



**CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE MONTHS
PERIOD ENDED 30 SEPTEMBER 2025**

OMAN ARAB BANK SAOG

Condensed Interim Financial Statements As at and for the period ended 30 September 2025

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Q3 2025 Chairman Report

Dear Shareholders,

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

OPERATING ENVIRONMENT

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

CONSOLIDATED FINANCIAL PERFORMANCE

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

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

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

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

PERFORMANCE OF THE PARENT COMPANY

The parent company recorded a net profit after tax of RO 23.6 million for the nine-month period ended 30 September 2025, up 14% compared to RO 20.8 million for the same period in 2024. Interest income grew 2%, driven by higher investments, loans and advances, while interest expense decreased by 7% due to a favourable change in the deposit mix and higher CASA. Operating income reached RO 84.3 million for the nine-month period ended 30 September 2025, up 12% compared to RO 75.3 million in the same period of 2024, driven by 14% growth in net interest income and an increase in share of profit from subsidiary by 17%. Operating expenses increased by 4% to reach RO 41.5 million for the nine-month period ended 30 September 2025 compared to the same period in 2024 while operating profit recorded an increase of 21%. Net allowances for expected credit losses increased by 35% to record RO 16.2 million for the nine-month period ended 30 September 2025 compared to RO 12 million for the same period in 2024.

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

PERFORMANCE OF ALIZZ ISLAMIC BANK



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

AWARDS AND RECOGNITIONS

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

PRODUCTS AND SERVICES

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

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

EVENTS AND PARTICIPATION

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

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

HUMAN CAPITAL DEVELOPMENT

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

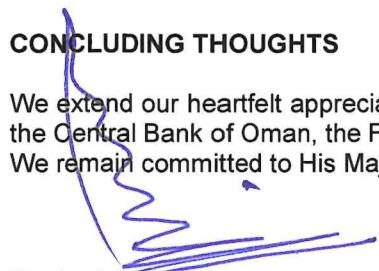
Employee engagement remained a focus, with learning programs, "Breakfast with the CEO" sessions, branch visits, well-being activities, and internship opportunities supporting continuous growth and inclusion.

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

CONCLUDING THOUGHTS

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

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

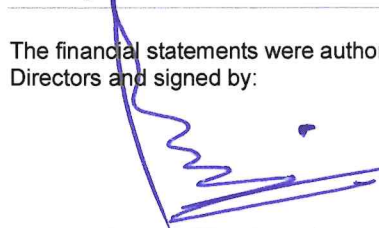


Rashad Al Zubair,
Chairman

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

	Note	Consolidated		Parent Company	
		Unaudited	Audited	Unaudited	Audited
		30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
		RO'000	RO'000	RO'000	RO'000
Cash and balances with central bank	3	240,498	180,450	140,151	117,845
Due from banks	4	82,191	67,222	71,747	65,876
Loans, advances and financing to customers	5	3,677,913	3,490,871	2,498,384	2,390,677
Investment securities	6	445,938	450,320	300,828	328,419
Investment in subsidiary		-	-	143,760	135,095
Property and equipment		40,609	39,586	33,554	34,254
Intangible assets	7	6,047	6,280	-	-
Other assets	8	64,092	56,639	55,825	46,088
Total assets		4,557,288	4,291,368	3,244,249	3,118,254
Due to banks	9	47,728	54,599	45,231	31,293
Customer deposits	10	3,707,817	3,571,692	2,442,601	2,467,307
Borrowed funds	11	57,750	9,625	57,750	9,625
Other liabilities	12	95,665	79,543	80,445	64,965
Taxation		12,721	10,145	11,260	9,181
Total liabilities		3,921,681	3,725,604	2,637,287	2,582,371
Share capital	29	216,941	166,941	216,941	166,941
Share premium		36,565	36,565	36,565	36,565
Legal reserve		53,829	53,626	53,817	53,614
General reserve		25,560	25,560	25,560	25,560
Special reserve		3,837	3,837	3,837	3,837
Fair value reserve		1,314	(1,707)	1,046	(1,975)
Impairment reserve		16,800	16,800	16,800	16,800
Retained earnings		94,495	77,876	96,130	78,275
Shareholders' equity		449,341	379,498	450,696	379,617
Perpetual Tier 1 capital bonds	13	186,266	186,266	156,266	156,266
Total equity		635,607	565,764	606,962	535,883
Total equity and liabilities		4,557,288	4,291,368	3,244,249	3,118,254
Net assets value per share (RO)	25 (b)	OMR 0.224	OMR 0.227	OMR 0.225	OMR 0.227
Contingent liabilities and commitments	24	322,894	377,039	165,670	238,523

The financial statements were authorised on 9 November 2025 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 31 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 30 SEPTEMBER 2025**

	Note	Consolidated (Unaudited)			
		Nine months ended		Three months ended	
		30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
		RO'000	RO'000	RO'000	RO'000
Interest income	14	123,604	120,805	41,338	41,734
Interest expense	15	(62,745)	(67,166)	(20,534)	(24,378)
Net interest income		60,859	53,639	20,804	17,356
Income from Islamic financing and investing activities		56,140	51,698	19,134	18,456
Profit paid on participatory deposits and banks		(32,458)	(31,087)	(11,132)	(10,885)
Net income from Islamic financing and investing activities	16	23,682	20,611	8,002	7,571
Net interest income and income from Islamic financing		84,541	74,250	28,806	24,927
Net fee and commission income	17	14,315	14,691	4,708	4,719
Net income from investment securities	18	919	369	314	147
Other operating income	19	4,225	5,374	1,415	1,260
Total income		104,000	94,684	35,243	31,053
Operating expenses	20	(56,359)	(54,582)	(18,519)	(18,467)
Net allowances for credit losses		(19,846)	(15,685)	(6,319)	(3,216)
Profit before tax		27,795	24,417	10,405	9,370
Income tax expense		(4,459)	(3,889)	(1,669)	(1,564)
Net Profit for the period		23,336	20,528	8,736	7,806
Other comprehensive income / (loss)					
Items that will not be reclassified to profit or loss in the subsequent periods					
- Equity investment at FVOCI – net change in fair value		872	(36)	954	(36)
Items that are or may be reclassified to profit or loss in the subsequent periods					
- Debt investment at FVOCI – net change in fair value		2,118	1,261	1,047	1,261
Other comprehensive income / (loss) for the period		2,990	1,225	2,001	1,225
Total comprehensive income for the period – net of tax		26,326	21,753	10,737	9,031
Earnings per share:					
Basic and diluted (RO)	25 (a)	0.009	0.009	0.005	0.005

The accompanying notes from 1 to 31 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 30 SEPTEMBER 2025**

	Note	Parent (Unaudited)			
		Nine months ended		Three months ended	
		30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
		RO'000	RO'000	RO'000	RO'000
Interest income	14	123,869	120,996	41,338	41,752
Interest expense	15	(62,745)	(67,166)	(20,534)	(24,378)
Net interest income		61,124	53,830	20,804	17,374
Net interest income		61,124	53,830	20,804	17,374
Net fee and commission income	17	11,017	11,473	3,641	3,762
Net income from investment securities	18	691	279	248	133
Other operating income	19	3,288	2,759	1,098	884
Share of profit from subsidiary		8,135	6,929	2,973	2,686
Total income		84,255	75,270	28,764	24,839
Operating expenses	20	(41,495)	(39,915)	(13,716)	(13,426)
Net allowances for credit losses		(16,168)	(11,959)	(5,100)	(2,471)
Profit before tax		26,592	23,396	9,948	8,942
Income tax expense		(3,023)	(2,635)	(1,134)	(1,041)
Net Profit for the period		23,569	20,761	8,814	7,901
Other comprehensive income / (loss)					
Items that will not be reclassified to profit or loss in the subsequent periods					
- Equity investment at FVOCI – net change in fair value		624	46	743	(39)
Items that are or may be reclassified to profit or loss in the subsequent periods					
- Debt investment at FVOCI – net change in fair value		1,898	940	881	1,212
Share of OCI from subsidiary		499	239	381	219
Other comprehensive income / (loss) for the period		3,021	1,225	2,005	1,392
Total comprehensive income for the period – net of tax		26,590	21,986	10,819	9,293
Earnings per share:					
Basic and diluted (RO)	25 (a)	0.010	0.009	0.005	0.005

The accompanying notes from 1 to 31 form an integral part of these condensed consolidated and separate interim financial statements.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

	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
Consolidated (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balance at 1 January 2024	166,941	36,565	50,551	25,560	3,837	(1,075)	9,130	79,217	370,726	146,250	516,976
Net Profit for the period	-	-	-	-	-	-	-	20,528	20,528	-	20,528
Unrealised gain on FVOCI investments	-	-	-	-	-	1,225	-	-	1,225	-	1,225
Total comprehensive income	-	-	-	-	-	1,225	-	20,528	21,753	-	21,753
Additional Tier 1 capital bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on Perpetual Tier 1 capital bonds	-	-	-	-	-	-	-	(5,424)	(5,424)	-	(5,424)
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2024	166,941	36,565	50,551	25,560	3,837	150	9,130	94,321	387,055	146,250	533,305

	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
Consolidated (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balance at 1 January 2025	166,941	36,565	53,626	25,560	3,837	(1,707)	16,800	77,876	379,498	186,266	565,764
Net Profit for the period	-	-	-	-	-	-	-	23,336	23,336	-	23,336
Unrealised loss on FVOCI investments	-	-	-	-	-	2,990	-	-	2,990	-	2,990
Realised loss on FVOCI investments	-	-	-	-	-	31	-	(31)	-	-	-
Total comprehensive income	-	-	-	-	-	3,021	-	23,305	26,326	-	26,326
Additional Tier 1 capital bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on Perpetual Tier 1 capital bonds	-	-	-	-	-	-	-	(6,686)	(6,686)	-	(6,686)
Issue of share capital	50,000	-	203	-	-	-	-	-	50,203	-	50,203
At 30 September 2025	216,941	36,565	53,829	25,560	3,837	1,314	16,800	94,495	449,341	186,266	635,607

The accompanying notes from 1 to 31 form an integral part of these condensed consolidated and separate interim financial statements.

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2025**

	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
Parent Company (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balance at 1 January 2024	166,941	36,565	48,707	25,560	3,837	(1,198)	9,130	62,819	352,361	146,250	498,611
Impact of change in accounting policy	-	-	-	-	-	(145)	-	18,292	18,147	-	18,147
Restated balance at 1 January 2024	166,941	36,565	48,707	25,560	3,837	(1,343)	9,130	81,111	370,508	146,250	516,758
Net Profit for the period	-	-	-	-	-	-	-	20,761	20,761	-	20,761
Unrealised gain on FVOCI investments	-	-	-	-	-	1,225	-	-	1,225	-	1,225
Total comprehensive income	-	-	-	-	-	1,225	-	20,761	21,986	-	21,986
Additional Tier 1 capital bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on Perpetual Tier 1 capital bonds	-	-	-	-	-	-	-	(5,424)	(5,424)	-	(5,424)
Issue of share capital	-	-	-	-	-	-	-	-	-	-	-
At 30 September 2024	166,941	36,565	48,707	25,560	3,837	(118)	9,130	96,448	387,070	146,250	533,320

	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
Parent Company (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balance at 1 January 2025	166,941	36,565	53,614	25,560	3,837	(1,975)	16,800	78,275	379,617	156,266	535,883
Impact of change in accounting policy	-	-	-	-	-	-	-	-	-	-	-
Restated balance at 1 January 2025	166,941	36,565	53,614	25,560	3,837	(1,975)	16,800	78,275	379,617	156,266	535,883
Net Profit for the period	-	-	-	-	-	-	-	23,569	23,569	-	23,569
Unrealised loss on FVOCI investments	-	-	-	-	-	3,021	-	-	3,021	-	3,021
Realised loss on FVOCI investments	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	3,021	-	23,569	26,590	-	26,590
Additional Tier 1 capital bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on Perpetual Tier 1 capital bonds	-	-	-	-	-	-	-	(5,714)	(5,714)	-	(5,714)
Issue of share capital	50,000	-	203	-	-	-	-	-	50,203	-	50,203
At 30 September 2025	216,941	36,565	53,817	25,560	3,837	1,046	16,800	96,130	450,696	156,266	606,962

The accompanying notes from 1 to 31 form an integral part of these condensed consolidated and separate interim financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 September 2025

	Notes	Consolidated		Parent Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
		RO'000	RO'000	RO'000	RO'000
<u>Operating activities:</u>					
Profit before tax		27,795	24,417	26,592	23,396
Adjustments:					
Share of profit from Subsidiary		-	-	(8,135)	(6,929)
Depreciation	20	6,880	6,804	5,220	5,561
Amortization	20	233	233	-	-
Net impairment for credit losses		19,846	15,685	16,168	11,959
Dividend income	18	(868)	(347)	(659)	(265)
Loss on sale of property and equipment		(12)	-	(12)	-
Profit on sale of amortised cost investments		(19)	-	-	-
Changes in fair value of financial assets at FVTPL		(32)	(14)	(32)	(14)
Operating cashflow before working capital changes		53,823	46,778	39,142	33,708
Loans, advances and financing to customers		(206,745)	(210,042)	(123,761)	(115,248)
Due from banks		(7,741)	3,850	-	15,400
Due to banks		(6,872)	10,886	13,938	1,185
Other assets		(2,995)	(16,023)	(5,302)	(13,759)
Customer deposits		136,124	189,001	(24,706)	65,086
Other liabilities		10,285	15,747	9,524	15,494
Cash generated from / (used in) operation activities		(24,121)	40,197	(91,165)	1,866
Tax paid		(2,001)	-	(944)	-
Net cash from operating activities		(26,122)	40,197	(92,109)	1,866
<u>Investing activities:</u>					
Purchase of investments		(160,392)	(181,188)	(36,616)	(148,772)
Proceeds from sale/maturities of investments		140,678	137,316	39,591	118,972
Purchase of property and equipment		(6,244)	(2,867)	(2,861)	(2,249)
Dividend Income	18	868	347	659	265
Net cash from / (used in) investing activities		(25,090)	(46,392)	773	(31,784)
<u>Financing activities:</u>					
Proceeds from issue of share capital		50,203	-	50,203	-
Borrowed funds		48,125	-	48,125	-
Interest on Perpetual Tier 1 capital bonds		(6,686)	(5,424)	(5,714)	(5,424)
Net cash used in financing activities		91,642	(5,424)	92,614	(5,424)
Net increase / (decrease) in cash and cash equivalents		40,430	(11,619)	1,278	(35,342)
Cash and cash equivalents at the beginning of the period		327,409	280,796	263,976	192,947
Cash and cash equivalents at the end of the period	21	367,839	269,177	265,254	157,605
<u>Operational cash flows from interest</u>					
Interest and financing income received		182,305	148,995	127,469	118,126
Interest and profit paid		(94,872)	(79,025)	(63,409)	(58,173)

The accompanying notes from 1 to 31 form an integral part of these condensed consolidated and separate interim financial statements.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

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 30 September 2025 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 ("RO"), 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 2024. In addition, results of the Bank for the period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year 2025.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

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.

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 2024, except for the adoption of new standards effective as of 1 January 2025. 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 2024, but do not have a material impact on the condensed consolidated and separate interim financial statements of the Bank. The above amendments are effective from 1 January 2025.

3. CASH AND BALANCES WITH CENTRAL BANK

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO' 000	RO' 000	RO' 000	RO' 000
Cash in hand	20,631	28,780	15,126	22,762
Balances with the Central Bank of Oman:				
- Clearing account	199,592	79,715	109,125	42,133
- Placements	19,250	70,930	15,400	52,450
- Capital deposit	1,025	1,025	500	500
Total	240,498	180,450	140,151	117,845

- (i) The capital deposit cannot be withdrawn without the approval of the Central Bank of Oman. The capital deposit earns an annual interest at 1.5% as at 30 Sep 2025 (30 Sep 2024:1.5%) for the Parent Company. The CBO does not pay any interest to the Islamic Banks in Oman; therefore, no such interest was earned by the Subsidiary during the period.
- (ii) Cash and balances with Central Bank are 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 NINE MONTHS ENDED 30 SEPTEMBER 2025

4. DUE FROM BANKS

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO' 000	RO' 000	RO' 000	RO' 000
Placements	72,422	40,575	64,681	42,499
Current accounts	9,842	26,684	7,079	23,407
Due from banks and other money market placements	82,264	67,259	71,760	65,906
Less: allowance for credit losses	(73)	(37)	(13)	(30)
Total	82,191	67,222	71,747	65,876

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

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO' 000	RO' 000	RO' 000	RO' 000
Balance at the beginning of the period	37	115	30	94
Charge / (release) during the period	36	(78)	(17)	(64)
Balance at the end of the period	73	37	13	30

5. LOANS, ADVANCES AND FINANCING TO CUSTOMERS

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO' 000	RO' 000	RO' 000	RO' 000
Term loans	1,679,635	1,559,044	1,679,635	1,559,044
Overdrafts	126,242	122,703	126,242	122,703
Bills discounted	16,836	20,038	16,836	20,038
Islamic finance	702,507	664,694	-	-
Corporate loans	2,525,220	2,366,479	1,822,713	1,701,785
Consumer loans	468,726	464,313	468,726	464,313
Mortgage loans	388,326	389,193	388,326	389,193
Overdrafts	3,571	6,493	3,571	6,493
Credit cards	13,561	13,187	13,561	13,187
Islamic finance	531,724	486,001	-	-
Retail loans	1,405,908	1,359,187	874,184	873,186
Gross loans, advances and financing to customers	3,931,128	3,725,666	2,696,897	2,574,971
Allowance for credit losses	195,458	180,592	147,181	135,788
Contractual interest not recognised	57,757	54,203	51,332	48,506
Less: allowance for credit losses and suspended interest	(253,215)	(234,795)	(198,513)	(184,294)
Net loans, advances and financing to customers	3,677,913	3,490,871	2,498,384	2,390,677



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

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
2025	RO' 000	RO' 000	RO' 000
Balance at 1 January 2025	180,592	54,203	234,795
Provided during the period	26,016	14,206	40,222
Amounts written off and net transfer from / (to) memorandum portfolio	(4,661)	(4,834)	(9,495)
Amounts released / recovered during the period	(6,489)	(5,818)	(12,307)
Balance at 30 September 2025	195,458	57,757	253,215
2024	RO' 000	RO' 000	RO' 000
Balance at 1 January 2024	174,347	43,915	218,262
Provided during the period	25,615	16,308	41,923
Amounts written off and net transfer from / (to) memorandum portfolio	315	(1,308)	(993)
Amounts released / recovered during the period	(9,669)	(2,499)	(12,168)
Balance at 30 September 2024	190,608	56,416	247,024

Parent Company Unaudited	Allowance for credit losses	Contractual interest not recognised	Total
2025	RO' 000	RO' 000	RO' 000
Balance at 1 January 2025	135,788	48,506	184,294
Provided during the period	21,383	13,478	34,861
Amounts written off and net transfer from / (to) memorandum portfolio	(4,661)	(4,834)	(9,495)
Amounts released / recovered during the period	(5,329)	(5,818)	(11,147)
Balance at 30 September 2025	147,181	51,332	198,513
2024	RO' 000	RO' 000	RO' 000
Balance at 1 January 2024	133,552	39,734	173,286
Provided during the period	20,121	14,373	34,494
Amounts written off and net transfer from / (to) memorandum portfolio	315	(1,308)	(993)
Amounts released / recovered during the period	(7,913)	(2,499)	(10,412)
Balance at 30 September 2024	146,075	50,300	196,375



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025**

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

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO' 000	RO' 000	RO' 000	RO' 000
Performing loans, advances and financings	3,709,913	3,515,792	2,530,489	2,414,413
Allowance for the credit losses on performing loans	104,444	92,059	83,000	72,592
Non-performing loans, advances and financings on which interest was not accrued	221,215	209,874	166,408	160,558
Allowance for the credit losses on non-performing loans	148,771	142,736	115,513	111,702

The analysis of the Islamic financing activities is as follows:

	Corporate	Retail	Total
30 Sep 2025 (Unaudited)	RO'000	RO'000	RO'000
Musharaka	395,588	357,021	752,609
Murabaha	66,285	80,090	146,375
Ijarah Muntahia Bittamleek	46,997	89,848	136,845
Wakala	193,637	2,000	195,637
Others	-	2,765	2,765
Balance at 30 Sep 2025	702,507	531,724	1,234,231
31 December 2024 (Audited)			
Musharaka	352,756	306,906	659,662
Murabaha	75,484	75,797	151,281
Ijarah Muntahia Bittamleek	51,465	98,456	149,921
Wakala	184,903	2,014	186,917
Others	86	2,828	2,914
Balance at 31 December 2024	664,694	486,001	1,150,695



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

6. INVESTMENT SECURITIES

	Consolidated		Parent Company	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
- Banking and investment sector	261	261	261	261
Quoted investments – Oman	261	261	261	261
- Banking and investment sector	242	210	242	210
Quoted investments – Foreign	242	210	242	210
Investments measured at FVTPL	503	471	503	471
- Banking and investment sector	2,082	2,081	2,082	2,081
- Manufacturing sector	1,460	1,126	1,460	1,126
- Oil & gas	5,321	4,305	3,607	3,433
- Service sector	3,548	2,227	2,638	594
Quoted investments – Oman	12,411	9,739	9,787	7,234
- Service sector	-	-	-	-
Quoted investments – Foreign	-	-	-	-
- Service sector	1,191	194	194	194
Unquoted investments – Oman	1,191	194	194	194
Equity investments measured at FVOCI	13,602	9,933	9,981	7,428
- Government Sukuk	104,360	96,435	7,999	8,000
- Government Development Bonds (GDBs)	44,381	38,238	44,381	38,238
- Corporate Bonds	75,200	57,442	30,004	26,442
Debt investments measured at FVOCI	223,941	192,115	82,384	72,680
Investments measured at FVOCI	237,543	202,048	92,365	80,108
- Government Development Bonds (GDBs)	141,751	133,147	141,751	133,147
- Government Sukuk	-	21,475	-	21,475
- T-bills	53,843	80,725	53,843	80,725
- Corporate Bonds	12,596	12,627	12,596	12,627
Investments measured at amortized cost	208,190	247,974	208,190	247,974
Total financial investments	446,236	450,493	301,058	328,553
Less: allowance for credit losses	(298)	(173)	(230)	(134)
Net financial investments	445,938	450,320	300,828	328,419



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

6. INVESTMENT SECURITIES (CONTINUED)

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

Consolidated	Level 1	Level 2	Level 3	Total
30 Sep 2025 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Investment measured at FVTPL	503	-	-	503
Equity investment measured at FVOCI	12,411	-	1,191	13,602
Debt investments measured at FVOCI	82,384	141,557	-	223,941

Consolidated	Level 1	Level 2	Level 3	Total
31 December 2024 (Audited)	RO'000	RO'000	RO'000	RO'000
Investment measured at FVTPL	471	-	-	471
Equity investment measured at FVOCI	9,739	-	194	9,933
Debt investments measured at FVOCI	109,104	83,011	-	192,115

Parent Company	Level 1	Level 2	Level 3	Total
30 Sep 2025 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Investment measured at FVTPL	503	-	-	503
Equity investment measured at FVOCI	9,787	-	194	9,981
Debt investments measured at FVOCI	82,384	-	-	82,384

Parent Company	Level 1	Level 2	Level 3	Total
31 December 2024 (Audited)	RO'000	RO'000	RO'000	RO'000
Investment measured at FVTPL	471	-	-	471
Equity investment measured at FVOCI	7,234	-	194	7,428
Debt investments measured at FVOCI	72,680	-	-	72,680



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

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
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Customers' indebtedness against acceptances	14,151	15,604	14,151	15,604
Fees receivable	1,675	1,722	1,675	1,722
Interest receivable	5,008	4,264	3,295	3,151
Prepayments	5,133	3,533	3,023	2,511
Repossessed collateral	3,154	4,822	2,641	3,825
Positive fair value of derivatives	10,451	6,016	10,451	6,016
Others	24,520	20,678	20,589	13,259
Total	64,092	56,639	55,825	46,088

9. DUE TO BANKS

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Current accounts	24,555	14,207	24,019	14,146
Borrowings	23,173	40,392	21,212	17,147
Total	47,728	54,599	45,231	31,293

10. CUSTOMER DEPOSITS

	Consolidated		Parent Company	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Term deposits	1,676,376	1,729,631	1,087,855	1,243,587
Demand and call accounts	1,393,412	1,255,704	896,998	817,545
Saving accounts	638,029	586,357	457,748	406,175
Total	3,707,817	3,571,692	2,442,601	2,467,307



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

11. BORROWED FUNDS

During the year 2025, Oman Arab Bank signed loan agreement with Commerzbank Aktiengesellschaft of USD 100 million for a period of two years and a variable interest rate based on Overnight SOFR + 0.9% with the loan repaid at the end of two years.

During the year 2024, Oman Arab Bank signed a loan agreement with the Arab Fund for Economic and Social Development (Badir Fund) worth USD 50 million for a period of 6 years, including a two-year grace period and a variable interest rate based on the interest rate of the US Treasury bonds for 10 years + 0.25%, and the loan is repaid in semi-annual installments in both July and January of each year and starting from 2026, and the loan balance reached USD 25 million (OMR 9.625 million) as at 31 December 2024. The purpose of the loan is exclusively to utilize the proceeds to contribute to the financing and development of small and medium-sized private sector enterprises, either directly or through intermediary financing institutions.

The financial covenants for these borrowings have been complied by the Bank for the period ended 30 September 2025.

12. OTHER LIABILITIES

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Liabilities against acceptances	14,151	15,604	14,151	15,604
Interest payable	782	391	782	323
Accrued expenses and other payables	34,002	29,183	33,031	25,600
Cheques and trade settlement payable	6,958	4,854	4,464	2,945
Staff end of service benefits	1,392	1,304	924	825
Interest and commission received in advance	7,276	4,785	7,276	4,785
Negative fair value of derivatives	10,864	5,987	10,864	5,987
Deferred tax liability	165	283	165	165
Provision for loan commitments, financial guarantees and acceptances	3,860	3,818	3,563	3,528
Others	8,994	6,157	-	-
Lease liabilities	7,221	7,177	5,225	5,203
Total	95,665	79,543	80,445	64,965

13. PERPETUAL TIER 1 CAPITAL BONDS

On 7 June 2021, the Bank issued unsecured perpetual Tier 1 bonds of USD 250 million equivalent to RO 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 RO 50 million (50,000,000 units of RO 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 RO 10 million (10,016,460 units of RO 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.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

13. PERPETUAL TIER 1 CAPITAL BONDS (CONTINUED)

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 OMR Certificates and USD Certificates not exceeding OMR 30,000,000 listed in MSX being issued in dual currency with Omani Rial tranche of OMR 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 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 (Unaudited)				Parent Company (Unaudited)			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Loans and advances	109,292	106,704	36,651	36,559	109,292	106,704	36,651	36,559
Investment securities	11,130	10,478	3,778	3,800	11,130	10,478	3,778	3,800
Placements with banks	3,182	3,623	909	1,375	3,447	3,814	909	1,393
Total	123,604	120,805	41,338	41,734	123,869	120,996	41,338	41,752

15. INTEREST EXPENSE

	Consolidated (Unaudited)				Parent Company (Unaudited)			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Customer deposits	60,350	65,006	19,667	23,616	60,350	65,006	19,667	23,616
Bank borrowings	2,237	1,984	813	708	2,237	1,984	813	708
Interest cost on lease liabilities	158	176	54	54	158	176	54	54
Total	62,745	67,166	20,534	24,378	62,745	67,166	20,534	24,378



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

16. NET INCOME FROM ISLAMIC FINANCING

	Consolidated (Unaudited)				Parent Company (Unaudited)			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Income from Islamic financing and investing activities								
Islamic financing receivables	50,065	47,271	17,050	16,790	-	-	-	-
Islamic due from banks	1,064	1,412	353	542	-	-	-	-
Islamic investment	5,011	3,015	1,731	1,124	-	-	-	-
Total income from Islamic financing	56,140	51,698	19,134	18,456	-	-	-	-
Profit paid on participatory deposits and banks								
Islamic customers' deposits	31,635	30,393	11,035	10,688	-	-	-	-
Islamic bank borrowings	823	694	97	197	-	-	-	-
Total expense from Islamic financing	32,458	31,087	11,132	10,885	-	-	-	-
Net Income from Islamic financing and investing activities	23,682	20,611	8,002	7,571	-	-	-	-

17. NET FEE AND COMMISSION INCOME

	Consolidated				Parent Company			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Fee and commission income	24,125	23,331	8,018	7,847	20,265	19,500	6,853	6,654
Fee and commission expense	(9,810)	(8,640)	(3,310)	(3,128)	(9,248)	(8,027)	(3,212)	(2,892)
Total	14,315	14,691	4,708	4,719	11,017	11,473	3,641	3,762

18. NET INCOME FROM INVESTMENT SECURITIES

	Consolidated				Parent Company			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Fair value changes	32	14	18	12	32	14	18	12
Profit on sale of amortized cost investments	19	8	1	3	-	-	-	-
Dividend income	868	347	295	132	659	265	230	121
Total	919	369	314	147	691	279	248	133



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

19. OTHER OPERATING INCOME

	Consolidated				Parent Company			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Exchange income	3,934	3,661	1,372	1,257	2,997	2,753	1,055	881
Other income	291	1,713	43	3	291	6	43	3
Total	4,225	5,374	1,415	1,260	3,288	2,759	1,098	884

20. OPERATING EXPENSES

	Consolidated				Parent Company			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Staff costs	34,226	32,974	11,302	11,244	23,752	22,745	7,804	7,671
Other operating expenses	14,745	14,305	4,762	5,052	12,298	11,418	4,135	3,855
Depreciation	6,880	6,804	2,302	1,979	5,220	5,561	1,702	1,811
Amortization	233	233	78	78	-	-	-	-
Directors' remuneration	275	266	75	114	225	191	75	89
Total	56,359	54,582	18,519	18,467	41,495	39,915	13,716	13,426

21. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000
Cash and balances with the Central Bank of Oman (CBO) (note 3)	240,498	179,929	140,151	112,729
Due from banks (note 4)	74,523	90,273	71,760	45,376
T.bills	53,843	-	53,843	-
Restricted deposits included under balances with the CBO	(1,025)	(1,025)	(500)	(500)
Total	367,839	269,177	265,254	157,605



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

22. ASSETS LIABILITIES GAP

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

Consolidated	Assets	Liabilities	Gap	Cumulative Gap
30 Sep 2025 (Unaudited)	RO'000	RO'000	RO'000	RO'000
0-3 months	551,922	555,597	(3,675)	(3,675)
3-12 months	574,883	869,868	(294,985)	(298,660)
1-5 years	1,246,905	262,898	984,007	685,347
More than 5 years	1,691,354	59,185	1,632,169	2,317,516
Not tied to maturity	492,224	2,174,133	(1,681,909)	635,607
Total	4,557,288	3,921,681	635,607	
31 December 2024 (Audited)				
0-3 months	857,406	332,236	525,170	525,170
3-12 months	581,476	1,090,163	(508,687)	16,483
1-5 years	983,587	312,196	671,391	687,874
More than 5 years	1,623,211	21,941	1,601,270	2,289,144
Not tied to maturity	245,688	1,969,068	(1,723,380)	565,764
Total	4,291,368	3,725,604	565,764	

Parent Company	Assets	Liabilities	Gap	Cumulative Gap
30 Sep 2025 (Unaudited)	RO'000	RO'000	RO'000	RO'000
0-3 months	432,424	441,153	(8,729)	(8,729)
3-12 months	405,386	610,242	(204,856)	(213,585)
1-5 years	832,413	57,273	775,140	561,555
More than 5 years	1,091,537	59,185	1,032,352	1,593,907
Not tied to maturity	482,489	1,469,434	(986,945)	606,962
Total	3,244,249	2,637,287	606,962	
31 December 2024 (Audited)	RO'000	RO'000	RO'000	RO'000
0-3 months	709,963	279,400	430,563	430,563
3-12 months	435,999	865,403	(429,404)	1,159
1-5 years	584,573	91,519	493,054	494,213
More than 5 years	1,074,500	21,941	1,052,559	1,546,772
Not tied to maturity	313,219	1,324,108	(1,010,889)	535,883
Total	3,118,254	2,582,371	535,883	

23. RELATED PARTY TRANSACTIONS

(a) Technical and administrative services with major shareholders

During the period ended 30 September 2025, the cost of technical and administrative services provided by Arab Bank Plc amounted to RO 70,008 (30 September 2024: RO 61,584).



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

23. RELATED PARTY TRANSACTIONS (CONTINUED)

(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
30 Sep 2025 (Unaudited)	RO'000	RO'000	RO'000
Loans and advances	25,010	134,762	159,772
Customers' deposits	2,335	40,250	42,585
Due from banks	2,334	41	2,375
Other assets	-	-	-
Due to banks	7,534	-	7,534
Stand by line of credit	-	-	-
Letters of credit, guarantees and acceptances	22,343	5,002	27,345
31 December 2024 (Audited)	RO'000	RO'000	RO'000
Loans and advances	22,000	174,301	196,301
Customers' deposits	2,572	38,562	41,134
Due from banks	1,976	18	1,994
Other assets	-	-	-
Due to banks	23,478	-	23,478
Stand by line of credit	57,750	-	57,750
Letters of credit, guarantees and acceptances	28,891	6,746	35,637

Parent Company	Subsidiary	Major shareholders	Others	Total
30 Sep 2025 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Loans and advances	-	25,010	102,351	127,361
Customers' deposits	-	2,335	35,522	37,857
Due from banks	-	2,334	-	2,334
Other asset	-	-	-	-
Due to banks	-	7,534	-	7,534
Stand by line of credit	-	-	-	-
Letters of credit, guarantees and acceptances	-	22,343	5,002	27,345
31 December 2024 (Audited)	RO'000	RO'000	RO'000	RO'000
Loans and advances	-	22,000	142,067	164,067
Customers' deposits	-	2,572	34,244	36,816
Due from banks	15,400	1,976	-	17,376
Other asset	-	-	-	-
Due to banks	-	8,078	-	8,078
Stand by line of credit	-	57,750	-	57,750
Letters of credit, guarantees and acceptances	-	28,891	6,746	35,637



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

23. RELATED PARTY TRANSACTIONS (CONTINUED)

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

Consolidated	Subsidiary	Major shareholders	Others	Total
30 Sep 2025 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Interest and commission income	-	1,791	6,908	8,699
Interest expense	-	430	929	1,359
30 Sep 2024 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Interest and commission income	-	1,838	7,287	9,125
Interest expense	-	758	870	1,628

Parent Company	Subsidiary	Major shareholders	Others	Total
30 Sep 2025 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Interest and commission income	265	1,791	5,404	7,460
Interest expense	-	430	1,100	1,530
30 Sep 2024 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Interest and commission income	191	1,838	6,330	8,359
Interest expense	-	758	754	1,512



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

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.

The outstanding contract value or the notional amounts of these instruments at 30 September 2025 were as follows:

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Letters of credit	142,424	195,730	37,633	100,496
Guarantees	180,470	181,309	128,037	138,027
Total	322,894	377,039	165,670	238,523

Letters of credit and guarantees amounting to RO 53,268 thousand (31 December 2024: 108,746 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 30 September 2025, the unutilised commitment of facilities of RO 549,279 thousand (Consolidated), RO 491,519 thousand (Parent Company); [(31 December 2024 RO 473,847 thousand (Consolidated), RO 424,395 thousand (Parent Company))].

As at 30 September 2025, contingent liabilities include RO 5,754 thousand (Consolidated), RO 5,730 thousand (Parent Company); [31 December 2024 RO 3,746 thousand (Consolidated), RO 3,709 thousand (Parent Company)] relating to non-performing loans.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

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 (Unaudited)			
	Nine months ended		Three months ended	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000
Profit for the period	23,336	20,528	8,736	7,806
Less: Interest distribution of Perpetual Tier 1 capital bonds	(6,686)	(5,424)	-	-
Profit for the period attributable to shareholders	16,650	15,104	8,736	7,806
Weighted average number of shares outstanding during the period	1,760,530,691	1,669,410,000	1,782,150,376	1,669,410,001
Basic earnings per share (RO)	0.009	0.009	0.0049	0.005
	Parent Company (Unaudited)			
	Nine months ended		Three months ended	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	RO'000	RO'000	RO'000	RO'000
Profit for the period	23,569	20,761	8,814	7,901
Less: Interest distribution of Perpetual Tier 1 capital bonds	(5,714)	(5,424)	-	-
Profit for the period attributable to shareholders	17,855	15,337	8,814	7,901
Weighted average number of shares outstanding during the period	1,760,530,691	1,669,410,000	1,782,150,376	1,669,410,000
Basic earnings per share (RO)	0.010	0.009	0.005	0.005
Weighted average number of shares outstanding				
1 January 2025 to 30 September 2025	1,760,530,691			
Weighted average number of shares as at 30 September 2025	1,760,530,691			

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.

(b) Net assets value per share

The calculation of net assets per share is based on net assets as at 30 September 2025 attributable to ordinary shareholders of RO 216.941 million (31 December 2024: RO 166.941 million) and on 2,002,743,333 ordinary shares (31 December 2024 – 1,669,410,000 ordinary shares) being the number of shares outstanding as at 30 September 2025.

	Consolidated		Parent Company	
	Unaudited 30-Sep-25	Audited 31-Dec-24	Unaudited 30-Sep-25	Audited 31-Dec-24
Shareholders' equity (RO'000)	449,341	379,498	450,696	379,617
Number of shares	2,002,743,333	1,669,410,000	2,002,743,333	1,669,410,000
Net assets value per share (RO)	0.224	0.227	0.225	0.227



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

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

	Consolidated (Unaudited)							
	30-Sep-25				30-Sep-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Exposure at default								
- Loans and Advances to Customers including interest receivables	3,035,433	674,480	221,215	3,931,128	2,973,146	564,974	222,990	3,761,110
- Investment Securities (Debt)	432,131	-	-	432,131	364,165	-	-	364,165
- Loan Commitments, financial guarantees and acceptances	800,075	80,495	5,754	886,324	734,584	88,359	3,868	826,811
- Due from Banks	82,264	-	-	82,264	90,273	-	-	90,273
Exposure subject to ECL	4,349,903	754,975	226,969	5,331,847	4,162,168	653,333	226,858	5,042,359
Movement of ECL								
- Loans and Advances to Customers including interest receivables	8,090	72,413	100,089	180,592	9,641	59,745	104,961	174,347
- Investment Securities (Debt)	173	-	-	173	280	-	-	280
- Loan Commitments, financial guarantees and acceptances	670	387	2,761	3,818	482	72	3,082	3,636
- Due from Banks	37	-	-	37	115	-	-	115
Opening balance as at 1 January	8,970	72,800	102,850	184,620	10,518	59,817	108,043	178,378
- Loans and Advances to Customers including interest receivables	225	(4,063)	3,838	-	(2,285)	(2,078)	4,363	-
- Investment Securities (Debt)	-	-	-	-	-	-	-	-
- Loan Commitments, financial guarantees and acceptances	(34)	34	-	-	(24)	24	-	-
- Due from Banks	-	-	-	-	-	-	-	-
Net transfer between stages	191	(4,029)	3,838	-	(2,309)	(2,054)	4,363	-
- Loans and Advances to Customers including interest receivables	167	12,616	6,744	19,527	1,879	16,917	(2,850)	15,946
- Investment Securities (Debt)	125	-	-	125	62	-	-	62
- Loan Commitments, financial guarantees and acceptances	40	(53)	55	42	(45)	(18)	(203)	(266)
- Due from Banks	36	-	-	36	(57)	-	-	(57)
Charge for the period (net)	368	12,563	6,799	19,730	1,839	16,899	(3,053)	15,685
Write Off			(4,661)	(4,661)	-	-	315	315
- Loans and Advances to Customers including interest receivables	8,482	80,966	106,010	195,458	9,235	74,584	106,789	190,608
- Investment Securities (Debt)	298	-	-	298	342	-	-	342
- Loan Commitments, financial guarantees and acceptances	676	368	2,816	3,860	413	78	2,879	3,370
- Due from Banks	73	-	-	73	58	-	-	58
Closing balance as at 30 September	9,529	81,334	108,826	199,689	10,048	74,662	109,668	194,378



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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

	Parent Company (Unaudited)							
	30-Sep-25				30-Sep-24			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Exposure at default	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
- Loans and Advances to Customers including interest receivables	2,021,603	508,886	166,408	2,696,897	2,031,948	419,011	172,684	2,623,643
- Investment Securities (Debt)	290,574	-	-	290,574	278,616	-	-	278,616
- Loan Commitments, financial guarantees and acceptances	586,383	79,227	5,730	671,340	554,012	87,248	3,831	645,091
- Due from Banks	71,760	-	-	71,760	45,376	-	-	45,376
Exposure subject to ECL	2,970,320	588,113	172,138	3,730,571	2,909,952	506,259	176,515	3,592,726
Movement of ECL								
- Loans and Advances to Customers including interest receivables	4,831	57,522	73,435	135,788	6,324	45,522	60,132	111,978
- Investment Securities (Debt)	134	-	-	134	237	-	-	237
- Loan Commitments, financial guarantees and acceptances	440	347	2,741	3,528	201	67	2,950	3,218
- Due from Banks	30	-	-	30	32	-	-	32
Opening balance as at 1 January	5,435	57,869	76,176	139,480	6,794	45,589	63,082	115,465
- Loans and Advances to Customers including interest receivables	813	(4,085)	3,272	-	(15,727)	10,795	4,932	-
- Investment Securities (Debt)	-	-	-	-	-	-	-	-
- Loan Commitments, financial guarantees and acceptances	(34)	34	-	-	(12)	12	-	-
- Due from Banks	-	-	-	-	-	-	-	-
Net transfer between stages	779	(4,051)	3,272	-	(15,739)	10,807	4,932	-
- Loans and Advances to Customers including interest receivables	(275)	11,099	5,230	16,054	15,363	(8,291)	6,498	13,570
- Investment Securities (Debt)	96	-	-	96	4	-	-	4
- Loan Commitments, financial guarantees and acceptances	15	(39)	59	35	44	(42)	23	25
- Due from Banks	(17)	-	-	(17)	5	-	-	5
Charge for the Period (net)	(181)	11,060	5,289	16,168	15,416	(8,333)	6,521	13,604
Write Off			(4,661)	(4,661)	-	-	(390)	(390)
- Loans and Advances to Customers including interest receivables	5,369	64,536	77,276	147,181	5,960	48,026	71,172	125,158
- Investment Securities (Debt)	230	-	-	230	241	-	-	241
- Loan Commitments, financial guarantees and acceptances	421	342	2,800	3,563	233	37	2,973	3,243
- Due from Banks	13	-	-	13	37	-	-	37
Closing balance as at 30 September	6,033	64,878	80,076	150,987	6,471	48,063	74,145	128,679

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

26. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Impairment charge and provisions held:

	Consolidated (Unaudited)					
	30-Sep-25			30-Sep-24		
	As per CBO Norms	As per IFRS 9	Difference	As per CBO Norms	As per IFRS 9	Difference
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Impairment loss charged to profit or loss account ¹	19,846	19,846	-	15,685	15,685	-
Provisions required as per CBO norms/held as per IFRS 9 ¹	214,306	199,689	(14,617)	206,304	194,378	(11,926)
Gross NPL ratio ²	5.63%	5.63%	-	-	6.01%	-
Net NPL ratio ²	1.21%	1.92%	-	-	2.01%	-

	Parent Company (Unaudited)					
	30-Sep-25			30-Sep-24		
	As per CBO Norms	As per IFRS 9	Difference	As per CBO Norms	As per IFRS 9	Difference
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Impairment loss charged to profit or loss account ¹	16,168	16,168	-	11,959	11,959	-
Provisions required as per CBO norms/held as per IFRS 9 ¹	165,629	150,987	(14,642)	162,774	149,517	(13,257)
Gross NPL ratio ²	6.17%	6.17%	-	-	6.63%	-
Net NPL ratio ²	1.25%	1.97%	-	-	2.04%	-

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

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 as per CBO norms	Net Amount as per CBO norms¹	Net Amount as per IFRS 9
30 Sep 2025 (Unaudited)		RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	3,033,800	35,525	8,443	27,082	-	2,998,275	3,025,357
	Stage 2	276,303	2,729	6,735	(4,006)	-	273,574	269,568
	Stage 3	-	-	-	-	-	-	-
	Sub-total	3,310,103	38,254	15,178	23,076	-	3,271,849	3,294,925
Special Mention	Stage 1	1,633	8	39	(31)	-	1,625	1,594
	Stage 2	398,177	42,896	74,231	(31,335)	14,996	340,285	308,950
	Stage 3	-	-	-	-	-	-	-
	Sub-total	399,810	42,904	74,270	(31,366)	14,996	341,910	310,544
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	13,654	3,900	5,725	(1,825)	56	9,698	7,873
	Sub-total	13,654	3,900	5,725	(1,825)	56	9,698	7,873
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	11,445	4,663	2,327	2,336	277	6,505	8,841
	Sub-total	11,445	4,663	2,327	2,336	277	6,505	8,841
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	196,116	124,580	97,958	26,622	42,428	29,108	55,730
	Sub-total	196,116	124,580	97,958	26,622	42,428	29,108	55,730
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,314,470	-	1,047	(1,047)	-	1,314,470	1,313,423
	Stage 2	80,495	-	368	(368)	-	80,495	80,127
	Stage 3	5,754	5	2,816	(2,811)	-	5,749	2,938
	Sub-total	1,400,719	5	4,231	(4,226)	-	1,400,714	1,396,488
Total	Stage 1	4,349,903	35,533	9,529	26,004	-	4,314,370	4,340,374
	Stage 2	754,975	45,625	81,334	(35,709)	14,996	694,354	658,645
	Stage 3	226,969	133,148	108,826	24,322	42,761	51,060	75,382
	Total	5,331,847	214,306	199,689	14,617	57,757	5,059,784	5,074,401



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

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 as per CBO norms	Net Amount as per CBO norms¹	Net Amount as per IFRS 9
31 December 2024 (Audited)		RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	2,857,570	33,990	8,090	25,900	-	2,823,580	2,849,480
	Stage 2	290,396	2,891	9,208	(6,317)	-	287,505	281,188
	Stage 3	-	-	-	-	-	-	-
	Sub-total	3,147,966	36,881	17,298	19,583	-	3,111,085	3,130,668
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	368,934	37,722	63,205	(25,483)	11,556	319,656	294,173
	Stage 3	-	-	-	-	-	-	-
	Sub-total	368,934	37,722	63,205	(25,483)	11,556	319,656	294,173
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	4,594	1,151	1,464	(313)	73	3,370	3,057
	Sub-total	4,594	1,151	1,464	(313)	73	3,370	3,057
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	10,880	3,138	2,591	547	422	7,320	7,867
	Sub-total	10,880	3,138	2,591	547	422	7,320	7,867
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	194,400	122,498	96,034	26,464	42,152	29,750	56,214
	Sub-total	194,400	122,498	96,034	26,464	42,152	29,750	56,214
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,299,703	-	880	(880)	-	1,299,703	1,298,823
	Stage 2	70,389	-	387	(387)	-	70,389	70,002
	Stage 3	3,746	15	2,761	(2,746)	-	3,731	985
	Sub-total	1,373,838	15	4,028	(4,013)	-	1,373,823	1,369,810
Total	Stage 1	4,157,273	33,990	8,970	25,020	-	4,123,283	4,148,303
	Stage 2	729,719	40,613	72,800	(32,187)	11,556	677,550	645,363
	Stage 3	213,620	126,802	102,850	23,952	42,647	44,171	68,123
	Total	5,100,612	201,405	184,620	16,785	54,203	4,845,004	4,861,789



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

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 as per CBO norms	Net Amount as per CBO norms ¹	Net Amount as per IFRS 9
30 Sep 2025 (Unaudited)		RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	2,019,970	25,375	5,330	20,045	-	1,994,595	2,014,640
	Stage 2	239,930	2,371	4,617	(2,246)	-	237,559	235,313
	Stage 3	-	-	-	-	-	-	-
	Sub-total	2,259,900	27,746	9,947	17,799	-	2,232,154	2,249,953
Special Mention	Stage 1	1,633	8	39	(31)	-	1,625	1,594
	Stage 2	268,956	41,682	59,919	(18,237)	13,095	214,179	195,942
	Stage 3	-	-	-	-	-	-	-
	Sub-total	270,589	41,690	59,958	(18,268)	13,095	215,804	197,536
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	10,955	3,226	4,839	(1,613)	51	7,678	6,065
	Sub-total	10,955	3,226	4,839	(1,613)	51	7,678	6,065
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	4,351	1,531	1,118	413	250	2,570	2,983
	Sub-total	4,351	1,531	1,118	413	250	2,570	2,983
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	151,102	91,436	71,319	20,117	37,936	21,730	41,847
	Sub-total	151,102	91,436	71,319	20,117	37,936	21,730	41,847
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	948,717	-	664	(664)	-	948,717	948,053
	Stage 2	79,227	-	342	(342)	-	79,227	78,885
	Stage 3	5,730	-	2,800	(2,800)	-	5,730	2,930
	Sub-total	1,033,674	-	3,806	(3,806)	-	1,033,674	1,029,868
Total	Stage 1	2,970,320	25,383	6,033	19,350	-	2,944,937	2,964,287
	Stage 2	588,113	44,053	64,878	(20,825)	13,095	530,965	510,140
	Stage 3	172,138	96,193	80,076	16,117	38,237	37,708	53,825
	Total	3,730,571	165,629	150,987	14,642	51,332	3,513,610	3,528,252



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

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 RO'000	Provision required as per CBO Norms RO'000	Provision held as per IFRS 9 RO'000	Difference between CBO provision required and provision held RO'000	Reserve interest as per CBO norms RO'000	Net Amount as per CBO norms ¹ RO'000	Net Amount as per IFRS 9 RO'000
31 December 2024 (Audited)		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	1,907,883	24,523	4,831	19,692	-	1,883,360	1,903,052
	Stage 2	237,834	2,353	5,425	(3,072)	-	235,481	232,409
	Stage 3	-	-	-	-	-	-	-
	Sub-total	2,145,717	26,876	10,256	16,620	-	2,118,841	2,135,461
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	268,697	36,707	52,097	(15,390)	10,239	221,751	206,361
	Stage 3	-	-	-	-	-	-	-
	Sub-total	268,697	36,707	52,097	(15,390)	10,239	221,751	206,361
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	2,755	673	1,101	(428)	65	2,017	1,589
	Sub-total	2,755	673	1,101	(428)	65	2,017	1,589
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	6,886	2,428	1,917	511	421	4,037	4,548
	Sub-total	6,886	2,428	1,917	511	421	4,037	4,548
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	150,917	89,595	70,417	19,178	37,781	23,541	42,719
	Sub-total	150,917	89,595	70,417	19,178	37,781	23,541	42,719
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	992,250	-	604	(604)	-	992,250	991,646
	Stage 2	69,123	-	347	(347)	-	69,123	68,776
	Stage 3	3,709	-	2,741	(2,741)	-	3,709	968
	Sub-total	1,065,082	-	3,692	(3,692)	-	1,065,082	1,061,390
Total	Stage 1	2,900,133	24,523	5,435	19,088	-	2,875,610	2,894,698
	Stage 2	575,654	39,060	57,869	(18,809)	10,239	526,355	507,546
	Stage 3	164,267	92,696	76,176	16,520	38,267	33,304	49,824
	Total	3,640,054	156,279	139,480	16,799	48,506	3,435,269	3,452,068

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 nine-month period ended in 30 September 2025.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

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 as per CBO norms	Net carrying Amount as per CBO norms	Net carrying Amount as per IFRS 9
30 Sep 2025 (Unaudited)		RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	58,091	594	1,127	(533)	-	57,497	56,964
	Stage 2	356,663	33,098	57,688	(24,590)	11,637	311,928	287,338
	Stage 3	-	-	-	-	-	-	-
	Sub-total	414,754	33,692	58,815	(25,123)	11,637	369,425	344,302
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	102,860	65,539	52,630	12,909	16,315	21,006	33,915
	Sub-total	102,860	65,539	52,630	12,909	16,315	21,006	33,915
Total	Stage 1	58,091	594	1,127	(533)	-	57,497	56,964
	Stage 2	356,663	33,098	57,688	(24,590)	11,637	311,928	287,338
	Stage 3	102,860	65,539	52,630	12,909	16,315	21,006	33,915
	Total	517,614	99,231	111,445	(12,214)	27,952	390,431	378,217
31 December 2024 (Audited)								
		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	39,988	409	643	(234)	-	39,579	39,345
	Stage 2	352,889	29,222	54,938	(25,716)	9,506	314,161	288,445
	Stage 3	-	-	-	-	-	-	-
	Sub-total	392,877	29,631	55,581	(25,950)	9,506	353,740	327,790
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	81,724	54,380	42,476	11,904	13,656	13,688	25,592
	Sub-total	81,724	54,380	42,476	11,904	13,656	13,688	25,592
Total	Stage 1	39,988	409	643	(234)	-	39,579	39,345
	Stage 2	352,889	29,222	54,938	(25,716)	9,506	314,161	288,445
	Stage 3	81,724	54,380	42,476	11,904	13,656	13,688	25,592
	Total	474,601	84,011	98,057	(14,046)	23,162	367,428	353,382



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

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 as per CBO norms	Net Amount as per CBO norms	Net Amount as per IFRS 9
30 Sep 2025 (Unaudited)		RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	34,906	364	872	(508)	-	34,542	34,034
	Stage 2	225,174	31,862	43,403	(11,541)	9,736	183,576	172,035
	Stage 3	-	-	-	-	-	-	-
	Sub-total	260,080	32,226	44,275	(12,049)	9,736	218,118	206,069
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	77,591	50,766	42,793	7,973	14,755	12,070	20,043
	Sub-total	77,591	50,766	42,793	7,973	14,755	12,070	20,043
Total	Stage 1	34,906	364	872	(508)	-	34,542	34,034
	Stage 2	225,174	31,862	43,403	(11,541)	9,736	183,576	172,035
	Stage 3	77,591	50,766	42,793	7,973	14,755	12,070	20,043
	Total	337,671	82,992	87,068	(4,076)	24,491	230,188	226,112
31 December 2024 (Audited)								
		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	6	-	-	-	-	6	6
	Stage 2	239,554	28,073	43,106	(15,033)	8,189	203,292	188,259
	Stage 3	-	-	-	-	-	-	-
	Sub-total	239,560	28,073	43,106	(15,033)	8,189	203,298	188,265
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	60,833	41,723	34,131	7,592	12,335	6,775	14,367
	Sub-total	60,833	41,723	34,131	7,592	12,335	6,775	14,367
Total	Stage 1	6	-	-	-	-	6	6
	Stage 2	239,554	28,073	43,106	(15,033)	8,189	203,292	188,259
	Stage 3	60,833	41,723	34,131	7,592	12,335	6,775	14,367
	Total	300,393	69,796	77,237	(7,441)	20,524	210,073	202,632



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025

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, 2024, over Stage 2 ECL as on December 31, 2019, qualifies as Tier II capital for 2024 and not eligible from 2025 onwards.

The capital adequacy of the Bank is as follows:

	Consolidated		Parent Company	
	30-Sep-25	31-Dec-24	30-Sep-25	31-Dec-24
	RO'000	RO'000	RO'000	RO'000
Common Equity Tier 1 (CET 1)	398,859	347,282	272,362	220,902
Additional Tier 1	186,266	186,266	156,266	156,266
Tier 1 capital	585,125	533,548	428,628	377,168
Tier 2 capital	10,860	19,850	7,100	16,233
Total regulatory capital	595,985	553,398	435,728	393,401
Credit risk	3,104,922	3,021,083	2,157,654	2,112,194
Market risk	62,338	47,700	42,763	32,813
Operational risk	229,711	230,785	170,625	170,625
Total risk weighted assets	3,396,971	3,299,568	2,371,042	2,315,632
Capital adequacy ratio %	17.54%	16.77%	18.38%	16.99%
CET 1 ratio	11.74%	10.53%	11.49%	9.54%
Tier 1 Capital ratio	17.22%	16.17%	18.08%	16.29%



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025

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 30 September 2025.

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 2025 or 2024.

Consolidated 30 Sep 2025 (Unaudited)	Retail	Corporate	Treasury	Others	Islamic Banking	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Net interest income	19,711	40,502	646	-	-	60,859
Net income from Islamic financing	-	-	-	-	23,682	23,682
Other operating income	6,444	6,294	2,523	-	4,198	19,459
Share of Profit from Subsidiary	-	-	-	-	-	-
Total operating income	26,155	46,796	3,169	-	27,880	104,000
Operating expenses (incl. depreciation)	(24,400)	(15,961)	(1,134)	(233)	(14,631)	(56,359)
Net impairment losses on financial assets	277	(16,366)	(79)	-	(3,678)	(19,846)
Tax expenses	(333)	(2,370)	(320)	-	(1,436)	(4,459)
Profit / (Loss) for the period	1,699	12,099	1,636	(233)	8,135	23,336
Assets	850,245	1,648,139	523,177	84,974	1,450,753	4,557,288
Liabilities	761,805	1,680,795	56,095	138,592	1,284,394	3,921,681



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025**

28. SEGMENT INFORMATION (CONTINUED)

Consolidated	Retail	Corporate	Treasury	Others	Islamic Banking	Total
30 Sep 2024 (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Net interest income	19,301	31,898	2,440	-	-	53,639
Net income from Islamic financing	-	-	-	-	20,611	20,611
Net fees, commission and other operating income	5,995	6,757	1,950	-	5,732	20,434
Total operating income	25,296	38,655	4,390	-	26,343	94,684
Operating expenses	(23,760)	(14,885)	(1,270)	(233)	(14,434)	(54,582)
Net allowances for credit losses	337	(12,328)	32	-	(3,726)	(15,685)
Tax expenses	(300)	(1,831)	(504)	-	(1,254)	(3,889)
Profit / (Loss) for the period	1,573	9,611	2,648	(233)	6,929	20,528
Assets	847,480	1,561,720	442,417	107,489	1,294,227	4,253,333
Liabilities	712,997	1,695,707	33,413	109,770	1,168,141	3,720,028

Parent Company	Retail	Corporate	Treasury	Others	Islamic Banking	Total
30 Sep 2025 (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Net interest income	19,711	40,502	911	-	-	61,124
Net income from Islamic financing	-	-	-	-	-	-
Other operating income	6,444	6,294	2,258	-	-	14,996
Share of Profit from Subsidiary	-	-	-	8,135	-	8,135
Total operating income	26,155	46,796	3,169	8,135	-	84,255
Operating expenses (incl. depreciation)	(24,400)	(15,961)	(1,134)	-	-	(41,495)
Net impairment losses on financial assets	277	(16,366)	(79)	-	-	(16,168)
Tax expenses	(333)	(2,370)	(320)	-	-	(3,023)
Profit / (Loss) for the period	1,699	12,099	1,636	8,135	-	23,569
Assets	850,245	1,648,139	523,177	222,688	-	3,244,249
Liabilities	761,805	1,680,795	56,095	138,592	-	2,637,287

Parent Company	Retail	Corporate	Treasury	Others	Islamic Banking	Total
30 Sep 2024 (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Net interest income	19,301	31,898	2,631	-	-	53,830
Net fees, commission and other operating income	5,995	6,757	1,759	-	-	14,511
Share of Profit from Subsidiary	-	-	-	6,929	-	6,929
Total operating income	25,296	38,655	4,390	6,929	-	75,270
Operating expenses	(23,760)	(14,885)	(1,270)	-	-	(39,915)
Net allowances for credit losses	337	(12,328)	32	-	-	(11,959)
Tax expenses	(300)	(1,831)	(504)	-	-	(2,635)
Profit / (Loss) for the period	1,573	9,611	2,648	6,929	-	20,761
Assets	847,480	1,561,720	574,876	101,132	-	3,085,208
Liabilities	712,997	1,695,708	33,413	109,770	-	2,551,888

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2025



29. INCREASE IN SHARE CAPITAL

In the Extraordinary General Meeting held on 29 June 2025, the shareholders increased the authorised share capital of the Bank to RO 500 million. On 22 September 2025, the Bank completed the issuance of 333,333,333 shares through rights issue to its existing shareholders at a price of 151 baisa per share, including 1 baisa per share to cover the rights issue expenses, resulting in an increase in paid up capital of RO 50 million. The issued shares of the Bank are 2,002,743,333 shares (31 December 2024: 1,669,410,000 shares) The fully paid-up capital of the Bank is RO 216.941 million (31 December 2024: RO 166.941 million).

30. COMPARATIVE FIGURES

Certain comparative figures for 2024 have been reclassified to conform to the presentation for the current period. During the period, the group modified the classification of interest receivable on loans from other assets to gross loans and interest payable on deposits from other liabilities to customer deposits. Following reclassification has been made in these financial statements.

Reclassified items	Consolidated	Parent Company	Previous year classification	Current year classification
	RO' 000	RO' 000		
Interest receivables on loans	44,177	17,424	Other assets	Loans, advances and financing to customers
Interest payable on deposits	37,356	27,150	Other liabilities	Customers deposits

31. SUBSEQUENT EVENTS

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