(422)</b>	<b>(781)</b>	<b>1,203</b>	<b>-</b>
- Loans and Advances to Customers including interest receivables	401	3,534	386	<b>4,321</b>	1,462	(934)	5,277	<b>5,805</b>
- Investment Securities (Debt)	(10)	-	-	<b>(10)</b>	2	-	-	<b>2</b>
- Loan Commitments, financial guarantees and acceptances	(25)	37	76	<b>88</b>	114	(65)	42	<b>91</b>
- Due from Banks	15	-	-	<b>15</b>	111	-	-	<b>111</b>
<b>Charge for the Period (net)</b>	<b>381</b>	<b>3,571</b>	<b>462</b>	<b>4,414</b>	<b>1,689</b>	<b>(999)</b>	<b>5,319</b>	<b>6,009</b>
<b>Write Off</b>	<b>-</b>	<b>-</b>	<b>(27,414)</b>	<b>(27,414)</b>	<b>-</b>	<b>-</b>	<b>(3,975)</b>	<b>(3,975)</b>
- Loans and Advances to Customers including interest receivables	6,834	41,310	64,387	<b>112,531</b>	5,887	55,791	75,940	<b>137,618</b>
- Investment Securities (Debt)	213	-	-	<b>213</b>	136	-	-	<b>136</b>
- Loan Commitments, financial guarantees and acceptances	512	388	2,894	<b>3,794</b>	538	298	2,783	<b>3,619</b>
- Due from Banks	24	-	-	<b>24</b>	141	-	-	<b>141</b>
<b>Closing balance as at 31 March</b>	<b>7,583</b>	<b>41,698</b>	<b>67,281</b>	<b>116,562</b>	<b>6,702</b>	<b>56,089</b>	<b>78,723</b>	<b>141,514</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)**

(b) Impairment charge and provisions held:

	Consolidated (Unaudited)					
	31-Mar-26			31-Mar-25		
	As per CBO Norms	As per IFRS 9	Difference	As per CBO Norms	As per IFRS 9	Difference
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Impairment loss charged to profit or loss account <sup>1</sup>	6,117	6,117	-	7,335	7,335	-
Provisions required as per CBO norms/held as per IFRS 9 <sup>1</sup>	189,955	167,807	(22,148)	203,525	187,980	(15,545)
Gross NPL ratio <sup>2</sup>	5.50%	5.50%	-	5.77%	5.77%	-
Net NPL ratio <sup>2</sup>	1.76%	2.39%	-	1.40%	2.04%	-

	Parent Company (Unaudited)					
	31-Mar-26			31-Mar-25		
	As per CBO Norms	As per IFRS 9	Difference	As per CBO Norms	As per IFRS 9	Difference
	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Impairment loss charged to profit or loss account <sup>1</sup>	4,414	4,414	-	6,009	6,009	-
Provisions required as per CBO norms/held as per IFRS 9 <sup>1</sup>	138,727	116,562	(22,165)	157,065	141,514	(15,551)
Gross NPL ratio <sup>2</sup>	6.09%	6.09%	-	6.35%	6.35%	-
Net NPL ratio <sup>2</sup>	2.13%	2.78%	-	1.52%	2.17%	-

1. Impairment loss and provisions held include unallocated provision.

2. NPL ratios are calculated on the basis of funded non-performing loans and funded exposures.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)**

(c) Comparison of provision held as per IFRS 9 and required as per CBO guidelines:

Consolidated								
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	Reserve interest	Net Amount as per CBO norms <sup>1</sup>	Net Amount as per IFRS 9
31 March 2026 (Unaudited)		₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	3,160,829	37,381	10,012	27,369	-	3,123,448	3,150,817
	Stage 2	299,508	2,934	6,071	(3,137)	-	296,574	293,437
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>3,460,337</b>	<b>40,315</b>	<b>16,083</b>	<b>24,232</b>	<b>-</b>	<b>3,420,022</b>	<b>3,444,254</b>
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	332,619	29,217	51,482	(22,265)	12,690	290,712	268,447
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>332,619</b>	<b>29,217</b>	<b>51,482</b>	<b>(22,265)</b>	<b>12,690</b>	<b>290,712</b>	<b>268,447</b>
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	61,155	13,916	22,123	(8,207)	5,477	41,762	33,555
	<b>Sub-total</b>	<b>61,155</b>	<b>13,916</b>	<b>22,123</b>	<b>(8,207)</b>	<b>5,477</b>	<b>41,762</b>	<b>33,555</b>
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	9,884	4,590	3,747	843	309	4,985	5,828
	<b>Sub-total</b>	<b>9,884</b>	<b>4,590</b>	<b>3,747</b>	<b>843</b>	<b>309</b>	<b>4,985</b>	<b>5,828</b>
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	149,861	100,910	68,755	32,155	27,596	21,355	53,510
	<b>Sub-total</b>	<b>149,861</b>	<b>100,910</b>	<b>68,755</b>	<b>32,155</b>	<b>27,596</b>	<b>21,355</b>	<b>53,510</b>
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,413,037	997	2,300	(1,303)	-	1,412,040	1,410,737
	Stage 2	105,322	-	407	(407)	-	105,322	104,915
	Stage 3	5,829	10	2,910	(2,900)	-	5,819	2,919
	<b>Sub-total</b>	<b>1,524,188</b>	<b>1,007</b>	<b>5,617</b>	<b>(4,610)</b>	<b>-</b>	<b>1,523,181</b>	<b>1,518,571</b>
<b>Total</b>	<b>Stage 1</b>	<b>4,573,866</b>	<b>38,378</b>	<b>12,312</b>	<b>26,066</b>	<b>-</b>	<b>4,535,488</b>	<b>4,561,554</b>
	<b>Stage 2</b>	<b>737,449</b>	<b>32,151</b>	<b>57,960</b>	<b>(25,809)</b>	<b>12,690</b>	<b>692,608</b>	<b>666,799</b>
	<b>Stage 3</b>	<b>226,729</b>	<b>119,426</b>	<b>97,535</b>	<b>21,891</b>	<b>33,382</b>	<b>73,921</b>	<b>95,812</b>
	<b>Total</b>	<b>5,538,044</b>	<b>189,955</b>	<b>167,807</b>	<b>22,148</b>	<b>46,072</b>	<b>5,302,017</b>	<b>5,324,165</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)**

(c) Comparison of provision held as per IFRS 9 and required as per CBO guidelines:

<b>Consolidated</b>								
<b>Asset Classification as per CBO Norms</b>	<b>Asset classification as per IFRS 9</b>	<b>Gross Amount</b>	<b>Provision required as per CBO Norms</b>	<b>Provision held as per IFRS 9</b>	<b>Difference between CBO provision required and provision held</b>	<b>Reserve interest</b>	<b>Net Amount as per CBO norms<sup>1</sup></b>	<b>Net Amount as per IFRS 9</b>
<b>31 December 2025 (Audited)</b>		<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>
		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	3,064,633	36,402	9,367	27,035	-	3,028,231	3,055,266
	Stage 2	280,570	2,720	5,697	(2,977)	-	277,850	274,873
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>3,345,203</b>	<b>39,122</b>	<b>15,064</b>	<b>24,058</b>	<b>-</b>	<b>3,306,081</b>	<b>3,330,139</b>
Special Mention	Stage 1	2,275	11	59	(48)	-	2,264	2,216
	Stage 2	393,950	42,908	66,839	(23,931)	16,154	334,888	310,957
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>396,225</b>	<b>42,919</b>	<b>66,898</b>	<b>(23,979)</b>	<b>16,154</b>	<b>337,152</b>	<b>313,173</b>
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	21,816	5,370	5,225	145	485	15,961	16,106
	<b>Sub-total</b>	<b>21,816</b>	<b>5,370</b>	<b>5,225</b>	<b>145</b>	<b>485</b>	<b>15,961</b>	<b>16,106</b>
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	19,861	10,473	8,590	1,883	327	9,061	10,944
	<b>Sub-total</b>	<b>19,861</b>	<b>10,473</b>	<b>8,590</b>	<b>1,883</b>	<b>327</b>	<b>9,061</b>	<b>10,944</b>
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	174,457	115,035	88,861	26,174	35,941	23,481	49,655
	<b>Sub-total</b>	<b>174,457</b>	<b>115,035</b>	<b>88,861</b>	<b>26,174</b>	<b>35,941</b>	<b>23,481</b>	<b>49,655</b>
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,308,936	-	1,274	(1,274)	-	1,308,936	1,307,662
	Stage 2	103,226	-	358	(358)	-	103,226	102,868
	Stage 3	5,753	10	2,834	(2,824)	-	5,743	2,919
	<b>Sub-total</b>	<b>1,417,915</b>	<b>10</b>	<b>4,466</b>	<b>(4,456)</b>	<b>-</b>	<b>1,417,905</b>	<b>1,413,449</b>
<b>Total</b>	<b>Stage 1</b>	<b>4,375,844</b>	<b>36,413</b>	<b>10,700</b>	<b>25,713</b>	<b>-</b>	<b>4,339,431</b>	<b>4,365,144</b>
	<b>Stage 2</b>	<b>777,746</b>	<b>45,628</b>	<b>72,894</b>	<b>(27,266)</b>	<b>16,154</b>	<b>715,964</b>	<b>688,698</b>
	<b>Stage 3</b>	<b>221,887</b>	<b>130,888</b>	<b>105,510</b>	<b>25,378</b>	<b>36,753</b>	<b>54,246</b>	<b>79,624</b>
	<b>Total</b>	<b>5,375,477</b>	<b>212,929</b>	<b>189,104</b>	<b>23,825</b>	<b>52,907</b>	<b>5,109,641</b>	<b>5,133,466</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)**

(c) Comparison of provision held as per IFRS 9 and required as per CBO guidelines:

Parent Company								
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	Reserve interest	Net Amount as per CBO norms <sup>1</sup>	Net Amount as per IFRS 9
31 March 2026 (Unaudited)		₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	2,094,566	26,345	6,834	19,511	-	2,068,221	2,087,732
	Stage 2	267,368	2,605	4,646	(2,041)	-	264,763	262,722
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>2,361,934</b>	<b>28,950</b>	<b>11,480</b>	<b>17,470</b>	<b>-</b>	<b>2,332,984</b>	<b>2,350,454</b>
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	196,830	27,915	36,664	(8,749)	10,016	158,899	150,150
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>196,830</b>	<b>27,915</b>	<b>36,664</b>	<b>(8,749)</b>	<b>10,016</b>	<b>158,899</b>	<b>150,150</b>
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	57,727	13,026	21,235	(8,209)	5,462	39,239	31,030
	<b>Sub-total</b>	<b>57,727</b>	<b>13,026</b>	<b>21,235</b>	<b>(8,209)</b>	<b>5,462</b>	<b>39,239</b>	<b>31,030</b>
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	2,960	1,242	1,052	190	126	1,592	1,782
	<b>Sub-total</b>	<b>2,960</b>	<b>1,242</b>	<b>1,052</b>	<b>190</b>	<b>126</b>	<b>1,592</b>	<b>1,782</b>
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	105,211	67,594	42,100	25,494	22,695	14,922	40,416
	<b>Sub-total</b>	<b>105,211</b>	<b>67,594</b>	<b>42,100</b>	<b>25,494</b>	<b>22,695</b>	<b>14,922</b>	<b>40,416</b>
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	985,579	-	749	(749)	-	985,579	984,830
	Stage 2	104,571	-	388	(388)	-	104,571	104,183
	Stage 3	5,805	-	2,894	(2,894)	-	5,805	2,911
	<b>Sub-total</b>	<b>1,095,955</b>	<b>-</b>	<b>4,031</b>	<b>(4,031)</b>	<b>-</b>	<b>1,095,955</b>	<b>1,091,924</b>
<b>Total</b>	<b>Stage 1</b>	<b>3,080,145</b>	<b>26,345</b>	<b>7,583</b>	<b>18,762</b>	<b>-</b>	<b>3,053,800</b>	<b>3,072,562</b>
	<b>Stage 2</b>	<b>568,769</b>	<b>30,520</b>	<b>41,698</b>	<b>(11,178)</b>	<b>10,016</b>	<b>528,233</b>	<b>517,055</b>
	<b>Stage 3</b>	<b>171,703</b>	<b>81,862</b>	<b>67,281</b>	<b>14,581</b>	<b>28,283</b>	<b>61,558</b>	<b>76,139</b>
	<b>Total</b>	<b>3,820,617</b>	<b>138,727</b>	<b>116,562</b>	<b>22,165</b>	<b>38,299</b>	<b>3,643,591</b>	<b>3,665,756</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)**

(c) Comparison of provision held as per IFRS 9 and required as per CBO guidelines:

Parent Company								
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	Reserve interest	Net Amount as per CBO norms <sup>1</sup>	Net Amount as per IFRS 9
31 December 2025 (Audited)		₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	2,025,826	25,657	6,527	19,130	-	2,000,169	2,019,299
	Stage 2	247,447	2,383	3,845	(1,462)	-	245,064	243,602
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>2,273,273</b>	<b>28,040</b>	<b>10,372</b>	<b>17,668</b>	<b>-</b>	<b>2,245,233</b>	<b>2,262,901</b>
Special Mention	Stage 1	2,275	11	59	(48)	-	2,264	2,216
	Stage 2	255,546	41,587	51,962	(10,375)	13,871	200,088	189,713
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>257,821</b>	<b>41,598</b>	<b>52,021</b>	<b>(10,423)</b>	<b>13,871</b>	<b>202,352</b>	<b>191,929</b>
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	20,817	5,120	5,086	34	483	15,214	15,248
	<b>Sub-total</b>	<b>20,817</b>	<b>5,120</b>	<b>5,086</b>	<b>34</b>	<b>483</b>	<b>15,214</b>	<b>15,248</b>
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	12,201	6,923	5,829	1,094	209	5,069	6,163
	<b>Sub-total</b>	<b>12,201</b>	<b>6,923</b>	<b>5,829</b>	<b>1,094</b>	<b>209</b>	<b>5,069</b>	<b>6,163</b>
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	131,032	81,738	62,316	19,422	31,217	18,077	37,499
	<b>Sub-total</b>	<b>131,032</b>	<b>81,738</b>	<b>62,316</b>	<b>19,422</b>	<b>31,217</b>	<b>18,077</b>	<b>37,499</b>
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	928,493	-	781	(781)	-	928,493	927,712
	Stage 2	101,717	-	339	(339)	-	101,717	101,378
	Stage 3	5,729	-	2,818	(2,818)	-	5,729	2,911
	<b>Sub-total</b>	<b>1,035,939</b>	<b>-</b>	<b>3,938</b>	<b>(3,938)</b>	<b>-</b>	<b>1,035,939</b>	<b>1,032,001</b>
<b>Total</b>	<b>Stage 1</b>	<b>2,956,594</b>	<b>25,668</b>	<b>7,367</b>	<b>18,301</b>	<b>-</b>	<b>2,930,926</b>	<b>2,949,227</b>
	<b>Stage 2</b>	<b>604,710</b>	<b>43,970</b>	<b>56,146</b>	<b>(12,176)</b>	<b>13,871</b>	<b>546,869</b>	<b>534,693</b>
	<b>Stage 3</b>	<b>169,779</b>	<b>93,781</b>	<b>76,049</b>	<b>17,732</b>	<b>31,909</b>	<b>44,089</b>	<b>61,821</b>
	<b>Total</b>	<b>3,731,083</b>	<b>163,419</b>	<b>139,562</b>	<b>23,857</b>	<b>45,780</b>	<b>3,521,884</b>	<b>3,545,741</b>

1. The CBO regulations require that the allowance for credit losses should be in accordance with IFRS 9 and if the provision requirements as per the CBO guidelines are higher than IFRS 9, the difference, net of tax, needs to be transferred to the "Impairment Reserve" as an appropriation from net profit after tax. There were no transfers to the impairment reserve during the three-month period ended in 31 March 2026.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)**

(d) Restructured loans:

Consolidated								
Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Reserve interest	Net Amount as per CBO norms	Net Amount as per IFRS 9
31 March 2026 (Unaudited)		₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	22,542	261	201	60	-	22,281	22,341
	Stage 2	331,280	28,703	50,271	(21,568)	11,590	290,987	269,419
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>353,822</b>	<b>28,964</b>	<b>50,472</b>	<b>(21,508)</b>	<b>11,590</b>	<b>313,268</b>	<b>291,760</b>
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	130,244	53,708	39,524	14,184	10,419	66,117	80,301
	<b>Sub-total</b>	<b>130,244</b>	<b>53,708</b>	<b>39,524</b>	<b>14,184</b>	<b>10,419</b>	<b>66,117</b>	<b>80,301</b>
<b>Total</b>	<b>Stage 1</b>	<b>22,542</b>	<b>261</b>	<b>201</b>	<b>60</b>	<b>-</b>	<b>22,281</b>	<b>22,341</b>
	<b>Stage 2</b>	<b>331,280</b>	<b>28,703</b>	<b>50,271</b>	<b>(21,568)</b>	<b>11,590</b>	<b>290,987</b>	<b>269,419</b>
	<b>Stage 3</b>	<b>130,244</b>	<b>53,708</b>	<b>39,524</b>	<b>14,184</b>	<b>10,419</b>	<b>66,117</b>	<b>80,301</b>
	<b>Total</b>	<b>484,066</b>	<b>82,672</b>	<b>89,996</b>	<b>(7,324)</b>	<b>22,009</b>	<b>379,385</b>	<b>372,061</b>
31 December 2025 (Audited)								
		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	59,264	620	372	248	-	58,644	58,892
	Stage 2	348,504	33,021	55,603	(22,582)	12,547	302,936	280,354
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>407,768</b>	<b>33,641</b>	<b>55,975</b>	<b>(22,334)</b>	<b>12,547</b>	<b>361,580</b>	<b>339,246</b>
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	106,142	69,263	56,866	12,397	16,467	20,412	32,809
	<b>Sub-total</b>	<b>106,142</b>	<b>69,263</b>	<b>56,866</b>	<b>12,397</b>	<b>16,467</b>	<b>20,412</b>	<b>32,809</b>
<b>Total</b>	<b>Stage 1</b>	<b>59,264</b>	<b>620</b>	<b>372</b>	<b>248</b>	<b>-</b>	<b>58,644</b>	<b>58,892</b>
	<b>Stage 2</b>	<b>348,504</b>	<b>33,021</b>	<b>55,603</b>	<b>(22,582)</b>	<b>12,547</b>	<b>302,936</b>	<b>280,354</b>
	<b>Stage 3</b>	<b>106,142</b>	<b>69,263</b>	<b>56,866</b>	<b>12,397</b>	<b>16,467</b>	<b>20,412</b>	<b>32,809</b>
	<b>Total</b>	<b>513,910</b>	<b>102,904</b>	<b>112,841</b>	<b>(9,937)</b>	<b>29,014</b>	<b>381,992</b>	<b>372,055</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**

**26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)**

(d) Restructured loans:

Parent Company								
Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Reserve interest	Net Amount as per CBO norms	Net Amount as per IFRS 9
31 March 2026 (Unaudited)		₹'000	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	6,028	91	36	55	-	5,937	5,992
	Stage 2	196,983	27,318	35,849	(8,531)	8,916	160,749	152,218
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>203,011</b>	<b>27,409</b>	<b>35,885</b>	<b>(8,476)</b>	<b>8,916</b>	<b>166,686</b>	<b>158,210</b>
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	105,568	38,657	28,452	10,205	8,353	58,558	68,763
	<b>Sub-total</b>	<b>105,568</b>	<b>38,657</b>	<b>28,452</b>	<b>10,205</b>	<b>8,353</b>	<b>58,558</b>	<b>68,763</b>
<b>Total</b>	<b>Stage 1</b>	<b>6,028</b>	<b>91</b>	<b>36</b>	<b>55</b>	<b>-</b>	<b>5,937</b>	<b>5,992</b>
	<b>Stage 2</b>	<b>196,983</b>	<b>27,318</b>	<b>35,849</b>	<b>(8,531)</b>	<b>8,916</b>	<b>160,749</b>	<b>152,218</b>
	<b>Stage 3</b>	<b>105,568</b>	<b>38,657</b>	<b>28,452</b>	<b>10,205</b>	<b>8,353</b>	<b>58,558</b>	<b>68,763</b>
	<b>Total</b>	<b>308,579</b>	<b>66,066</b>	<b>64,337</b>	<b>1,729</b>	<b>17,269</b>	<b>225,244</b>	<b>226,973</b>
<b>31 December 2025 (Audited)</b>		<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>
		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	36,716	390	181	209	-	36,326	36,535
	Stage 2	216,559	31,764	41,249	(9,485)	10,263	174,532	165,047
	Stage 3	-	-	-	-	-	-	-
	<b>Sub-total</b>	<b>253,275</b>	<b>32,154</b>	<b>41,430</b>	<b>(9,276)</b>	<b>10,263</b>	<b>210,858</b>	<b>201,582</b>
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	82,227	54,051	45,832	8,219	14,602	13,574	21,793
	<b>Sub-total</b>	<b>82,227</b>	<b>54,051</b>	<b>45,832</b>	<b>8,219</b>	<b>14,602</b>	<b>13,574</b>	<b>21,793</b>
<b>Total</b>	<b>Stage 1</b>	<b>36,716</b>	<b>390</b>	<b>181</b>	<b>209</b>	<b>-</b>	<b>36,326</b>	<b>36,535</b>
	<b>Stage 2</b>	<b>216,559</b>	<b>31,764</b>	<b>41,249</b>	<b>(9,485)</b>	<b>10,263</b>	<b>174,532</b>	<b>165,047</b>
	<b>Stage 3</b>	<b>82,227</b>	<b>54,051</b>	<b>45,832</b>	<b>8,219</b>	<b>14,602</b>	<b>13,574</b>	<b>21,793</b>
	<b>Total</b>	<b>335,502</b>	<b>86,205</b>	<b>87,262</b>	<b>(1,057)</b>	<b>24,865</b>	<b>224,432</b>	<b>223,375</b>



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

### 26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

#### (e) Geopolitical Risk and Regional Uncertainty

The Middle East region is experiencing heightened geopolitical tensions, which may contribute to volatility in financial markets, commodity prices and broader economic conditions in the region. Management has assessed the potential implications of these developments on the Bank's financial position, including credit risk, liquidity risk, market risk and expected credit loss estimates. While the situation remains dynamic, the Bank continues to monitor relevant economic and financial indicators to assess potential impacts on its operations, counterparties and portfolio quality. Based on the information currently available, it believes that these developments have not had a material impact on the Bank's financial position or risk exposures. Given the evolving nature of the situation and the inherent uncertainty surrounding geopolitical developments, the potential financial impact cannot currently be reliably estimated. The Bank will continue to review its assumptions and assessment of risk exposures as the situation develops.

### 27. CAPITAL MANAGEMENT

The Bank's objectives of capital management are:

- To comply with the capital requirements set by the regulator i.e. the Central Bank of Oman;
- To safeguard the Bank's ability to continue as a going concern while providing adequate returns to the shareholders; and
- To maintain a strong capital base to support the development of its business.

The principal objective of the CBO capital adequacy requirements is to ensure that an adequate level of capital is maintained to withstand any losses which may result from the risks in a Bank's statement of financial position, in particular credit risk. The CBO's risk-based capital adequacy framework is consistent with the international standards of the Bank for International Settlements (BIS). The CBO requires the registered banks in the Sultanate of Oman to maintain minimum capital adequacy (CAR) of 13.5%.

The Bank's regulatory capital as per Basel III regulations is grouped into:

- Tier 1 capital, which includes ordinary share capital, share premium, reserves, retained earnings (net of proposed dividend) after deductions for goodwill, intangibles including deferred tax asset and 50% of carrying value of the investment in associates as per the regulatory adjustments that are included in equity but are treated differently for capital adequacy purposes and additional tier1 capital.
- Tier 2 capital, which includes qualifying subordinated liabilities, general loan loss impairment / ECL provision (Stage 1 and 2) and the element of the fair value reserve relating to unrealised gains on equity instruments classified as FVOCI after deductions for 50% of carrying value of investments in associates.

The qualifying Tier II cannot exceed Tier I capital, the amount of collective impairment allowances that may be included as part of Tier II capital is limited to 1.25% of the total credit risk-weighted assets. Additional incremental Stage 2 ECL as on December 31, 2022, over Stage 2 ECL as on December 31, 2019, qualifies as Tier II capital with a gradual phase-out by 2024.



## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026

### 27. CAPITAL MANAGEMENT (CONTINUED)

The capital adequacy of the Bank is as follows:

	Consolidated		Parent Company	
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	₹'000	₹'000	₹'000	₹'000
Common Equity Tier 1 (CET 1)	407,335	407,644	271,433	271,433
Additional Tier 1	186,266	186,266	156,266	156,266
Tier 1 capital	593,601	593,910	427,699	427,699
Tier 2 capital	14,697	12,457	9,312	8,956
<b>Total regulatory capital</b>	<b>608,298</b>	<b>606,367</b>	<b>437,011</b>	<b>436,655</b>
Credit risk	3,166,974	3,057,737	2,118,558	2,062,850
Market risk	48,188	65,021	32,588	43,196
Operational risk	241,289	241,289	175,763	175,763
<b>Total risk weighted assets</b>	<b>3,456,451</b>	<b>3,364,047</b>	<b>2,326,909</b>	<b>2,281,809</b>
Capital adequacy ratio %	<b>17.60%</b>	<b>18.02%</b>	<b>18.78%</b>	<b>19.14%</b>
CET 1 ratio	<b>11.78%</b>	<b>12.12%</b>	<b>11.66%</b>	<b>11.90%</b>
Tier 1 Capital ratio	<b>17.17%</b>	<b>17.65%</b>	<b>18.38%</b>	<b>18.74%</b>

### 28. SEGMENT INFORMATION

The Bank mainly operates in only one geographical location, the Sultanate of Oman. The Bank has, however, earned interest income and incurred interest expenses on account of money market placements and borrowings with banks outside the Sultanate of Oman as of 31 March 2026.

For management purposes, the conventional operations of the Bank are organised into four operating segments based on products and services. In addition, Islamic banking services are offered through Alizz Islamic Bank. The operating segments are as follows:

Retail banking	Individual personal loan, overdraft, credit card and funds transfer facilities.
Corporate banking	Loans and other credit facilities for corporate and institutional customers.
Treasury	Bonds, placements, bank borrowings, foreign exchange.
Others	Other central functions and Head office.
Islamic Banking	Sharia' compliant Islamic banking products and services including Ijarah, Murabaha, Mudarbah and Diminishing Musharakah.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss, which in certain respects is measured differently from operating profit or loss in the financial statements. The costs incurred by the central functions are managed on a group basis and are not allocated to operating segments.

Cash and balances with the Central Bank of Oman, Certificate of Deposits, due from banks, property and equipment and other assets are unallocated assets. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2026 or 2025.


**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2026**
**28. SEGMENT INFORMATION (CONTINUED)**

<b>Consolidated</b>	<b>Retail</b>	<b>Corporate</b>	<b>Treasury</b>	<b>Others</b>	<b>Islamic Banking</b>	<b>Total</b>
<b>31 March 2026 (Unaudited)</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>
Net interest income	7,918	12,191	506	-	-	<b>20,615</b>
Net income from Islamic financing	-	-	-	-	8,161	<b>8,161</b>
Net fees, commission and other operating income	1,997	1,942	886	-	1,784	<b>6,609</b>
<b>Total operating income</b>	<b>9,915</b>	<b>14,133</b>	<b>1,392</b>	<b>-</b>	<b>9,945</b>	<b>35,385</b>
Operating expenses	(8,393)	(5,350)	(478)	(78)	(5,169)	<b>(19,468)</b>
Net allowances for credit losses	(620)	(3,789)	(5)	-	(1,703)	<b>(6,117)</b>
Tax expenses	(149)	(825)	(150)	-	(458)	<b>(1,582)</b>
<b>Profit / (Loss) for the period</b>	<b>753</b>	<b>4,169</b>	<b>759</b>	<b>(78)</b>	<b>2,615</b>	<b>8,218</b>
Assets	864,553	1,709,279	564,992	78,665	1,499,101	<b>4,716,590</b>
Liabilities	812,756	1,745,677	49,272	138,217	1,327,840	<b>4,073,762</b>

<b>Consolidated</b>	<b>Retail</b>	<b>Corporate</b>	<b>Treasury</b>	<b>Others</b>	<b>Islamic Banking</b>	<b>Total</b>
<b>31 March 2025 (Unaudited)</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>
Net interest income	6,124	14,489	77	-	-	<b>20,690</b>
Net income from Islamic financing	-	-	-	-	7,800	<b>7,800</b>
Net fees, commission and other operating income	2,391	1,937	981	-	1,348	<b>6,657</b>
<b>Total operating income</b>	<b>8,515</b>	<b>16,426</b>	<b>1,058</b>	<b>-</b>	<b>9,148</b>	<b>35,147</b>
Operating expenses	(8,180)	(5,326)	(407)	(78)	(4,972)	<b>(18,963)</b>
Net allowances for credit losses	(200)	(5,696)	(113)	-	(1,326)	<b>(7,335)</b>
Tax expenses	(22)	(881)	(88)	-	(439)	<b>(1,430)</b>
<b>Profit / (Loss) for the period</b>	<b>113</b>	<b>4,523</b>	<b>450</b>	<b>(78)</b>	<b>2,411</b>	<b>7,419</b>
Assets	838,448	1,581,539	516,685	83,188	1,354,992	<b>4,374,852</b>
Liabilities	745,975	1,772,442	8,574	80,606	1,193,903	<b>3,801,500</b>

<b>Parent Company</b>	<b>Retail</b>	<b>Corporate</b>	<b>Treasury</b>	<b>Others</b>	<b>Islamic Banking</b>	<b>Total</b>
<b>31 March 2026 (Unaudited)</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>	<b>₹'000</b>
Net interest income	7,918	12,191	529	-	-	<b>20,638</b>
Net fees, commission and other operating income	1,997	1,942	863	-	-	<b>4,802</b>
Share of Profit from Subsidiary	-	-	-	2,615	-	<b>2,615</b>
<b>Total operating income</b>	<b>9,915</b>	<b>14,133</b>	<b>1,392</b>	<b>2,615</b>	<b>-</b>	<b>28,055</b>
Operating expenses	(8,393)	(5,350)	(478)	-	-	<b>(14,221)</b>
Net allowances for credit losses	(620)	(3,789)	(5)	-	-	<b>(4,414)</b>
Tax expenses	(149)	(825)	(150)	-	-	<b>(1,124)</b>
<b>Profit / (Loss) for the period</b>	<b>753</b>	<b>4,169</b>	<b>759</b>	<b>2,615</b>	<b>-</b>	<b>8,296</b>
Assets	864,553	1,709,279	564,992	220,432	-	<b>3,359,256</b>
Liabilities	812,756	1,745,676	49,272	138,217	-	<b>2,745,921</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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**28. SEGMENT INFORMATION (CONTINUED)**

Parent Company	Retail	Corporate	Treasury	Others	Islamic Banking	Total
31 March 2025 (Unaudited)	₹'000	₹'000	₹'000	₹'000	₹'000	₹'000
Net interest income	6,124	14,489	254	-	-	<b>20,867</b>
Net fees, commission and other operating income	2,391	1,937	804	-	-	<b>5,132</b>
Share of Profit from Subsidiary	-	-	-	2,410	-	<b>2,410</b>
<b>Total operating income</b>	<b>8,515</b>	<b>16,426</b>	<b>1,058</b>	<b>2,410</b>	-	<b>28,409</b>
Operating expenses	(8,180)	(5,326)	(407)	-	-	<b>(13,913)</b>
Net allowances for credit losses	(200)	(5,696)	(113)	-	-	<b>(6,009)</b>
Tax expenses	(22)	(881)	(88)	-	-	<b>(991)</b>
<b>Profit / (Loss) for the period</b>	<b>113</b>	<b>4,523</b>	<b>450</b>	<b>2,410</b>	-	<b>7,496</b>
Assets	838,448	1,581,539	537,860	214,473	-	<b>3,172,320</b>
Liabilities	745,975	1,772,442	29,749	80,606	-	<b>2,628,772</b>

**29. SUBSEQUENT EVENTS**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.