



Bank Muscat SAOG

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025



**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

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Chairman's Report for Q1 2025

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the results achieved by the Bank for the first quarter ending 31 March 2025. The Bank has consistently demonstrated strong performance, reinforcing its leadership position in Oman's financial services sector across multiple business segments.

Financial Review

The Bank posted a net profit of RO 58.56 million for the period compared to RO 54.24 million reported during the same period in 2024, an increase of 8.0 per cent.

Net Interest Income from Conventional Banking and Net Income from Islamic Financing stood at RO 102.00 million for the three months period ended 31 March 2025 compared to RO 95.45 million for the same period in 2024, an increase of 6.9 per cent mainly due to the increase in business volume and active balance sheet management.

Non-interest income was RO 38.67 million for the three months period ended 31 March 2025 as compared to RO 37.25 million for the same period in 2024, an increase of 3.8 per cent.

Operating expenses for the three months period ended 31 March 2025 was RO 55.03 million as compared to RO 51.80 million for the same period in 2024, an increase of 6.2 per cent.

Net impairment losses on financial assets for the three months period ended 31 March 2025 was RO 15.04 million as against RO 16.22 million for the same period in 2024.

Net Loans and advances including Islamic financing receivables increased by 6.9 per cent to RO 10,541 million as against RO 9,860 million as at 31 March 2024.

Customer deposits including Islamic Customer deposits increased by 2.6 per cent to RO 10,003 million as against RO 9,750 million as at 31 March 2024.

Strategic Initiatives & Key Developments

Bank Muscat held its Annual Ordinary General Meeting (AGM) and the Extraordinary General Meeting (EGM) of the shareholders on 26 March 2025. During the meeting, shareholders of the Bank elected the Board of Directors for a three-year term (2025-2028). During the AGM, the shareholders of the Bank granted their approval to distribute cash dividends of 16.5 Baisa for each share and approved the appointment of Shari'a Supervisory Board of Meethaq as well as the appointment of the statutory auditors for the Bank and the external independent Shari'a auditors for Meethaq.

At the EGM, the shareholders approved the renewal of Meethaq Sukuk programme for issuance of RO 500 million (or its equivalent in US Dollar currency) Sukuks in various tranches in the domestic and international markets through public subscription or private placement. The shareholders also approved the issuance of senior unsecured bonds in the local market under a Medium Term Programme "MTP". The Bank, within the framework of the proposed MTP, would issue senior, unsecured bonds denominated in OMR or USD in the local market either by a private placement or public offering in compliance with the applicable laws and regulations in Oman.

In continuation of its a strategic plan to enhance its service offerings, the Bank's total number of branches and service centers exceeded 190, distributed across all willayats and governorates, including Meethaq Islamic Banking branches and corporate branches. To maintain a competitive edge in the sector, the Bank has a comprehensive network of 908 ATMs, Cash Deposit Machines (CDMs), self-service kiosks, and statement printers as of the end of March 2025.

The first quarter also witnessed a noteworthy 37% increase in the number of transactions completed through Points of Sales, alongside a 14% rise in the volume of electronic transactions compared to the same period last year. This surge underscores the Bank's commitment to leveraging modern technologies to facilitate seamless banking experiences for its customers. Further affirming these efforts, the Bank's digital platforms

have garnered significant trust and interest, as evidenced by the remarkable growth in registered users.

As part of its digital transformation strategy, the Bank launched an updated version of its mobile application, featuring an enhanced interface designed for easy navigation and quick access to various banking services. This revamp includes the redesign and enhancement of over 200 banking services, aimed at providing an integrated user experience that embodies the Bank's commitment to innovation and excellence in customer service.

During the quarter, the Bank collaborated with corporate customers to enhance their digital operations, implementing seamless payment solutions, collections, liquidity management and system integration. The value of total transactions processed during the first quarter through Corporate Internet Banking surpassed RO 5.6 billion which marked significant increase of 43% over the corresponding period last year. The Bank also witnessed growing traction for Application Programming Interface (API) Banking services as more corporates integrated the Bank's API Banking services into their applications. The API Banking services is enabling seamless integration, driving real time financial operations and greater efficiency for the corporate customers. With an increased impetus to integrate technology in our services, the Bank implemented "Track Trade Transaction" functionality on its online banking platform to enable customers to track their transaction status digitally making the process more time efficient for the customers.

The Bank actively engaged with several leading government-related entities (GREs) and private sector organizations in Oman, focusing on financial advisory and fundraising mandates. Notably, the Bank has been entrusted to provide financial advisory services to a significant utility sector entity, assist a prominent food sector company in raising additional equity and advise a private sector organization on securing financing against a substantial portfolio of securities.

Leveraging its extensive experience in asset management, Bank Muscat managed assets totaling RO 1.36 billion (approximately US \$3.5 billion), catering to large institutional investors, corporates and retail customers. This represents a remarkable increase of approximately 26% compared to Q1 2024, a significant accomplishment given the ongoing volatility and uncertainty in the capital markets.

In March 2025, the Oryx Fund declared the highest dividend of OR 0.074 per unit, reflecting its strong performance. Additionally, the Bank Muscat Money Market Fund maintained its competitive edge, achieving an annualized yield exceeding 5.03% per annum. This fund stands as the largest open-ended fund in Oman, with assets under management surpassing RO 157 million.

Besides, the Shari'a Supervisory Board (SSB) of Meethaq Islamic Banking convened its first meeting of 2025 during the quarter and discussed structured financing transactions and new products that Meethaq intends to launch during the coming period. It also endorsed the Shariah certificate for separation of Meethaq funds.

Meethaq also participated in the Zakat Campaign organized by the Ministry of Endowments and Religious Affairs to facilitate seamless collection of Zakat funds via Internet Banking and Mobile Banking, ensuring accessibility and convenience for customers and the general public.

CSR & Sustainability

As part of its commitment to fostering youth engagement and community development, Bank Muscat announced the launch the 2025 edition of its flagship CSR programme, Green Sports. A number of 20 local sports teams from various governorates were set to receive support this year and develop their play yards, taking the total number of beneficiaries to 203 teams with over 70,000 team members across the Sultanate since its launch in 2012.

Also, the Bank extended its support to the Fak Kurba initiative during the holy month of Ramadhan for the eighth consecutive year. Coordinated by the Oman Lawyers Association (OLA) in collaboration with the Ministry of Social Development and the Supreme Judicial Council. The Bank facilitated the release of 346 individuals who were serving prison terms or facing arrest warrants due to failing to clear financial obligations. To date, the Bank has successfully secured the release of 1,903 individuals, demonstrating its commitment to social justice and community welfare.

In collaboration with the Ministry of Social Development and the Ministry of Housing and Urban Planning, the Bank continued the Tadamun initiative. This year, approximately 175 families across various governorates benefited from this programme, bringing the total number of families supported since its inception in 2013 to over 2,200.

As part of its broader CSR efforts, the Bank successfully conducted the Al Wathbah Ramadan Souq during the holy month of Ramadhan with a wide participation of 140 Omani entrepreneurs and business owners. The event was held in partnership with the SME Development Authority (SMEDA).

Awards and Accolades

In recognition of its outstanding performance and commitment to excellence during the year, Bank Muscat has been honoured with several prestigious awards. The Bank received the Best Private Bank in Oman award from The Banker, underscoring its leadership in the private banking sector. The Bank also was recognized as the Best Bank for Trade Finance by the Digital Banker and awarded the titles of Best Bank for SMEs and Best Bank for FX in Oman by Global Finance. The Euromoney Private Banking Awards also acknowledged Bank Muscat with accolades for Oman's Best Bank for Alternative Investments and Oman's Best Bank for Digital Solutions. Similarly, the Euromoney Awards for Excellence named the Bank Oman's Best Digital Bank, Oman's Best Investment Bank, and Oman's Best Bank, reflecting its comprehensive banking capabilities and digital innovation.

In the realm of Islamic finance, Meethaq Islamic Banking was distinguished as Oman's Best Islamic Bank in the Euromoney Islamic Finance News (IFN) Awards and Oman's Best Islamic Investment Bank by the Islamic Finance News Awards.

In Conclusion

On behalf of the Board of Directors, I would like to extend our heartfelt gratitude to our shareholders for their continued trust in the Bank. We commend the measures implemented by the Central Bank of Oman and the Financial Services Authority aimed at bolstering the financial market in the Sultanate. We also wish to express our sincere appreciation to His Majesty Sultan Haitham Bin Tarik for his visionary leadership and guidance.



Khalid Bin Mustahail Al Mashani

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

		<i>Unaudited</i>	<i>Audited</i>	<i>Unaudited</i>
		<i>31-Mar-2025</i>	<i>31-Dec-2024</i>	<i>31-Mar-2024</i>
	<i>Notes</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>
Assets				
Cash and balances with Central Banks		749,823	476,739	771,725
Due from banks	3	574,282	714,791	915,340
Loans and advances	4	8,897,640	8,616,285	8,332,555
Islamic financing receivables	4	1,643,787	1,621,163	1,527,783
Investments securities	5	2,231,525	2,107,980	2,207,664
Investment in associate	6	9,679	9,660	9,218
Other assets	7	174,006	277,792	166,853
Property, equipment and software		83,325	87,545	77,965
Total assets		14,364,067	13,911,955	14,009,103
Liabilities and equity				
Liabilities				
Deposits from banks	8	1,261,177	978,178	1,223,836
Customers' deposits	9	8,433,502	8,193,168	8,410,076
Islamic customers' deposits	9	1,569,739	1,583,900	1,340,347
Sukuk		16,597	16,842	63,094
Euro medium term notes		192,853	195,139	192,853
Other liabilities	10	428,354	430,737	406,499
Taxation		81,267	69,158	72,486
Total liabilities		11,983,489	11,467,122	11,709,191
Equity				
Equity attributable to equity holders of parent:				
Share capital	11	750,640	750,640	750,640
Share premium		156,215	156,215	156,215
General reserve		410,258	410,258	410,258
Legal reserve		183,032	183,032	160,474
Revaluation reserve		4,904	4,904	4,904
Cash flow hedge reserve		5,055	5,901	6,115
Cumulative changes in fair value		45,697	43,806	46,170
Foreign currency translation reserve		(3,706)	(3,690)	(3,652)
Impairment reserve / restructured loan reserve		-	-	2,136
Retained earnings		323,163	388,447	261,332
Total equity attributable to the equity holders		1,875,258	1,939,513	1,794,592
Perpetual Tier I capital		505,320	505,320	505,320
Total equity		2,380,578	2,444,833	2,299,912
Total liabilities and equity		14,364,067	13,911,955	14,009,103
Net assets per share (in RO)		0.250	0.258	0.239
Contingent liabilities and commitments	12	1,762,684	1,811,518	1,684,592

The interim condensed consolidated financial statements were approved by the Board of Directors on 29 April 2025.
The attached notes 1 to 28 form part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

		<i>Unaudited -for three months period ended-</i>	
		<i>31-Mar-2025</i>	<i>31-Mar-2024</i>
	<i>Notes</i>	<i>RO' 000</i>	<i>RO' 000</i>
Interest income	13	148,740	151,374
Interest expense	14	(55,721)	(63,785)
Net interest income		93,019	87,589
Income from Islamic financing / investments	13	26,484	24,974
Distribution to depositors	14	(17,500)	(17,110)
Net income from Islamic financing		8,984	7,864
Net interest income and income from Islamic financing		102,003	95,453
Commission and fee income (net)	15	23,480	24,462
Other operating income	16	15,192	12,791
Operating income		140,675	132,706
Operating expenses			
Other operating expenses		(49,325)	(46,803)
Depreciation		(5,708)	(4,998)
		(55,033)	(51,801)
Share of results from an associate	6	39	296
Net impairment losses on financial assets	17	(15,037)	(16,223)
		(70,031)	(67,728)
Profit before taxation		70,644	64,978
Tax expense		(12,083)	(10,738)
Profit for the period		58,561	54,240
Other comprehensive (expense) / income			
Net other comprehensive (expense) / income to be reclassified to profit or loss in subsequent periods, net of tax:			
Translation of net investments in foreign operations		(16)	(10)
Change in fair value through other comprehensive income (FVOCI) debt investments		740	(300)
Share of other comprehensive income of an associate		(20)	33
Change in fair value of cash flow hedge		(846)	2,861
		(142)	2,584
Net other comprehensive (expense) / income not to be reclassified to profit or loss in subsequent periods, net of tax:			
Change in fair value of FVOCI equity investments		1,182	4,582
		1,182	4,582
Other comprehensive income / (expense) for the period		1,040	7,166
Total comprehensive income for the period		59,601	61,406
Total comprehensive income for the period attributable to:			
Equity holders of Parent Company		59,601	61,406
Profit attributable to:			
Equity holders of Parent Company		58,561	54,240
Earnings per share (in RO)			
- Basic and diluted	18	0.008	0.007

Items in other comprehensive income are disclosed net of tax.

The attached notes 1 to 28 form part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

(Unaudited)	<i>Share capital</i>	<i>Share premium</i>	<i>General reserve</i>	<i>Legal reserve</i>	<i>Revaluation reserve</i>	<i>Cash flow hedge reserve</i>	<i>Cumulative changes in fair value</i>	<i>Foreign currency translation reserve</i>	<i>Retained profits</i>	<i>Total</i>	<i>Perpetual Tier I Capital</i>	<i>Total</i>
	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>
Balance at 1 January 2025	750,640	156,215	410,258	183,032	4,904	5,901	43,806	(3,690)	388,447	1,939,513	505,320	#####
Profit for the period	-	-	-	-	-	-	-	-	58,561	58,561	-	58,561
Other comprehensive (expense) income	-	-	-	-	-	(846)	1,902	(16)	-	1,040	-	1,040
Total comprehensive (expense) income	-	-	-	-	-	846	1,902	(16)	58,561	59,601	-	59,601
Transfer within equity upon disposal of FVOCI equity investments	-	-	-	-	-	-	(11)	-	11	-	-	-
Dividends paid (note 11)	-	-	-	-	-	-	-	-	(123,856)	(123,856)	-	(123,856)
Interest paid on Perpetual Tier 1 Capital	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	750,640	156,215	410,258	183,032	4,904	5,055	45,697	(3,706)	323,163	1,875,258	505,320	2,380,578

(Unaudited)	<i>Share capital</i>	<i>Share premium</i>	<i>General reserve</i>	<i>Legal reserve</i>	<i>Revaluation reserve</i>	<i>Cash flow hedge reserve</i>	<i>Cumulative changes in fair value</i>	<i>Foreign currency translation reserve</i>	<i>Impairment reserve / restructured loan reserve</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Perpetual Tier I Capital</i>	<i>Total</i>
	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>	<i>RO' 000</i>
Balance at 1 January 2024	750,640	156,215	410,258	160,474	4,904	3,254	41,825	(3,642)	2,136	323,471	1,849,535	505,320	2,354,855
Profit for the period	-	-	-	-	-	-	-	-	-	54,240	54,240	-	54,240
Other comprehensive (expense) income	-	-	-	-	-	2,861	4,315	(10)	-	-	7,166	-	7,166
Total comprehensive (expense) income	-	-	-	-	-	2,861	4,315	(10)	-	54,240	61,406	-	61,406
Transfer within equity upon disposal of FVOCI equity investments	-	-	-	-	-	-	30	-	-	(30)	-	-	-
Dividends paid (note 11)	-	-	-	-	-	-	-	-	-	(116,349)	(116,349)	-	(116,349)
Transfer from restructured loan reserve to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid on Perpetual Tier 1 Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	750,640	156,215	410,258	160,474	4,904	6,115	46,170	(3,652)	2,136	261,332	1,794,592	505,320	2,299,912

Appropriations to legal reserve and sub-ordinated loan reserve are made on an annual basis.

The attached notes 1 to 28 form part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Operating activities		
Profit for the period before taxation	70,644	64,978
Adjustments for :		
Depreciation	5,708	4,998
Net impairment losses on financial assets	15,037	16,223
Share of results from associates	(39)	(296)
Profit on sale of Property and equipment	5	1
(Profit) Loss on sale of investments	(4)	(807)
Dividend income	(7,942)	(2,272)
Operating profit before working capital changes	83,409	82,825
Due from banks	217,184	(155,422)
Loans and advances	(291,670)	8,496
Islamic financing receivables	(26,013)	(3,135)
Other assets	103,638	37,164
Deposits from banks	282,999	123,747
Customers' deposits	240,334	240,001
Islamic customers' deposits	(14,161)	72,630
Other liabilities	(6,842)	(77,307)
Cash from / (used in) operating activities	588,878	328,999
Income taxes paid	-	-
Net cash from / (used in) operating activities	588,878	328,999
Investing activities		
Dividend from an associate	-	-
Dividend income	7,942	2,272
Purchase of investments	(364,351)	(54,489)
Proceeds from sale of investments	201,667	33,785
Net movement in property and equipment	(1,493)	(5,664)
Net cash from / (used in) investing activities	(156,235)	(24,096)
Financing activities		
Dividends paid	(123,856)	(116,349)
Issuance of Sukuk	-	16,524
Repayment of Sukuk	-	-
Repayment of EMTN	-	-
Interest on Perpetual Tier I capital	-	-
Net cash from / (used in) financing activities	(123,856)	(99,825)
Net change in cash and cash equivalents	308,787	205,078
Cash and cash equivalents at 1 January	1,230,584	1,760,708
Cash and cash equivalents at 31 March	1,539,371	1,965,786
Cash and cash equivalent comprises of the following:		
Cash and balances with Central Banks	749,323	771,223
Treasury bills	408,870	850,148
Due from banks	381,178	344,415
	1,539,371	1,965,786

The attached notes 1 to 28 form part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Bank Muscat SAOG (the Bank or the Parent Company) is a joint stock company incorporated in the Sultanate of Oman and is engaged in commercial and investment banking activities through a network of 191 branches (31 March 2024 : 183 branches) within the Sultanate of Oman and one branch each in Riyadh, Kingdom of Saudi Arabia and Kuwait. The Bank has representative offices in Dubai, United Arab Emirates, Singapore and Tehran, Iran. The Bank operates in Oman under a banking license issued by the Central Bank of Oman (CBO) and is covered by its deposit insurance scheme. The Bank has its primary listing on the Muscat Stock Exchange.

As at 31 March 2025, the Bank operates in 6 countries (2024: 6 countries) and employed 4,387 employees (31 March 2024: 4,250 employees).

During 2013, the Parent Company inaugurated "Meethaq Islamic banking window" ("Meethaq") in the Sultanate of Oman to carry out banking and other financial activities in accordance with Islamic Shari'a rules and regulations. Meethaq operates under an Islamic banking license granted by the CBO on 13 January 2013. Meethaq's Shari'a Supervisory Board is entrusted to ensure Meethaq's adherence to Shari'a rules and principles in its transactions and activities. The principal activities of Meethaq include: accepting customer deposits; providing Shari'a compliant financing based on various Shari'a compliant modes; undertaking Shari'a compliant investment activities permitted under the CBO's Regulated Islamic Banking Services as defined in the licensing framework. Meethaq has 32 branches (March 2024 - 28 branches) in the Sultanate of Oman.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements for the three months period ended 31 March 2025 of the Bank are prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', applicable regulations of the Central Bank of Oman (CBO) and the Capital Market Authority (CMA).

The unaudited interim condensed financial statements have been prepared on the historical cost basis, modified to include the revaluation of freehold land and buildings and the measurement at fair value of derivative financial instruments, FVOCI investment securities and investment recorded at fair value through profit or loss. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The Islamic window operation of the Parent Company; "Meethaq" uses Financial Accounting Standards ("FAS"), issued by Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), for preparation and reporting of its financial information. Meethaq's financial information is included in the results of the Bank, after adjusting financial reporting differences, if any, between AAOIFI and IFRS.

The functional currency of the Bank is the Rial Omani (RO). These unaudited interim condensed consolidated financial statements of the Bank are prepared in Rial Omani, rounded to the nearest thousands, except as indicated.

The unaudited interim condensed consolidated 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 financial statements as at 31 December 2024. In addition, results of the Bank for the period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year 2025.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025****2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)****2.1 BASIS OF PREPARATION (continued)****2.2 NEW STANDARDS, IMPLEMENTATIONS AND AMENDMENTS IN EXISTING STANDARDS**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Bank's annual consolidated 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 an impact on the interim condensed consolidated financial statements of the Bank. The above amendments are effective from 1 January 2025.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
3. DUE FROM BANKS

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
At amortised cost			
Nostro balances	120,883	52,301	122,021
Inter-bank placements	278,556	534,392	589,017
Loans to banks	92,948	77,654	134,297
	492,387	664,347	845,335
At FVOCI			
Loans to banks	87,220	55,812	74,727
	579,607	720,159	920,062
Less: impairment loss allowance	(5,325)	(5,368)	(4,722)
	574,282	714,791	915,340

4. LOANS AND ADVANCES / ISLAMIC FINANCING RECEIVABLES
Loans and advances

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Loans	4,491,165	4,264,504	4,137,573
Overdrafts and credit cards	365,559	353,003	296,358
Loans against trust receipts	225,558	184,467	192,419
Bills purchased and discounted	244,273	212,834	213,119
Other advances	208,700	210,304	196,025
Personal and housing loans	3,947,666	3,961,061	3,800,354
	9,482,921	9,186,173	8,835,848
Less: impairment loss allowance	(585,281)	(569,888)	(503,293)
	8,897,640	8,616,285	8,332,555

Islamic financing receivables

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Housing finance	551,124	550,802	545,355
Corporate finance	1,119,315	1,094,190	998,893
Consumer finance	66,752	65,752	61,622
	1,737,191	1,710,744	1,605,870
Less: impairment loss allowance	(93,404)	(89,581)	(78,087)
	1,643,787	1,621,163	1,527,783

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
4. LOANS AND ADVANCES / ISLAMIC FINANCING RECEIVABLES (continued)

Movement in impairment loss is analysed below:

	<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i>
1 January	659,469	565,327	565,327
Impairment for credit losses	20,193	102,315	16,850
Interest reserved during the period	6,756	25,720	6,022
Recoveries from impairment for credit losses	(6,140)	(27,335)	(5,106)
Reserve interest recovered during the period	(1,824)	(4,195)	(969)
Written off / reversed during the period	151	(3,538)	(1,065)
Transfer from / (to) Memorandum portfolio	87	1,182	343
Foreign currency translation difference	(5)	(16)	(24)
Other movements	(2)	9	2
At 31 March / 31 December	678,685	659,469	581,380

At 31 March 2025, loans and advances on which contractual interest is not being accrued or has not been recognised amounted to RO 423.0 million (31 December 2024: RO 420.4 million, 31 March 2024: RO 398.7 million). Contractual interest reserved and recovery thereof is shown under net interest income and income from Islamic financing in the statement of comprehensive income.

The maturity profile of loans and advances / Islamic financing receivables was as follows

	<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i>
On demand or within one month	907,113	877,714	719,937
Two to three months	931,986	669,797	978,601
Four to twelve months	937,493	936,447	739,774
One to five years	2,615,844	2,593,010	1,347,271
More than five years	5,148,991	5,160,480	6,074,755
	10,541,427	10,237,448	9,860,338

5. INVESTMENT SECURITIES

	<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i>
Equity investments:			
Measured as at FVTPL	171,785	27,866	22,198
Designated as at FVOCI	257,615	233,730	195,359
Equity investments	429,400	261,596	217,557
Debt investments:			
Measured at FVTPL	-	-	-
Measured at FVOCI	241,019	218,202	117,481
Measured at amortised cost	1,564,067	1,631,006	1,875,541
Gross debt investments	1,805,086	1,849,208	1,993,022
Less: Impairment loss allowance	(2,961)	(2,824)	(2,915)
Debt investments	1,802,125	1,846,384	1,990,107
Investment securities	2,231,525	2,107,980	2,207,664

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
5. INVESTMENT SECURITIES (continued)

As at 31 March 2025 (unaudited)	FVTPL RO' 000	FVOCI RO' 000	Amortised Cost RO' 000	Total RO' 000
Quoted equities:				
Foreign securities	141,520	187,706	-	329,226
Other services sector	-	58,274	-	58,274
Unit funds	8,707	-	-	8,707
Financial services sector	-	9,460	-	9,460
Industrial sector	-	935	-	935
	<u>150,227</u>	<u>256,375</u>	<u>-</u>	<u>406,602</u>
Unquoted equities:				
Foreign securities	18,262	-	-	18,262
Local securities	3,296	1,240	-	4,536
	<u>21,558</u>	<u>1,240</u>	<u>-</u>	<u>22,798</u>
Equity investments	<u>171,785</u>	<u>257,615</u>	<u>-</u>	<u>429,400</u>
Quoted debt:				
Government bonds	-	-	1,083,282	1,083,282
Treasury bills	-	-	159,001	159,001
Foreign bonds	-	142,578	-	142,578
Local bonds	-	98,441	71,915	170,356
	<u>-</u>	<u>241,019</u>	<u>1,314,198</u>	<u>1,555,217</u>
Unquoted debt:				
Treasury bills	-	-	249,869	249,869
	<u>-</u>	<u>-</u>	<u>249,869</u>	<u>249,869</u>
Gross debt investments	<u>-</u>	<u>241,019</u>	<u>1,564,067</u>	<u>1,805,086</u>
Less: Impairment loss allowance	-	(2,368)	(593)	(2,961)
Debt investments	<u>-</u>	<u>238,651</u>	<u>1,563,474</u>	<u>1,802,125</u>
Investment securities	<u>171,785</u>	<u>496,266</u>	<u>1,563,474</u>	<u>2,231,525</u>

As at 31 December 2024 (Audited)	FVTPL RO' 000	FVOCI RO' 000	Amortised Cost RO' 000	Total RO' 000
Quoted equities:				
Foreign securities	611	169,500	-	170,111
Other services sector	-	52,151	-	52,151
Unit funds	8,799	-	-	8,799
Financial services sector	-	9,773	-	9,773
Industrial sector	-	1,048	-	1,048
	<u>9,410</u>	<u>232,472</u>	<u>-</u>	<u>241,882</u>
Unquoted equities:				
Foreign securities	14,894	-	-	14,894
Local securities	3,562	1,258	-	4,820
	<u>18,456</u>	<u>1,258</u>	<u>-</u>	<u>19,714</u>
Equity investments	<u>27,866</u>	<u>233,730</u>	<u>-</u>	<u>261,596</u>
Quoted debt:				
Government bonds	-	2,354	1,110,190	1,112,544
Treasury bills	-	-	99,781	99,781
Foreign bonds	-	118,718	-	118,718
Local bonds	-	97,130	71,017	168,147
	<u>-</u>	<u>218,202</u>	<u>1,280,988</u>	<u>1,499,190</u>
Unquoted debt:				
Treasury bills	-	-	350,018	350,018
	<u>-</u>	<u>-</u>	<u>350,018</u>	<u>350,018</u>
Gross debt investments	<u>-</u>	<u>218,202</u>	<u>1,631,006</u>	<u>1,849,208</u>
Less: impairment loss allowance	-	(2,378)	(446)	(2,824)
Debt investments	<u>-</u>	<u>215,824</u>	<u>1,630,560</u>	<u>1,846,384</u>
Investment securities	<u>27,866</u>	<u>449,554</u>	<u>1,630,560</u>	<u>2,107,980</u>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
5. INVESTMENT SECURITIES (continued)

The movement in impairment of debt investments is summarised as follows

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
At 1 January	2,824	2,350	2,350
Provided /(reversed) during the period / year	136	474	564
Exchange difference / others	1	-	1
At 31 March / 31 December	2,961	2,824	2,915

6. INVESTMENT IN ASSOCIATE
SICO BSC (c)

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
At 1 January	9,660	8,889	8,889
Dividend received	-	(297)	-
Share of results	39	996	296
Share of other comprehensive income	(20)	72	33
At 31 March / 31 December	9,679	9,660	9,218

7. OTHER ASSETS

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 Unaudited</i>
Acceptances (note 10)	116,125	92,801	82,489
Less: impairment loss allowance	(911)	(1,598)	(1,543)
Net Acceptances	115,214	91,203	80,946
Other debtors and prepaid expenses	32,997	30,304	35,193
Positive fair value of derivatives	21,334	26,680	34,735
Deferred tax asset	1,396	1,370	1,860
Others	3,065	128,235	14,119
	174,006	277,792	166,853

8. DEPOSITS FROM BANKS

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Inter bank borrowings	602,472	350,591	390,922
Vostro balances	102,380	63,461	59,064
Other money market deposits	556,325	564,126	773,850
	1,261,177	978,178	1,223,836

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
9. CUSTOMERS' DEPOSITS
Conventional customers' deposits

	<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i>
Deposit accounts	2,864,126	2,851,535	2,827,084
Savings accounts	3,325,267	3,112,239	3,056,255
Current accounts	1,656,059	1,736,252	1,705,569
Call accounts	539,133	445,197	777,054
Margin accounts	48,917	47,945	44,114
	8,433,502	8,193,168	8,410,076

Islamic customers' deposits

	<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i>
Deposit accounts	995,150	993,388	859,597
Savings accounts	315,905	288,893	281,601
Current accounts	94,429	91,658	87,837
Call accounts	157,661	203,665	30,193
Margin accounts	6,594	6,296	81,119
	1,569,739	1,583,900	1,340,347

The maturity profile of customer's deposits (including Islamic customers' deposits) was as follows:

	<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i>
On demand or within one month	820,925	805,816	866,791
Two to three months	1,134,840	1,171,843	1,018,343
Four to twelve months	2,529,372	2,196,700	2,263,229
One to five years	3,937,336	4,109,006	2,964,015
More than five years	1,580,768	1,493,703	2,638,045
	10,003,241	9,777,068	9,750,423

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
10. OTHER LIABILITIES

	<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i>
Other liabilities and accrued expenses	169,133	198,226	174,692
Acceptances (note 7)	116,125	92,801	82,489
Impairment on financial guarantees	42,092	40,977	54,879
Impairment on undrawn commitments and unutilised limits	13,222	12,410	13,011
Lease liabilities	48,130	48,845	44,504
Negative fair value of derivatives	16,661	16,197	18,831
Unearned discount and interest	9,708	8,869	5,920
Employee end of service benefits	7,663	7,450	7,180
Deferred tax liability	5,620	4,962	4,993
	428,354	430,737	406,499

11. SHARE CAPITAL

The authorised share capital of the Bank is 8,000,000,000 shares of RO 0.100 each (31 December 2024: 8,000,000,000 of RO 0.100 each). At 31 March 2025, 7,506,397,062 shares of RO 0.100 each (31 December 2024: 7,506,397,062 shares of RO 0.100 each) have been issued and fully paid. The Bank's shares are listed in Muscat, Bahrain and London stock exchanges. Listing in London stock exchange is through Global Depository Receipts issued by the Bank.

In the Bank's annual general meeting held on 26 March 2025 the shareholders approved a dividend of 16.5% in the form of cash. Thus shareholders received cash dividend of RO 0.0165 per ordinary share of RO 0.100 each aggregating to RO 123.856 million on Bank's existing share capital.

The shareholding structure of the Bank as at 31 March 2025 is as follows:

Investor Name	<i>Ownership percentage %</i>	
	<i>31-Mar-25</i>	<i>31-Dec-24</i>
Royal Court Affairs	27.31%	27.31%
Ominvest Group	15.00%	15.00%
Muscat Overseas Group	5.60%	5.67%
Social Protection Fund	4.99%	4.99%
Pension Funds Trust Accounts	19.64%	19.64%
Others*	27.46%	27.39%
Total	100.00%	100.00%

* The other shareholdings of the Bank are widely spread.

12. CONTINGENT LIABILITIES

	<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i>	<i>Audited</i> <i>31-Dec-2024</i> <i>RO' 000</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i>
CONTINGENT LIABILITIES			
Letters of credit	427,391	517,178	427,810
Guarantees	1,335,293	1,294,340	1,256,782
	1,762,684	1,811,518	1,684,592
COMMITMENTS			
Irrevocable credit commitments	268,104	258,572	290,717
Purchase of property and equipment	5,168	1,543	992
Partly paid shares	7,440	8,114	8,233
	280,712	268,229	299,942

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
13. INTEREST INCOME / INCOME ON ISLAMIC FINANCING / INVESTMENT

	<i>Unaudited -for three months period ended- 31-Mar-2025 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Loans and advances	121,265	122,077
Due from banks	9,156	12,429
Investments	18,319	16,868
	148,740	151,374
Islamic financing receivables	22,636	21,895
Islamic due from banks	399	938
Islamic investment	3,449	2,141
	26,484	24,974
	175,224	176,348

14. INTEREST EXPENSE / DISTRIBUTION TO DEPOSITORS

	<i>Unaudited -for three months period ended- 31-Mar-2025 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Customers' deposits	42,151	49,435
Bank borrowings	11,246	12,026
Euro medium term notes	2,324	2,324
	55,721	63,785
Islamic customers' deposits	15,387	11,712
Sukuk	226	701
Islamic bank borrowings	1,887	4,697
	17,500	17,110
	73,221	80,895

15. COMMISSION AND FEES INCOME (NET)

	<i>Unaudited -for three months period ended- 31-Mar-2025 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Transactional income	22,688	21,268
Trade income	3,369	3,297
Syndication and other loan related income	3,608	3,917
Advisory, asset management and private equity services related income	2,832	2,668
	32,497	31,150
Fees and commission expense	(9,017)	(6,688)
	23,480	24,462

16. OTHER OPERATING INCOME

	<i>Unaudited -for three months period ended- 31-Mar-2025 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Foreign exchange	7,140	9,635
Changes in fair value of financial assets	(216)	192
Net realised gain (loss) on sale of fair value investments	220	615
Dividend income	7,942	2,272
Other income	106	77
	15,192	12,791

Dividend income recognised on FVOCI investments during the period ended 31 March 2025 is RO 3,181 thousands. (31 March 2024: RO 2,160 thousands), out of which RO 22 thousands (31 March 2024: RO 7 thousands) pertains to investments sold during this period.

17. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	<i>Unaudited -for three months period ended- 31-Mar-2025 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
(Impairment) / reversal of impairment for credit losses:		
- Cash and Central bank balances	-	2
- Due from banks	43	(8)
- Loans and advances to customers	(20,193)	(16,850)
- Financial guarantees	(1,117)	(1,408)
- Acceptances	688	(19)
- Loan commitments / unutilised limits	(811)	(2,815)
- Investments	(136)	(564)
	(21,526)	(21,662)
Recoveries from impairment for credit losses	6,140	5,106
Recoveries from loans previously written off	349	333
	6,489	5,439
	(15,037)	(16,223)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

18. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Group conducts transactions with certain of its directors, shareholders, senior management and companies in which they have a significant interest. The Group engages in transactions with related parties only on arm's length terms and in accordance with relevant laws and regulations. Terms of these transactions are approved by the Bank's Board and Management. The balances in respect of related parties included in the consolidated statement of financial position as at the reporting date are as follows:

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
a) Directors and senior management			
Loans and advances	421	526	530
Current, deposit and other accounts	3,687	3,103	3,325
b) Major shareholders and others			
Loans and advances (gross)			
- Shareholders holding 20% or more interest in the Bank and their related entities	31,879	31,806	37,781
- Other related parties	114,895	116,269	235,434
	<u>146,774</u>	<u>148,075</u>	<u>273,215</u>
Current, deposit and other accounts			
- Shareholders holding 20% or more interest in the Bank and their related entities	16,734	10,938	30,872
- Other related parties	32,512	32,593	18,727
	<u>49,246</u>	<u>43,531</u>	<u>49,599</u>
Customers' liabilities under documentary credits, guarantees and other commitments			
- Shareholders holding 20% or more interest in the Bank and their related entities	-	-	-
- Other related parties	5,154	5,030	8,087
	<u>5,154</u>	<u>5,030</u>	<u>8,087</u>

The income and expenses in respect of related parties included in the interim condensed consolidated financial statements are as follows:

	<i>Unaudited -for three months period ended- 31-Mar-2025 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
a) Directors and senior management		
Interest income	6	8
Interest expenditure	28	31
b) Major shareholders and others		
Interest income		
- Shareholders holding 20% or more interest in the Bank and their related entities	266	397
- Other related parties	1,485	3,387
	<u>1,751</u>	<u>3,784</u>
Interest expenditure		
- Shareholders holding 20% or more interest in the Bank and their related entities	31	38
- Other related parties	292	137
	<u>323</u>	<u>175</u>

Loans, advances or receivables and non-funded exposure due from related parties or holders of 10 percent or more of Banks shares, or their family members, less all provisions and write-offs, is further analysed as follows:

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Royal Court Affairs	31,879	31,806	37,781
Omnivest Group	77,742	79,118	211,454
HE Sheikh Mustahail Ahmed Al Mashani Group Companies	42,494	42,372	32,342
Others	234	335	255
	<u>152,349</u>	<u>153,631</u>	<u>281,832</u>

Items of expense which were paid to related parties or holders of 10 percent or more of the bank's shares, or their family members, during the period can be further analysed as follows:

	<i>Unaudited -for three months period ended- 31-Mar-2025 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Royal Court Affairs	31	38
Omnivest Group	212	57
HE Sheikh Mustahail Al Mashani Group Companies	80	80
Others	28	31
	<u>351</u>	<u>206</u>

Directors remuneration and sitting fees during the period ended 31 March 2025 is RO 93 thousands (31 March 2024: RO 84 thousands)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
19. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders (after adjusting for interest on perpetual tier I capital) for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	<i>Unaudited</i> <i>-for three months period ended</i> <i>31-Mar-</i> <i>2025</i> <i>RO' 000</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i>
Profit for the period	58,561	54,240
Less: interest on Perpetual Tier I capital	-	-
Profit attributable to ordinary shareholders of parent company for basic earnings per share (RO 000's)	58,561	54,240
Weighted average number of ordinary shares in issue during the period (000's)	7,506,397	7,506,397
Basic earnings per share (RO)	0.008	0.007

There are no instruments that are dilutive in nature, hence the basic and diluted earnings per share are same for both the periods. Interest on Perpetual Tier I capital is adjusted in computation of earnings per share on payment basis

20. DERIVATIVES

As at 31 March 2025 (unaudited)	<i>Positive</i> <i>fair value</i> <i>RO' 000</i>	<i>Negative</i> <i>fair value</i> <i>RO' 000</i>	<i>Notional</i> <i>total</i> <i>RO' 000</i>	<i>Notional amounts by term to maturity</i>		
				<i>within 3 months</i> <i>RO' 000</i>	<i>4-12 months</i> <i>RO' 000</i>	<i>> 12 months</i> <i>RO' 000</i>
Cash flow hedge	5,947	-	288,750	-	-	288,750
Interest rate swaps	9,926	9,822	337,833	-	3,415	334,418
Commodities purchase contracts	1,860	912	63,287	33,086	29,824	377
Commodities sale contracts	934	1,818	63,287	33,086	29,824	377
Forward purchase contracts	438	765	1,016,237	232,281	581,034	202,922
Forward sales contracts	2,229	3,344	1,016,333	233,685	580,066	202,582
Total	21,334	16,661	2,785,727	532,138	1,224,163	1,029,426

As at 31 December 2024 (audited)	<i>Positive</i> <i>fair value</i> <i>RO' 000</i>	<i>Negative</i> <i>fair value</i> <i>RO' 000</i>	<i>Notional</i> <i>total</i> <i>RO' 000</i>	<i>Notional amounts by term to maturity</i>		
				<i>Within 3 months</i> <i>RO' 000</i>	<i>4-12 months</i> <i>RO' 000</i>	<i>> 12 months</i> <i>RO' 000</i>
Cash flow hedge	6,943	-	288,750	-	-	288,750
Interest rate swaps	10,508	10,391	365,902	-	25,052	340,850
Commodities purchase contracts	856	2,564	89,770	50,381	38,216	1,173
Commodities sale contracts	2,607	826	89,771	50,382	38,216	1,173
Forward purchase contracts	7	2,332	1,028,911	203,598	521,074	304,239
Forward sales contracts	5,759	84	1,024,664	200,310	520,887	303,467
Total	26,680	16,197	2,887,768	504,671	1,143,445	1,239,652

As at 31 March 2024 (unaudited)	<i>Positive</i> <i>fair value</i> <i>RO' 000</i>	<i>Negative</i> <i>fair value</i> <i>RO' 000</i>	<i>Notional</i> <i>total</i> <i>RO' 000</i>	<i>Notional amounts by term to maturity</i>		
				<i>Within 3 months</i> <i>RO' 000</i>	<i>4-12 months</i> <i>RO' 000</i>	<i>> 12 months</i> <i>RO' 000</i>
Cash flow hedge	7,194	-	192,500	-	-	192,500
Interest rate swaps	14,399	14,274	399,566	-	1,129	398,437
Commodities purchase contracts	2,585	233	72,076	43,978	22,162	5,936
Commodities sale contracts	243	2,518	72,076	43,978	22,162	5,936
Forward purchase contracts	103	1,124	1,564,523	1,020,063	33,762	510,698
Forward sales contracts	10,211	682	1,552,744	1,009,256	33,448	510,040
Total	34,735	18,831	3,853,485	2,117,275	112,663	1,623,547

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
21. SEGMENTAL INFORMATION

Management has determined the operating segments based on the reports reviewed by the executive committee that are used to make strategic decisions. The committee considers the business from both a geographic and product perspective. Geographically, management considers the performance of whole bank in Oman and International markets. The Oman market is further segregated into corporate, consumer, wholesale and Islamic banking as all of these business lines are located in Oman. Segment information in respect of geographical locations is as follows:

<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i> <i>Total</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i> <i>International</i>	<i>Unaudited</i> <i>31-Mar-2024</i> <i>RO' 000</i> <i>Oman</i>		<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i> <i>Oman</i>	<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i> <i>International</i>	<i>Unaudited</i> <i>31-Mar-2025</i> <i>RO' 000</i> <i>Total</i>
151,374	3,880	147,494	Interest income	145,926	2,814	148,740
(63,785)	(2,386)	(61,399)	Interest expense	(54,334)	(1,387)	(55,721)
24,974	-	24,974	Income from Islamic financing	26,484	-	26,484
(17,110)	-	(17,110)	Distribution to depositors	(17,500)	-	(17,500)
24,462	696	23,766	Commission and fee income (net)	22,838	642	23,480
12,791	144	12,647	Other operating income	15,063	129	15,192
132,706	2,334	130,372		138,477	2,198	140,675
			Operating expenses			
(46,803)	(944)	(45,859)	Other operating expenses	(48,322)	(1,003)	(49,325)
(4,998)	(54)	(4,944)	Depreciation	(5,566)	(142)	(5,708)
(51,801)	(998)	(50,803)		(53,888)	(1,145)	(55,033)
296	296	-	Share of income from an associate	-	39	39
(16,223)	1,150	(17,373)	Net impairment losses on financial assets	(15,049)	12	(15,037)
(10,738)	(408)	(10,330)	Tax expense	(11,878)	(205)	(12,083)
(78,466)	40	(78,506)		(80,815)	(1,299)	(82,114)
54,240	2,374	51,866	Profit (Loss) for the period	57,662	899	58,561
			Other information			
14,009,103	325,405	13,683,698	Total assets	14,061,039	303,028	14,364,067
11,709,191	192,419	11,516,772	Total liabilities	11,821,138	162,351	11,983,489

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
21. SEGMENTAL INFORMATION (continued)

The Bank reports the segment information by the following business segments Corporate, Consumer, Wholesale, International and Islamic banking. The following table shows the distribution of the Bank's operating income, net profit and total assets by business segments:

31 March 2025 (unaudited)	<i>Corporate banking</i> RO '000	<i>Consumer banking</i> RO '000	<i>Wholesale banking</i> RO '000	<i>International banking*</i> RO '000	<i>Subtotal</i> RO '000	<i>Islamic banking</i> RO '000	<i>Total</i> RO '000
Segment revenue							
Net interest income	34,857	44,741	11,858	1,563	93,019	-	93,019
Net income from Islamic financing					-	8,984	8,984
Commission, fees and other income	5,565	16,476	13,818	769	36,628	2,044	38,672
Operating income	40,422	61,217	25,676	2,332	129,647	11,028	140,675
Segment costs							
Operating expenses	(9,864)	(34,791)	(4,696)	(1,640)	(50,991)	(4,042)	(55,033)
Share of income from associate	-	-	-	39	39	-	39
Impairment (net)	(6,520)	(4,728)	(36)	22	(11,262)	(3,775)	(15,037)
Tax expense	(4,107)	(3,708)	(3,579)	(205)	(11,599)	(484)	(12,083)
	(20,491)	(43,227)	(8,311)	(1,784)	(73,813)	(8,301)	(82,114)
Segment profit for the period	19,931	17,990	17,365	548	55,834	2,727	58,561
Segment assets	4,799,365	4,199,489	3,030,885	301,811	12,331,550	2,032,517	14,364,067
Segment liabilities	4,202,984	4,500,556	1,292,065	183,448	10,179,053	1,804,436	11,983,489

31 March 2024 (unaudited)	<i>Corporate banking</i> RO '000	<i>Consumer banking</i> RO '000	<i>Wholesale banking</i> RO '000	<i>International banking*</i> RO '000	<i>Subtotal</i> RO '000	<i>Islamic banking</i> RO '000	<i>Total</i> RO '000
Segment revenue							
Net interest income	33,688	42,328	10,082	1,491	87,589	-	87,589
Net income from Islamic financing						7,864	7,864
Commission, fees and other income	5,405	17,517	11,968	844	35,734	1,519	37,253
Operating income	39,093	59,845	22,050	2,335	123,323	9,383	132,706
Segment costs							
Operating expenses	(9,441)	(32,312)	(4,645)	(1,460)	(47,858)	(3,943)	(51,801)
Share of income from associate	-	-	-	296	296	-	296
Impairment (net)	(8,876)	(4,853)	(357)	1,153	(12,933)	(3,290)	(16,223)
Tax expense	(3,480)	(3,799)	(2,856)	(408)	(10,543)	(195)	(10,738)
	(21,797)	(40,964)	(7,858)	(419)	(71,038)	(7,428)	(78,466)
Segment profit for the period	17,296	18,881	14,192	1,916	52,285	1,955	54,240
Segment assets	4,398,109	4,056,936	3,399,061	309,556	12,163,662	1,845,441	14,009,103
Segment liabilities	4,386,026	4,225,240	1,273,996	198,299	10,083,561	1,625,630	11,709,191

Note: * International banking includes overseas operations and cost allocations from Oman operations

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
22. ASSET LIABILITY MATURITY

The asset and liability maturity profile was as follows:

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
ASSETS			
On demand or within one month	2,443,811	2,213,494	2,319,520
Two to three months	1,361,584	1,196,781	1,453,114
Four to twelve months	1,349,252	1,493,064	1,472,203
One to five years	3,716,814	3,520,679	2,025,858
More than five years	5,492,606	5,487,937	6,738,408
	14,364,067	13,911,955	14,009,103
LIABILITIES AND EQUITY			
On demand or within one month	1,493,324	1,305,516	1,321,943
Two to three months	1,371,027	1,406,066	1,303,739
Four to twelve months	3,194,809	2,476,022	2,519,078
One to five years	4,339,695	4,781,784	3,905,743
More than five years	3,965,212	3,942,567	4,958,600
	14,364,067	13,911,955	14,009,103
MISMATCH			
On demand or within one month	950,487	907,978	997,577
Two to three months	(9,443)	(209,285)	149,375
Four to twelve months	(1,845,557)	(982,958)	(1,046,875)
One to five years	(622,881)	(1,261,105)	(1,879,885)
More than five years	1,527,394	1,545,370	1,779,808
	-	-	-

Mismatch represents difference between assets and liabilities for each maturity band.

23. CAPITAL ADEQUACY

The following table sets out the capital adequacy position of the Bank as per Basel III regulatory requirements

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
Common Equity Tier I capital	1,703,704	1,706,821	1,621,619
Perpetual Tier I capital	505,320	505,320	505,320
Tier I capital	2,209,024	2,212,141	2,126,939
Tier II capital	60,836	90,875	80,333
Total regulatory capital	2,269,860	2,303,016	2,207,272
Total risk weighted assets	11,938,812	11,504,174	10,755,703
Of which: Credit risk weighted assets	10,299,764	10,044,480	9,723,124
Of which: Market risk weighted assets	679,321	499,966	127,747
Of which: Operational risk weighted assets	959,728	959,728	904,832
Capital ratios :			
Common Equity Tier 1	14.27%	14.84%	15.08%
Tier 1	18.50%	19.23%	19.77%
Total capital	19.01%	20.02%	20.52%

24. LIQUIDITY

The following table sets out the Liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) of the Bank:

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
LCR	178%	190%	213%
NSFR	115%	117%	123%

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
25. LEVERAGE RATIO

Under its Basel III guidelines, Basel Committee for Banking Supervision (BCBS) introduced a non-risk sensitive Leverage Ratio to address excessive build-up of on and off-balance sheet exposures, which was the root cause of the Financial/Credit crisis of 2008. The ratio is calculated by dividing the Tier I capital of the bank by the Bank's total assets (sum of all on and off-balance sheet assets). Being a DSIB the Bank is required to maintain a higher Leverage ratio of 5% considering the systemic importance.

Table 1: Summary comparison of accounting assets vs leverage ratio exposure measure as at the reporting dates

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
1 Total consolidated assets as per published financial statements	14,364,067	13,911,955	14,009,103
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(42,410)	(42,398)	(49,149)
3 Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-
4 Adjustments for derivative financial instruments	70,411	97,731	115,906
5 Adjustment for securities financing transactions (i.e., repos and similar secured lending)	-	-	-
6 Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	1,068,621	1,038,521	1,001,299
7 Other adjustments	-	-	-
8 Leverage ratio exposure	15,460,689	15,005,809	15,077,159

Table 2: Leverage ratio common disclosure template

	<i>Unaudited 31-Mar-2025 RO' 000</i>	<i>Audited 31-Dec-2024 RO' 000</i>	<i>Unaudited 31-Mar-2024 RO' 000</i>
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	14,364,067	13,911,955	14,009,103
2 (Asset amounts deducted in determining Basel III Tier 1 capital)	(42,410)	(42,398)	(49,149)
3 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	14,321,657	13,869,557	13,959,954
Derivative Exposures			
4 Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	20,653	26,186	34,245
5 Add-on amounts for PFE associated with all derivatives transactions	49,758	71,545	81,661
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-	-	-
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-	-
8 (Exempted CCP leg of client-cleared trade exposures)	-	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-	-
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-
11 Total derivative exposures (sum of lines 4 to 10)	70,411	97,731	115,906
Securities financing transaction exposures			
12 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-
14 CCR exposure for SFT assets	-	-	-
15 Agent transaction exposures	-	-	-
16 Total securities financing transaction exposures (sum of lines 12 to 15)	-	-	-
Other Off-balance sheet exposures			
17 Off-balance sheet exposure at gross notional amount	2,154,353	2,171,005	2,066,031
18 (Adjustments for conversion to credit equivalent amounts)	(1,085,732)	(1,132,484)	(1,064,732)
19 Off-balance sheet items (sum of lines 17 and 18)	1,068,621	1,038,521	1,001,299
Capital and total exposures			
20 Tier 1 capital	2,209,024	2,212,141	2,126,939
21 Total exposures (sum of lines 3, 11, 16 and 19)	15,460,689	15,005,809	15,077,159
Leverage Ratio			
22 Basel III leverage ratio (%)	14.3%	14.7%	14.1%

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
26. CREDIT QUALITY ANALYSIS
26.1 Financial instruments by stages

The following table discloses the stage-wise gross exposure, impairment and net exposure of only those financial assets that are tested for impairment under IFRS 9:

RO'000

<i>31 March 2025</i>	Stage 1	Stage 2	Stage 3	Total
Gross exposure				
Central Bank balances	491,168	-	-	491,168
Due from Banks	575,716	3,891	-	579,607
Loans and advances / Islamic financing receivables	9,260,639	1,536,436	423,037	11,220,112
Investment Securities at FVOCI	241,019	-	-	241,019
Investment Securities at amortized Cost	1,558,609	5,458	-	1,564,067
Total funded gross exposure	12,127,151	1,545,785	423,037	14,095,973
Financial guarantee contracts	1,251,095	488,435	23,154	1,762,684
Acceptances	94,331	21,667	127	116,125
Loan Commitment/Unutilised limits	2,441,622	472,396	-	2,914,018
Total non-funded gross exposure	3,787,048	982,498	23,281	4,792,827
Total gross exposure	15,914,199	2,528,283	446,318	18,888,800
Impairment				
Central Bank balances	-	-	-	-
Due from Banks	5,308	17	-	5,325
Loans and advances / Islamic financing receivables	37,863	279,187	361,635	678,685
Investment Securities at FVOCI	2,368	-	-	2,368
Investment Securities at amortized Cost	504	89	-	593
Total funded impairment	46,043	279,293	361,635	686,971
Financial guarantee contracts	4,942	15,497	21,653	42,092
Acceptances	480	355	76	911
Loan Commitment/Unutilised limits	7,090	6,132	-	13,222
Total non-funded impairment	12,512	21,984	21,729	56,225
Total impairment	58,555	301,277	383,364	743,196
Net exposure				
Central Bank balances	491,168	-	-	491,168
Due from Banks	570,408	3,874	-	574,282
Loans and advances / Islamic financing receivables	9,222,776	1,257,249	61,402	10,541,427
Investment Securities at FVOCI	238,651	-	-	238,651
Investment Securities at amortized Cost	1,558,105	5,369	-	1,563,474
Total funded net exposure	12,081,108	1,266,492	61,402	13,409,002
Financial guarantee contracts	1,246,153	472,938	1,501	1,720,592
Acceptances	93,851	21,312	51	115,214
Loan Commitment/Unutilised limits	2,434,532	466,264	-	2,900,796
Total net non-funded exposure	3,774,536	960,514	1,552	4,736,602
Total net exposure	15,855,644	2,227,006	62,954	18,145,604

Stage 1: 84.2% of gross exposure in scope for IFRS 9 is in Stage 1 and has not experienced a significant increase in credit risk since origination.

Stage 2: 13.4% of gross exposure is in Stage 2 and has seen an increase in credit risk since origination. These assets are the key driver of increase in impairment allowances under IFRS9.

Stage 3: 2.4% of gross exposure is in Stage 3 which is credit impaired including defaulted assets and some forbearance assets.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
26. CREDIT QUALITY ANALYSIS (continued)
26.1 Financial instruments by stages

The following table discloses the stage-wise gross exposure, impairment and net exposure of only those financial assets that are tested for impairment under IFRS 9:

RO'000

<i>31-Dec-24</i>	Stage 1	Stage 2	Stage 3	Total
Gross exposure				
Central Bank balances	258,757	-	-	258,757
Due from Banks	719,145	1,014	-	720,159
Loans and advances / Islamic financing receivables	8,893,107	1,583,378	420,432	10,896,917
Investment Securities at FVOCI	218,148	54	-	218,202
Investment Securities at amortized Cost	1,625,644	5,362	-	1,631,006
Total funded gross exposure	11,714,801	1,589,808	420,432	13,725,041
Financial guarantee contracts	1,329,262	458,924	23,332	1,811,518
Acceptances	69,209	23,533	59	92,801
Loan Commitment/Unutilised limits	2,416,924	467,253	-	2,884,177
Total non-funded gross exposure	3,815,395	949,710	23,391	4,788,496
Total gross exposure	15,530,196	2,539,518	443,823	18,513,537
Impairment				
Central Bank balances	-	-	-	-
Due from Banks	5,357	11	-	5,368
Loans and advances / Islamic financing receivables	33,083	269,788	356,598	659,469
Investment Securities at FVOCI	2,378	-	-	2,378
Investment Securities at amortized Cost	357	89	-	446
Total funded impairment	41,175	269,888	356,598	667,661
Financial guarantee contracts	4,243	14,780	21,954	40,977
Acceptances	501	1,045	52	1,598
Loan Commitment/Unutilised limits	4,930	7,480	-	12,410
Total non-funded impairment	9,674	23,305	22,006	54,985
Total impairment	50,849	293,193	378,604	722,646
Net exposure				
Central Bank balances	258,757	-	-	258,757
Due from Banks	713,788	1,003	-	714,791
Loans and advances / Islamic financing receivables	8,860,024	1,313,590	63,834	10,237,448
Investment Securities at FVOCI	215,770	54	-	215,824
Investment Securities at amortized Cost	1,625,287	5,273	-	1,630,560
Total funded net exposure	11,673,626	1,319,920	63,834	13,057,380
Financial guarantee contracts	1,325,019	444,144	1,378	1,770,541
Acceptances	68,708	22,488	7	91,203
Loan Commitment/Unutilised limits	2,411,994	459,773	-	2,871,767
Total net non-funded exposure	3,805,721	926,405	1,385	4,733,511
Total net exposure	15,479,347	2,246,325	65,219	17,790,891

Stage 1: 83.9% of gross exposure in scope for IFRS 9 is in Stage 1 and has not experienced a significant increase in credit risk since origination.

Stage 2: 13.7% of gross exposure is in Stage 2 and has seen an increase in credit risk since origination. These assets are the key driver of increase in impairment allowances under IFRS9.

Stage 3: 2.4% of gross exposure is in Stage 3 which is credit impaired including defaulted assets and some forbearance assets.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
26. CREDIT QUALITY ANALYSIS (continued)
26.2 COMPARISON OF IFRS 9 WITH CENTRAL BANK OF OMAN (CBO) NORMS

The following tables are as per the requirements of CBO circular BM 1149:

a. Impairment charge and provisions held

RO '000

<i>As at 31 March 2025 (Unaudited)</i>	<i>As per CBO norms</i>	<i>As per IFRS 9</i>	<i>Difference</i>
Impairment loss charged to statement of comprehensive income (net of recoveries)*	15,037	15,037	-
Provisions required as per CBO norms / held as per IFRS 9 *	537,797	743,196	(205,399)
Gross NPL ratio **	3.77%	3.77%	-
Net NPL ratio **	0.41%	0.37%	0.04%

* Note: Impairment loss and provisions held above includes unallocated provision created by the bank

** NPL ratios are calculated on the basis of funded non performing loans and funded exposures

b. Comparison of provision held as per IFRS 9 and required as per CBO norms

RO '000

<i>Asset classification as per CBO norms</i>	<i>Asset classification as per IFRS 9</i>	<i>Gross amount</i>	<i>Provision as per CBO norms</i>	<i>Reserve interest as per CBO norms</i>	<i>Provision as per IFRS 9</i>	<i>Difference</i>	<i>Net carrying amount</i>	<i>Interest recognised as per IFRS 9</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (4)+(5)-(6)	(8) = (3)-(6)	(9)
Standard	Stage 1	9,836,355	139,197	-	43,171	96,026	9,793,184	-
	Stage 2	1,128,832	11,433	-	183,555	(172,122)	945,277	-
	Stage 3	-	-	-	-	-	-	-
	Sub total	10,965,187	150,630	-	226,726	(76,096)	10,738,461	-
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	411,495	6,107	2,008	95,649	(87,534)	315,846	-
	Stage 3	-	-	-	-	-	-	-
	Sub total	411,495	6,107	2,008	95,649	(87,534)	315,846	-
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	20,873	5,033	739	5,772	-	15,101	-
	Sub total	20,873	5,033	739	5,772	-	15,101	-
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	29,119	12,438	1,645	18,395	(4,312)	10,724	-
	Sub total	29,119	12,438	1,645	18,395	(4,312)	10,724	-
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	396,326	277,979	81,218	359,197	-	37,129	-
	Sub total	396,326	277,979	81,218	359,197	-	37,129	-
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	6,077,844	-	-	15,384	(15,384)	6,062,460	-
	Stage 2	987,956	-	-	22,073	(22,073)	965,883	-
	Stage 3	-	-	-	-	-	-	-
	Sub total	7,065,800	-	-	37,457	(37,457)	7,028,343	-
Total	Stage 1	15,914,199	139,197	-	58,555	80,642	15,855,644	-
	Stage 2	2,528,283	17,540	2,008	301,277	(281,729)	2,227,006	-
	Stage 3	446,318	295,450	83,602	383,364	(4,312)	62,954	-
	Total	18,888,800	452,187	85,610	743,196	(205,399)	18,145,604	-

c. Restructured loans

RO '000

<i>Asset classification as per CBO norms</i>	<i>Asset classification as per IFRS 9</i>	<i>Gross amount</i>	<i>Provision as per CBO norms*</i>	<i>Reserve interest as per CBO norms</i>	<i>Provision as per IFRS 9</i>	<i>Difference</i>	<i>Net carrying amount</i>	<i>Interest recognised as per IFRS 9</i>
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (4)+(5)-(6)	(8) = (3)-(6)	(9)
Classified as performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	61,807	618	-	6,697	(6,079)	55,110	-
	Stage 3	-	-	-	-	-	-	-
	Sub total	61,807	618	-	6,697	(6,079)	55,110	-
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	103,793	52,859	10,213	64,003	(931)	39,790	-
	Sub total	103,793	52,859	10,213	64,003	(931)	39,790	-
Total	Stage 1	-	-	-	-	-	-	-
	Stage 2	61,807	618	-	6,697	(6,079)	55,110	-
	Stage 3	103,793	52,859	10,213	64,003	(931)	39,790	-
	Total	165,600	53,477	10,213	70,700	(7,010)	94,900	-

In addition to the above, the loan outstanding of customers whose credit facilities were rescheduled as per the COVID19 guidelines of Central Bank of Oman amounted to RO 803.599 million (Stage 1: RO 86.418 million, Stage 2: RO 649.721 million and Stage 3: RO 67.46 million) with an impairment allowance of RO 196.282 million (Stage 1: RO 5.192 million, Stage 2: RO 136.723 million, Stage 3: RO 54.367 million).

**NOTES TO THE INTERIM NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
26. CREDIT QUALITY ANALYSIS (continued)
26.2 COMPARISON OF IFRS 9 WITH CENTRAL BANK OF OMAN (CBO) NORMS

The following tables are as per the requirements of CBO circular BM 1149:

a. Impairment charge and provisions held

RO '000

<i>As at 31 December 2024 (Audited)</i>	<i>As per CBO norms</i>	<i>As per IFRS 9</i>	<i>Difference</i>
Impairment loss charged to statement of comprehensive income (net of recoveries)*	64,406	64,406	-
Provisions required as per CBO norms / held as per IFRS 9 *	531,509	722,646	(191,137)
Gross NPL ratio **	3.86%	3.86%	-
Net NPL ratio **	0.65%	0.61%	0.04%

* Note: Impairment loss and provisions held above includes unallocated provision created by the Bank

** NPL ratios are calculated on the basis of funded non performing loans and funded exposures

b. Comparison of provision held as per IFRS 9 and required as per CBO norms

RO '000

<i>Asset classification as per CBO norms</i>	<i>Asset classification as per IFRS 9</i>	<i>Gross amount</i>	<i>Provision as per CBO norms</i>	<i>Reserve interest as per CBO norms</i>	<i>Provision as per IFRS 9</i>	<i>Difference</i>	<i>Net carrying amount</i>	<i>Interest recognised as per IFRS 9</i>
<i>As at 31 December 2024</i>						<i>(7) = (4)+(5)-(6)</i>	<i>(8) = (3)-(6)</i>	<i>(9)</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>			
Standard	Stage 1	9,612,252	135,259	-	38,440	96,819	9,573,812	-
	Stage 2	1,218,718	12,278	-	172,058	(159,780)	1,046,660	-
	Stage 3	-	-	-	-	-	-	-
		10,830,970	147,537	-	210,498	(62,961)	10,620,472	-
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	365,674	8,477	1,222	97,741	(88,042)	267,933	-
	Stage 3	-	-	-	-	-	-	-
		365,674	8,477	1,222	97,741	(88,042)	267,933	-
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	20,987	5,049	789	5,838	-	15,149	-
		20,987	5,049	789	5,838	-	15,149	-
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	28,079	12,534	1,318	18,184	(4,332)	9,895	-
		28,079	12,534	1,318	18,184	(4,332)	9,895	-
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	394,757	278,198	76,385	354,582	1	40,175	-
		394,757	278,198	76,385	354,582	1	40,175	-
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	5,917,944	-	-	12,409	(12,409)	5,905,535	-
	Stage 2	955,126	-	-	23,394	(23,394)	931,732	-
	Stage 3	-	-	-	-	-	-	-
		6,873,070	-	-	35,803	(35,803)	6,837,267	-
Total	Stage 1	15,530,196	135,259	-	50,849	84,410	15,479,347	-
	Stage 2	2,539,518	20,755	1,222	293,193	(271,216)	2,246,325	-
	Stage 3	443,823	295,781	78,492	378,604	(4,331)	65,219	-
		18,513,537	451,795	79,714	722,646	(191,137)	17,790,891	-

c. Restructured loans

<i>Asset classification as per CBO norms as at 31 December 2024</i>	<i>Asset classification as per IFRS 9</i>	<i>Gross amount</i>	<i>Provision as per CBO norms</i>	<i>Reserve interest as per CBO norms</i>	<i>Provision as per IFRS 9</i>	<i>Difference</i>	<i>Net carrying amount</i>	<i>Interest recognised as per IFRS 9</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7) = (4)+(5)-(6)</i>	<i>(8) = (3)-(6)</i>	<i>(9)</i>
Classified as performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	62,113	621	-	6,288	(5,667)	55,825	-
	Stage 3	-	-	-	-	-	-	-
		62,113	621	-	6,288	(5,667)	55,825	-
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	103,918	68,685	12,028	85,026	(4,313)	18,892	-
		103,918	68,685	12,028	85,026	(4,313)	18,892	-
Total	Stage 1	-	-	-	-	-	-	-
	Stage 2	62,113	621	-	6,288	(5,667)	55,825	-
	Stage 3	103,918	68,685	12,028	85,026	(4,313)	18,892	-
		166,031	69,306	12,028	91,314	(9,980)	74,717	-

In addition to the above, the loan outstanding of customers whose credit facilities were rescheduled as per the COVID19 guidelines of Central Bank of Oman amounted to RO 814.071 million (Stage 1: RO 90.919 million, Stage 2: RO 655.995 million and Stage 3: RO 67.157 million) with an impairment allowance of RO 184.233 million (Stage 1: RO 4.282 million, Stage 2: RO 126.345 million, Stage 3: RO 53.606 million).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
27. FAIR VALUE INFORMATION

Based on the valuation methodology outlined below, the fair values of all on-balance sheet financial instruments at reporting dates are considered by the Board and Management not to be materially different to their book values:

As of 31 March 2025 (Unaudited)	<i>Designated as at FVTPL RO' 000</i>	<i>Designated as at FVOCI RO' 000</i>	<i>Amortised cost RO' 000</i>	<i>Total carrying value RO' 000</i>	<i>Fair value RO' 000</i>	<i>Level</i>
Cash and balances with Central Banks	-	-	749,823	749,823	749,823	3
Due from banks	-	87,220	487,062	574,282	580,130	2,3
Loans and advances and Islamic financing receivables	-	-	10,541,427	10,541,427	10,293,985	3
Investment securities	171,785	496,266	1,563,474	2,231,525	2,235,728	1,2,3
Positive fair value of derivatives	21,334	-	-	21,334	21,334	2
	193,119	583,486	13,341,786	14,118,391	13,881,000	
Deposits from banks	-	-	1,261,177	1,261,177	1,272,896	3
Customers' deposits and Islamic customer deposits	-	-	10,003,241	10,003,241	10,277,708	3
Sukuk	-	-	16,597	16,597	16,928	1
Euro medium term notes	-	-	192,853	192,853	195,997	1
Negative fair value of derivatives	16,661	-	-	16,661	16,661	2
	16,661	-	11,473,868	11,490,529	11,780,190	

As of 31 December 2024 (Audited)	<i>Designated as at FVTPL RO' 000</i>	<i>Designated as at FVOCI RO' 000</i>	<i>Amortised cost RO' 000</i>	<i>Total carrying value RO' 000</i>	<i>Fair value RO' 000</i>	<i>Level</i>
Cash and balances with Central Banks	-	-	476,739	476,739	476,739	3
Due from banks	-	55,812	658,979	714,791	725,753	2,3
Loans and advances and Islamic financing receivables	-	-	10,237,448	10,237,448	9,989,651	3
Investment securities	27,866	449,554	1,630,560	2,107,980	2,109,880	1,2,3
Positive fair value of derivatives	26,680	-	-	26,680	26,680	2
	54,546	505,366	13,003,726	13,563,638	13,328,703	
Deposits from banks	-	-	978,178	978,178	989,687	3
Customers' deposits and Islamic customer deposits	-	-	9,777,068	9,777,068	10,037,515	3
Sukuk	-	-	16,842	16,842	16,842	1
Euro medium term notes	-	-	195,139	195,139	201,314	1
Negative fair value of derivatives	16,197	-	-	16,197	16,197	2
	16,197	-	10,967,227	10,983,424	11,261,555	

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**
27. FAIR VALUE INFORMATION (continued)

The following table presents the Bank's assets and liabilities that are measured at fair value at the reporting dates:

<i>As of 31 March 2025</i>	<i>Level 1 RO'000</i>	<i>Level 2 RO'000</i>	<i>Level 3 RO'000</i>	<i>Total RO'000</i>
Assets				
Derivatives	-	21,334	-	21,334
FVOCI Due from banks	-	87,220	-	87,220
FVTPL Equity	150,227	-	21,558	171,785
FVTPL Debt	-	-	-	-
FVOCI Equity	256,375	-	1,240	257,615
FVOCI Debt	238,651	-	-	238,651
Total Assets	645,253	108,554	22,798	776,605
Liabilities				
Derivatives	-	16,661	-	16,661
<i>As of 31 December 2024</i>	<i>Level 1 RO'000</i>	<i>Level 2 RO'000</i>	<i>Level 3 RO'000</i>	<i>Total RO'000</i>
Assets				
Derivatives	-	26,680	-	26,680
FVOCI Due from banks	-	55,812	-	55,812
FVTPL Equity	9,410	-	18,456	27,866
FVOCI Equity	232,472	-	1,258	233,730
FVOCI Debt	215,824	-	-	215,824
Total Assets	457,706	82,492	19,714	559,912
Liabilities				
Derivatives	-	16,197	-	16,197

The following table demonstrate the movement of the Bank's level 3 investments:

<i>As of 31 March 2025 (Unaudited)</i>	<i>FVOCI Equity RO'000</i>	<i>FVTPL Equity RO'000</i>	<i>Total RO'000</i>
At 1 January 2025	1,258	18,456	19,714
Realised gain on sale	-	151	151
Gain (loss) from change in fair value	(18)	(143)	(161)
Additions	-	3,873	3,873
Disposals and redemption	-	(783)	(783)
Exchange differences	-	4	4
	1,240	21,558	22,798
<i>As of 31 December 2024 (Audited)</i>	<i>FVOCI Equity RO'000</i>	<i>FVTPL Equity RO'000</i>	<i>Total RO'000</i>
At 1 January	1,546	15,154	16,700
Realised gain on sale	0	1,392	1,392
Gain (loss) from change in fair value	(288)	(154)	(442)
Additions	-	4,653	4,653
Disposals and redemption	0	(2,513)	(2,513)
Exchange differences	0	(76)	(76)
	1,258	18,456	19,714

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025**

27. FAIR VALUE INFORMATION (continued)

As of 31 March 2025, 10% (31 December 2024: 11%) of the level 3 equity securities were valued on the basis of fair valuation carried out in accordance with appropriate valuation techniques based on income approach (discounting of cash flows), market approach (using prices or other relevant information generated by market transactions of identical or similar entities), cost approach or a combination thereof. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, using the best information available in the circumstances. These might include banks own data and would consider all information about market participant assumptions that is reasonably available.

As of 31 March 2025, 90% (31 December 2024: 89%) of the level 3 equity securities were valued on the basis of latest available capital accounts statements of the investee companies received from independent fund managers as at 31 December 2024 or at a later date and adjusted for subsequent cash flows till 31 March 2025 or based on net asset values received from independent fund managers as at 31 December 2024 or at a later date.

The debt investments were valued on fair value basis. Valuation is based on Risk adjusted discount rate (yield) considering a reasonable range of estimates. A significant decrease in the credit quality would result in a lower fair value with significant increase in the spread above the risk-free rate and vice-versa. The Bank holds adequate provisioning on the above investments as of the reporting date.

There are no transfers of securities between Level 1, 2 and 3 during the period. Further, there is no change in the techniques used for fair valuation of level 3 securities during the period.

28. Comparative figures

No material corresponding figures for 2024 included for comparative purposes were reclassified.