Bank Muscat SAOG

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

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Chairman Report for Q3 2026

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Bank Muscat's performance results for the nine-month period ending 30th September 2026. The Bank maintained its leadership in delivering best-in-class banking services to its customers by advancing a range of strategic initiatives and achieving significant milestones across all its segments.

Financial Review

The Bank posted a net profit of ﷼ 209.18 million for the period compared to ﷼ 191.57 million reported during the same period in 2025, an increase of 9.2 per cent.

Net Interest Income from Conventional Banking and Net Income from Islamic Financing stood at ﷼ 321.4 million for the nine months period ended 30 September 2026 compared to ﷼ 310.9 million for the same period in 2025, an increase of 3.4 per cent.

Non-interest income was ﷼ 131.63 million for the nine months period ended 30 September 2026 as compared to ﷼ 123.57 million for the same period in 2025, an increase of 6.5 per cent, mainly due to growth in business volumes.

Operating expenses for the nine months period ended 30 September 2026 was ﷼ 172.27 million as compared to ﷼ 162.82 million for the same period in 2025, an increase of 5.8 per cent.

Net impairment losses on financial assets for the nine months period ended 30 September 2026 was ﷼ 32.76 million as against ﷼ 43.63 million for the same period in 2025.

Net Loans and advances including Islamic financing receivables increased by 8.0 per cent to ﷼ 11,557 million as against ﷼ 10,704 million as at 30 September 2025.

Customer deposits including Islamic customer deposits increased by 8.1 per cent to ﷼ 10,919 million as against ﷼ 10,099 million as at 30 September 2025.

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Business Initiatives & Key Developments

Bank Muscat continued to strengthen its market leadership by expanding its physical presence, accelerating digital transformation and introducing innovative solutions that enhance customer convenience and create new opportunities for growth. As part of its ongoing efforts to optimise its branch network and enhance the customer experience, the Bank continued with the relocation and renovation of branches, bringing the total number of branches & Hisaby Service Centres to 199. The Bank also expanded its self-service infrastructure, with the combined number of ATMs, CDMs and multifunctional machines reaching 920. The Bank successfully rolled out Dynamic Currency Conversion (DCC) across its ATM network, enhancing the convenience and transparency of international transactions for customers. Digital payments solutions continued to be an important area of focus.

The Bank's Soft POS solution, Tap'N'Go, surpassed 4 million transactions year-to-date, where the volumes have shown a 32% growth from the last quarter, reflecting the growing adoption of digital payment solutions among customers. During the quarter, the solution was further expanded to include licensed freelancers, making digital payment capabilities more accessible across a broader range of business categories. As a result, the registered customer base on the unified Mobile Banking and Internet Banking channels continued to grow significantly, reflecting the increasing adoption of the Bank's digital channels.

The Bank launched the instant credit card service, processing and issuance capability through Mobile Banking. Once issued, the card can be tokenised and used immediately, providing a faster and more seamless customer experience. The Bank launched a new service in partnership with Visa, Visa Direct, enabling customers to remit funds directly to Visa cards across 81 countries worldwide. The service provides customers with a convenient and efficient international remittance option, further enhancing the breadth of the Bank's digital and payment solutions. The Bank also expanded its existing Digital Loan service to selected private sector companies, enabling a broader customer base to access digital financing while further advancing the Bank's digital transformation objectives.

Within Corporate Banking, the Bank enhanced its e-mandate services, particularly through API-enabled solutions, further improving convenience and efficiency for customers. The

Corporate Digital Banking Portal was further enhanced through the introduction of new functionalities and improved customer journeys for Corporate and Government Banking customers. These enhancements were reflected through the continued growth in digital corporate banking adoption, as the transaction volumes processed through Corporate Internet Banking reached RO 17 billion during the year.

The Bank provided financing to leading Government-Related Entities (GREs) operating in the technology and oil and gas sectors and issued several large-value guarantees, routed through its international banking relationships, for beneficiaries in Oman as well as for the Bank's international customers in the Kingdom of Saudi Arabia. The majority of these project guarantees supported the utilities infrastructure segment, contributing to the financing and development of critical infrastructure.

The Bank also worked closely with the Ministry of Finance and leading GREs on international and local debt capital market transactions aggregating to more than RO 300 million. The Bank is actively providing financial advisory services on key divestment mandates across the metals and mining and power sectors, supporting customers in their strategic capital and portfolio management objectives.

The Bank's total assets under management (AUM) increased by 22% compared with the same period in 2025, reaching US $4.58 billion as of September-end 2026. Despite prevailing market volatility, the Bank secured multiple discretionary portfolio management mandates from government and private sector entities during the period, contributing to the continued expansion of AUM and strengthening the Bank's position in asset and wealth management.

Meethaq Islamic Banking continued to strengthen its Sharia'a governance framework across its various business segments. During the period, Meethaq supported and participated in key community and industry initiatives, including the 4th Zakat Conference and Exhibition held in Sohar, besides a number of activities at Khareef Dhofar. On the digital front, Meethaq continued to enhance its mobile banking capabilities and digital services for both individual and corporate customers, providing more convenient, seamless and efficient banking experience.

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Sustainability and Corporate Responsibility

Bank Muscat continued to advance its commitment to creating a positive and sustainable impact in the community. During the third quarter, the Bank announced the 20 winning sports teams selected under the 2026 edition of its Green Sports programme. This brings the total number of beneficiary teams since the programme's launch to 243, while the number of beneficiaries across these community teams has exceeded 70 thousand members.

Through "Maliyat" initiative, the Bank organised financial literacy sessions targeting this year a new segment of society; the newlyweds and those preparing for marriage, in collaboration with the Ministry of Social Development. The dedicated sessions were held in Nizwa, Al Dhakhliyah Governorate and Salalah, Dhofar Governorate. Similar sessions were conducted for women in collaboration with Omani Women Associations, further broadening the programme's reach and supporting greater financial awareness and responsible financial planning within the community.

The second batch of the Al Wathbah Academy training programme, implemented in partnership with The Fund for the Development of Youth Projects (Sharakah), is currently underway, with 15 Omani startups benefiting from a programme specifically designed to support their development and growth. This follows the successful completion of the first phase, which provided training to 15 established small and medium enterprises (SMEs). The total number of beneficiaries of the Academy has reached 269, reflecting the Bank's continued commitment to supporting entrepreneurship and strengthening the capabilities of Oman's emerging businesses.

The "Tadhamun" initiative in collaboration with the Ministry of Social Development for home furnishing also continued during the third quarter, with 53 new beneficiaries supported during the period. This brings the total number of beneficiary families since the beginning of the year to 160.

Awards and Accolades

During the third quarter of 2026, Bank Muscat continued to strengthen its leading position in Oman's banking sector, earning a distinguished portfolio of local and international awards. This includes Oman's Best Bank and Oman's Best Investment Bank at the

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Euromoney Awards for Excellence 2026, Oman's Best Foreign Exchange Bank at the Euromoney Foreign Exchange Awards 2026. It also secured 4 awards at the Global Finance Digital Banks Awards 2026, which are Best Consumer Digital Bank, Best Mobile Banking App, and Best Corporate Digital Bank, in addition to Best Integrated Corporate Banking Programme in Oman. Moreover, the Bank's Command Centre has been recognised at the Qorus Reinvention Awards Middle East 2026, under the Operational Excellence Innovation category. The Bank also received the Best Digital Customer Service Award at the CX Live Middle East Awards 2026. It grabbed four recognitions at the Asian Banking & Finance Retail Banking Awards 2026, in the areas of foreign exchange, customer experience, SMEs, Corporate and Investment.

At the local level, the Bank was also recognised for its contribution to excellence, innovation and inclusion, receiving the Tax Excellence Award from the Tax Authority, the AI-Led Digital Banking Leadership award from Muscat Daily, and the Company of the Year for Excellence in Women Empowerment at Workplace award within The Origin awards.

Form its side, Meethaq Islamic Banking further strengthened its position during the quarter, as a leader in Islamic banking, receiving Best Islamic Bank in Oman at the MEED MENA Banking Excellence Awards 2026, Oman's Best Islamic Bank at the Euromoney Awards for Excellence 2026 and Best Islamic Investment Bank, Best Islamic Corporate Bank, and Best Islamic Retail Bank in Oman at the IFN Awards 2026.

In Conclusion

On behalf of the Board of Directors, I take this opportunity to thank our shareholders for the trust reposed in the Bank. The Board of Directors welcomes the measures taken by the Central Bank of Oman and the Financial Services Authority to support the financial market in the Sultanate of Oman. We express our sincere gratitude and appreciation to His Majesty Sultan Haitham Bin Tarik for his vision and guidance.



Khalid Bin Mustahail Al Mashani

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026

	Notes	*Unaudited 30-Sep-2026 ﷼ 000*	*Audited 31-Dec-2025 ﷼ 000*	*Unaudited 30-Sep-2025 ﷼ 000*
Assets				
Cash and balances with Central Banks		**756,451**	560,524	602,400
Due from banks	3	**748,949**	720,073	417,820
Loans and advances	4	**9,758,216**	9,083,751	9,043,770
Islamic financing receivables	4	**1,799,011**	1,658,654	1,660,724
Investments securities	5	**2,634,955**	2,813,695	2,603,953
Investment in an associate	6	**9,810**	9,950	9,639
Other assets	7	**215,333**	195,869	137,111
Property, equipment and software		**81,218**	86,580	82,253
Total assets		**16,003,943**	15,129,096	14,557,670
Liabilities and equity				
Liabilities				
Deposits from banks	8	**1,507,721**	1,020,730	1,183,622
Customers' deposits	9	**9,164,449**	8,741,504	8,523,805
Islamic customers' deposits	9	**1,754,673**	1,688,777	1,575,233
Sukuk		**16,595**	16,826	16,665
Euro medium term notes		**295,769**	487,387	192,853
Other liabilities	10	**496,335**	499,324	468,002
Taxation		**85,882**	82,422	70,213
Total liabilities		**13,321,424**	12,536,970	12,030,393
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		**208,586**	208,586	183,032
Revaluation reserve		**4,904**	4,904	4,904
Cumulative changes in fair value		**114,169**	84,949	72,169
Foreign currency translation reserve		**-**	(1,821)	(3,527)
Cash flow hedge reserve		**3,512**	3,464	3,819
Retained earnings		**528,915**	469,611	444,447
Total equity attributable to the equity holders		**2,177,199**	2,086,806	2,021,957
Perpetual Tier I capital		**505,320**	505,320	505,320
Total equity		**2,682,519**	2,592,126	2,527,277
Total liabilities and equity		**16,003,943**	15,129,096	14,557,670
Net assets per share (in ﷼)		**0.290**	0.278	0.269
Contingent liabilities and commitments	12	**2,046,228**	1,957,031	1,852,562

The interim condensed consolidated financial statements were approved by the Board of Directors on 27 October 2026.
The attached notes 1 to 28 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

	Notes	*Unaudited -for nine months period ended-*		*Unaudited -for three months period ended-*	
		30-Sep-2026	*30-Sep-2025*	*30-Sep-2026*	*30-Sep-2025*
		﷼ 000	*﷼ 000*	*﷼ 000*	*﷼ 000*
Interest income	13	**466,331**	444,171	**162,165**	146,531
Interest expense	14	**(173,422)**	(161,470)	**(61,261)**	(51,955)
Net interest income		**292,909**	282,701	**100,904**	94,576
Income from Islamic financing / investments	13	**78,571**	79,491	**26,797**	26,639
Distribution to depositors	14	**(50,080)**	(51,295)	**(16,794)**	(16,761)
Net income from Islamic financing		**28,491**	28,196	**10,003**	9,878
Net interest income and income from Islamic financing		**321,400**	310,897	**110,907**	104,454
Commission and fee income (net)	15	**73,738**	72,732	**23,535**	25,217
Other operating income	16	**57,894**	50,838	**15,872**	16,519
Operating income		**453,032**	434,467	**150,314**	146,190
Operating expenses					
Other operating expenses		**(154,586)**	(144,929)	**(52,017)**	(48,368)
Depreciation		**(17,683)**	(17,888)	**(5,876)**	(6,368)
		(172,269)	(162,817)	**(57,893)**	(54,736)
Share of results from an associate	6	**435**	431	**301**	205
Net impairment losses on financial assets	17	**(32,760)**	(43,628)	**(8,457)**	(13,467)
		(204,594)	(206,014)	**(66,049)**	(67,998)
Profit before taxation		**248,438**	228,453	**84,265**	78,192
Tax expense		**(39,255)**	(36,881)	**(12,575)**	(12,438)
Profit for the period		**209,183**	191,572	**71,690**	65,754
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		**-**	163	**(8)**	21
Change in fair value of FVOCI debt investments		**(7,433)**	6,960	**(4,909)**	3,897
Share of other comprehensive income of an associate		**(131)**	(8)	**8**	22
Change in fair value of cash flow hedge		**48**	(2,082)	**(153)**	(323)
		(7,516)	5,033	**(5,062)**	3,617
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		**35,770**	21,624	**199**	5,513
		35,770	21,624	**199**	5,513
Other comprehensive income / (expense) for the period		**28,254**	26,657	**(4,863)**	9,130
Total comprehensive income for the period		**237,437**	218,229	**66,827**	74,884
Total comprehensive income for the period attributable to:					
Equity holders of Parent Company		**237,437**	218,229	**66,827**	74,884
Profit attributable to:					
Equity holders of Parent Company		**209,183**	191,572	**71,690**	65,754
Earnings per share (in ﷼)					
- Basic and diluted	18	**0.026**	0.024	**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.

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

	Attributable to equity holders of parent											
(Unaudited)	*Share capital*	*Share premium*	*General reserve*	*Legal reserve*	*Revaluation reserve*	*Cash flow hedge reserve*	*Cumulative changes in fair value*	*Foreign currency translation reserve*	*Retained profits*	*Total*	*Perpetual Tier I Capital*	*Total*
	OMR '000	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*
Balance at 1 January 2026	**750,640**	**156,215**	**410,258**	**208,586**	**4,904**	**3,464**	**84,949**	**(1,821)**	**469,611**	**2,086,806**	**505,320**	**2,592,126**
Profit for the period	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**209,183**	**209,183**	**-**	**209,183**
Other comprehensive (expense) income	**-**	**-**	**-**	**-**	**-**	**48**	**28,206**	**-**	**-**	**28,254**	**-**	**28,254**
Total comprehensive (expense) income	**-**	**-**	**-**	**-**	**-**	**48**	**28,206**	**-**	**209,183**	**237,437**	**-**	**237,437**
Transfer within equity upon disposal of FVOCI equity investments	**-**	**-**	**-**	**-**	**-**	**-**	**1,014**	**1,821**	**(2,835)**	**-**	**-**	**-**
Dividends paid (note 11)	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**(135,115)**	**(135,115)**	**-**	**(135,115)**
Interest paid on Perpetual Tier 1 Capital	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(11,929)**	**(11,929)**	**-**	**(11,929)**
Balance as at 30 September 2026	**750,640**	**156,215**	**410,258**	**208,586**	**4,904**	**3,512**	**114,169**	**-**	**528,915**	**2,177,199**	**505,320**	**2,682,519**

	Attributable to equity holders of parent											
(Unaudited)	*Share capital*	*Share premium*	*General reserve*	*Legal reserve*	*Revaluation reserve*	*Cash flow hedge reserve*	*Cumulative changes in fair value*	*Foreign currency translation reserve*	*Retained earnings*	*Total*	*Perpetual Tier I Capital*	*Total*
	OMR '000	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*	*OMR '000*
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	2,444,833
Profit for the period	-	-	-	-	-		-	-	191,572	191,572	-	191,572
Other comprehensive (expense) income	-	-	-	-	-	(2,082)	28,576	163	-	26,657	-	26,657
Total comprehensive (expense) income	-	-	-	-	-	(2,082)	28,576	163	191,572	218,229	-	218,229
Transfer within equity upon disposal of FVOCI equity investments	-	-	-	-	-		(213)	-	213	-	-	-
Dividends paid (note 11)	-	-	-	-	-		-	-	(123,856)	(123,856)	-	(123,856)
Interest paid on Perpetual Tier 1 Capital									(11,929)	(11,929)	-	(11,929)
Balance as at 30 September 2025	750,640	156,215	410,258	183,032	4,904	3,819	72,169	(3,527)	444,447	2,021,957	505,320	2,527,277

Appropriations to legal reserve is made on an annual basis.

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

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

	Unaudited 30-Sep-2026 ﷼ '000	*Unaudited 30-Sep-2025 ﷼ '000*
Operating activities		
Profit for the period before taxation	**248,438**	228,453
Adjustments for :		
Depreciation	**17,683**	17,888
Net impairment losses on financial assets	**32,760**	43,628
Share of results from an associate	**(435)**	(431)
(Profit) Loss on sale of property and equipment	**3**	11
(Profit) Loss on investments	**(3,492)**	(7,241)
Dividend income	**(24,955)**	(19,730)
Operating profit before working capital changes	**270,002**	262,578
Due from banks	**63,449**	208,016
Loans and advances	**(724,745)**	(458,637)
Islamic financing receivables	**(129,878)**	(50,590)
Other assets	**(19,060)**	138,143
Deposits from banks	**486,991**	205,444
Customers' deposits	**422,945**	330,637
Islamic customers' deposits	**65,896**	(8,667)
Other liabilities	**6,184**	33,356
Cash from operations	**441,784**	660,280
Income taxes paid	**(35,606)**	(35,648)
Net cash from operating activities	**406,178**	624,632
Investing activities		
Dividend from an associate	**444**	444
Dividend income	**24,955**	19,730
Purchase of investments	**(468,421)**	(733,646)
Proceeds from sale of investments	**562,769**	564,267
Net movement in property and equipment	**(12,324)**	(12,607)
Net cash from / (used in) investing activities	**107,423**	(161,812)
Financing activities		
Dividends paid	**(135,115)**	(123,856)
Repayment of Euro medium term notes	**(192,500)**	-
Interest on Perpetual Tier I capital	**(11,929)**	(11,929)
Net cash used in financing activities	**(339,544)**	(135,785)
Net change in cash and cash equivalents	**174,057**	327,035
Cash and cash equivalents at 1 January	**1,327,018**	1,230,584
Cash and cash equivalents at 30 September	**1,501,075**	1,557,619
Cash and cash equivalent comprises of the following:		
Cash and balances with Central Banks	**756,451**	601,900
Treasury bills	**516,593**	740,616
Due from banks	**228,031**	215,103
	1,501,075	1,557,619

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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

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 199 branches including services centers (30 September 2025: 198 branches) within the Sultanate of Oman and one branch in Riyadh, Kingdom of Saudi Arabia. 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. The address of the Group is Bank Muscat Head Office, Building No. 120/4 Block No. 311, Street No. 62, Airport Heights - Seeb, Muscat, Oman.

As at 30 September 2026, the Bank operates in 5 countries (30 September 2025: 6 countries) and employed 4,524 employees (30 September 2025: 4,441 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 30 branches (30 September 2025 - 32 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 nine months period ended 30 September 2026 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 Financial Services Authority (FSA).

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 ("﷼"). These unaudited interim condensed consolidated financial statements of the Bank are prepared in Rial Omani ("﷼"), rounded to the nearest thousand, 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 2025. In addition, results of the Bank for the period ended 30 September 2026 are not necessarily indicative of the results that may be expected for the financial year 2026.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

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 2025, except for the adoption of new standards effective as of 1 January 2026. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2026, but do not have an impact on the interim condensed consolidated financial statements of the Bank. The above amendments are effective from 1 January 2026.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

3. DUE FROM BANKS

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
At amortised cost			
Nostro balances	**36,251**	43,055	91,541
Inter-bank placements	**511,955**	551,043	174,134
Loans to banks	**53,504**	51,221	67,832
	601,710	645,319	333,507
At FVOCI			
Loans to banks	**152,697**	80,000	89,194
	754,407	725,319	422,701
Less: impairment loss allowance	**(5,458)**	(5,246)	(4,881)
	748,949	720,073	417,820

4. LOANS AND ADVANCES / ISLAMIC FINANCING RECEIVABLES

Loans and advances

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Loans	**5,044,335**	4,608,945	4,646,221
Overdrafts and credit cards	**317,396**	299,894	263,637
Loans against trust receipts	**329,684**	227,836	242,844
Bills purchased and discounted	**305,119**	230,074	233,630
Other advances	**214,892**	265,744	220,142
Personal and housing loans	**4,126,514**	3,993,167	3,975,581
	10,337,940	9,625,660	9,582,055
Less: impairment loss allowance	**(579,724)**	(541,909)	(538,285)
	9,758,216	9,083,751	9,043,770

Islamic financing receivables

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Housing finance	**543,188**	550,081	551,228
Corporate finance	**1,292,414**	1,142,189	1,141,016
Consumer finance	**80,131**	72,552	70,526
	1,915,733	1,764,822	1,762,770
Less: impairment loss allowance	**(116,722)**	(106,168)	(102,046)
	1,799,011	1,658,654	1,660,724

4. LOANS AND ADVANCES / ISLAMIC FINANCING RECEIVABLES (continued)

Movement in impairment loss is analysed below:

	Unaudited 30-Sep-2026 *﷼ '000*	*Audited 31-Dec-2025* *﷼ '000*	*Unaudited 30-Sep-2025* *﷼ '000*
1 January	**648,077**	659,469	659,469
Impairment for credit losses	**67,124**	75,321	64,657
Interest reserved during the period	**13,783**	22,874	20,287
Recoveries from impairment for credit losses	**(25,841)**	(26,611)	(21,833)
Reserve interest recovered during the period	**(4,344)**	(5,763)	(5,477)
(Written off) / reversed during the period	**(2,565)**	(19,743)	(19,280)
Transfer from / (to) Memorandum portfolio	**226**	(57,475)	(57,534)
Foreign currency translation difference	**(12)**	6	43
Other movements	**(2)**	(1)	(1)
At 30 September / 31 December	**696,446**	648,077	640,331

At 30 September 2026, loans and advances on which contractual interest is not being accrued or has not been recognised amounted to ﷼ 439.64 million (31 December 2025: ﷼ 411.86 million, 30 September 2025: ﷼ 405.8 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

	Unaudited 30-Sep-2026 *﷼ '000*	*Audited 31-Dec-2025* *﷼ '000*	*Unaudited 30-Sep-2025* *﷼ '000*
On demand or within one month	**865,465**	868,777	927,079
Two to three months	**1,121,919**	868,081	926,427
Four to twelve months	**1,466,681**	1,337,232	1,196,907
One to five years	**4,240,857**	4,062,533	3,812,504
More than five years	**3,862,305**	3,605,782	3,841,577
	11,557,227	10,742,405	10,704,494

5. INVESTMENT SECURITIES

	Unaudited 30-Sep-2026 *﷼ '000*	*Audited 31-Dec-2025* *﷼ '000*	*Unaudited 30-Sep-2025* *﷼ '000*
Equity investments:			
Measured as at FVTPL	**273,701**	210,337	194,841
Designated as at FVOCI	**362,318**	321,558	290,892
Equity investments	**636,019**	531,895	485,733
Debt investments:			
Measured at FVOCI	**515,278**	746,001	760,824
Measured at amortised cost	**1,487,903**	1,538,729	1,360,268
Gross debt investments	**2,003,181**	2,284,730	2,121,092
Less: Impairment loss allowance	**(4,245)**	(2,930)	(2,872)
Debt investments	**1,998,936**	2,281,800	2,118,220
Investment securities	**2,634,955**	2,813,695	2,603,953

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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5. INVESTMENT SECURITIES (continued)

As at 30 September 2026 (unaudited)	FVTPL	FVOCI	Amortised Cost	Total
	﷼ '000	﷼ '000	﷼ '000	﷼ '000
Quoted equities:				
Foreign securities	**239,659**	**194,985**	**-**	**434,644**
Other services sector	**-**	**154,373**	**-**	**154,373**
Unit funds	**6,616**	**-**	**-**	**6,616**
Financial services sector	**-**	**10,530**	**-**	**10,530**
Industrial sector	**-**	**1,459**	**-**	**1,459**
	246,275	**361,347**	**-**	**607,622**
Unquoted equities:				
Foreign securities	**24,112**	**-**	**-**	**24,112**
Local securities	**3,314**	**971**	**-**	**4,285**
	27,426	**971**	**-**	**28,397**
Equity investments	**273,701**	**362,318**	**-**	**636,019**
Quoted debt:				
Government bonds	**-**	**-**	**1,174,718**	**1,174,718**
Treasury bills	**-**	**232,686**	**-**	**232,686**
Foreign bonds	**-**	**136,883**	**-**	**136,883**
Local bonds	**-**	**145,709**	**29,278**	**174,987**
	-	**515,278**	**1,203,996**	**1,719,274**
Unquoted debt:				
Treasury bills	**-**	**-**	**283,907**	**283,907**
	-	**-**	**283,907**	**283,907**
Gross debt investments	**-**	**515,278**	**1,487,903**	**2,003,181**
Less: Impairment loss allowance	**-**	**(2,548)**	**(1,697)**	**(4,245)**
Debt investments	**-**	**512,730**	**1,486,206**	**1,998,936**
Investment securities	**273,701**	**875,048**	**1,486,206**	**2,634,955**

As at 31 December 2025 (Audited)	FVTPL	FVOCI	Amortised Cost	Total
	﷼ '000	﷼ '000	﷼ '000	﷼ '000
Quoted equities:				
Foreign securities	178,230	198,985	-	377,215
Other services sector	-	110,730	-	110,730
Unit funds	9,445	-	-	9,445
Financial services sector	-	9,683	-	9,683
Industrial sector	-	1,138	-	1,138
	187,675	320,536	-	508,211
Unquoted equities:				
Foreign securities	19,365	1,022	-	20,387
Local securities	3,297	-	-	3,297
	22,662	1,022	-	23,684
Equity investments	210,337	321,558	-	531,895
Quoted debt:				
Government bonds	-	-	1,147,872	1,147,872
Treasury bills	-	424,470	-	424,470
Foreign bonds	-	173,945	-	173,945
Local bonds	-	147,586	28,827	176,413
	-	746,001	1,176,699	1,922,700
Unquoted debt:				
Treasury bills	-	-	362,030	362,030
	-	-	362,030	362,030
Gross debt investments	-	746,001	1,538,729	2,284,730
Less: impairment loss allowance	-	(2,457)	(473)	(2,930)
Debt investments	-	743,544	1,538,256	2,281,800
Investment securities	210,337	1,065,102	1,538,256	2,813,695

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

5. INVESTMENT SECURITIES (continued)

The movement in impairment of debt investments is summarised as follows

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
At 1 January	**2,930**	2,824	2,824
Provided /(reversed) during the period / year	**1,314**	106	48
Exchange difference / others	**1**	-	-
At 30 September / 31 December	**4,245**	2,930	2,872

6. INVESTMENT IN ASSOCIATE

SICO BSC (c)

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
At 1 January	**9,950**	9,660	9,660
Dividend received	**(444)**	(444)	(444)
Share of results	**435**	721	431
Share of other comprehensive income	**(131)**	13	(8)
At 30 September / 31 December	**9,810**	9,950	9,639

7. OTHER ASSETS

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Acceptances (note 10)	**148,279**	128,743	91,992
Less: impairment loss allowance	**(1,541)**	(1,586)	(2,040)
Net Acceptances	**146,738**	127,157	89,952
Other debtors and prepaid expenses	**45,592**	36,419	23,781
Fair value gains on derivatives	**18,772**	27,738	19,297
Deferred tax asset	**1,806**	1,994	1,192
Others	**2,425**	2,561	2,889
	215,333	195,869	137,111

8. DEPOSITS FROM BANKS

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Inter bank borrowings	**481,578**	236,446	496,372
Vostro balances	**81,561**	69,030	63,550
Other money market deposits	**944,582**	715,254	623,700
	1,507,721	1,020,730	1,183,622

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

9. CUSTOMERS' DEPOSITS

Conventional customers' deposits

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Deposit accounts	**3,261,559**	3,249,960	3,083,268
Savings accounts	**3,361,914**	3,274,575	3,229,085
Current accounts	**1,924,391**	1,782,622	1,687,978
Call accounts	**567,259**	385,330	475,271
Margin accounts	**49,326**	49,017	48,203
	9,164,449	8,741,504	8,523,805

Islamic customers' deposits

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Deposit accounts	**1,184,887**	1,181,207	1,050,484
Savings accounts	**395,588**	348,970	339,937
Current accounts	**93,609**	64,605	69,813
Call accounts	**75,102**	88,589	109,095
Margin accounts	**5,487**	5,406	5,904
	1,754,673	1,688,777	1,575,233

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

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
On demand or within one month	**1,073,134**	1,015,186	903,980
Two to three months	**1,029,331**	1,266,640	903,262
Four to twelve months	**3,214,893**	3,241,462	3,477,513
One to five years	**3,902,555**	3,355,960	3,506,555
More than five years	**1,699,209**	1,551,033	1,307,728
	10,919,122	10,430,281	10,099,038

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

10. OTHER LIABILITIES

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Other liabilities and accrued expenses	**197,664**	200,942	235,914
Acceptances (note 7)	**148,279**	128,743	91,992
Impairment on financial guarantees	**38,979**	51,593	39,921
Impairment on undrawn commitments and unutilised limits	**19,130**	15,044	14,934
Lease liabilities	**47,693**	50,824	47,033
Fair value losses on derivatives	**17,871**	18,349	12,396
Unearned discount and interest	**7,671**	15,360	9,726
Employee end of service benefits	**8,708**	8,291	8,103
Deferred tax liability	**10,340**	10,178	7,983
	496,335	499,324	468,002

11. SHARE CAPITAL

The authorised share capital of the Bank is 12,000,000,000 shares of ﷼ 0.100 each (31 December 2025: 8,000,000,000 shares of ﷼ 0.100 each). At 30 September 2026, 7,506,397,062 shares of ﷼ 0.100 each (31 December 2025: 7,506,397,062 shares of ﷼ 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 17 March 2026 the shareholders approved a dividend of 18.0% in the form of cash. Thus shareholders received cash dividend of ﷼ 0.018 per ordinary share of ﷼ 0.100 each aggregating to ﷼ 135.115 million on Bank's existing share capital.

The shareholding structure of the Bank is as follows:

	Ownership percentage %	
Investor Name	*30-Sep-2026*	*31-Dec-2025*
Royal Court Affairs	**27.31%**	27.31%
Ominvest Group	**15.00%**	15.00%
Muscat Overseas Group	**5.63%**	5.63%
Social Protection Fund	**4.99%**	4.99%
Pension Funds Trust Accounts	**19.55%**	19.55%
Others*	**27.52%**	27.52%
Total	**100.00%**	100.00%

* The other shareholdings of the Bank are widely spread.

12. CONTINGENT LIABILITIES

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
CONTINGENT LIABILITIES			
Letters of credit	**484,052**	510,245	500,811
Guarantees	**1,562,176**	1,446,786	1,351,751
	2,046,228	1,957,031	1,852,562
COMMITMENTS			
Irrevocable credit commitments	**465,753**	377,111	245,598
Purchase of property and equipment	**2,646**	6,925	3,064
Partly paid shares	**6,494**	8,315	7,009
	474,893	392,351	255,671

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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13. INTEREST INCOME / INCOME ON ISLAMIC FINANCING / INVESTMENT

	Unaudited -for nine months period ended- 30-Sep-2026 ﷼ '000	*Unaudited 30-Sep-2025 ﷼ '000*	*Unaudited -for three months ended- 30-Sep-2026 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Loans and advances	**380,953**	366,974	**131,550**	122,118
Due from banks	**23,983**	22,950	**9,282**	6,119
Investments	**61,395**	54,247	**21,333**	18,294
	466,331	444,171	**162,165**	146,531
Islamic financing receivables	**69,677**	68,839	**24,210**	23,312
Islamic due from banks	**1,402**	693	**242**	67
Islamic investment	**7,492**	9,959	**2,345**	3,260
	78,571	79,491	**26,797**	26,639
	544,902	523,662	**188,962**	173,170

14. INTEREST EXPENSE / DISTRIBUTION TO DEPOSITORS

	Unaudited -for nine months period ended- 30-Sep-2026 ﷼ '000	*Unaudited 30-Sep-2025 ﷼ '000*	*Unaudited -for three months ended- 30-Sep-2026 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Customers' deposits	**120,986**	119,798	**43,090**	36,848
Bank borrowings	**39,960**	34,699	**14,673**	12,783
Euro medium term notes	**12,476**	6,973	**3,498**	2,324
	173,422	161,470	**61,261**	51,955
Islamic customers' deposits	**46,910**	46,124	**15,783**	15,403
Sukuk	**719**	695	**240**	239
Islamic bank borrowings	**2,451**	4,476	**771**	1,119
	50,080	51,295	**16,794**	16,761
	223,502	212,765	**78,055**	68,716

15. COMMISSION AND FEES INCOME (NET)

	Unaudited -for nine months period ended- 30-Sep-2026 ﷼ '000	*Unaudited 30-Sep-2025 ﷼ '000*	*Unaudited -for three months ended- 30-Sep-2026 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Fees and commission income	**114,910**	102,776	**38,761**	35,566
Fees and commission expense	**(41,172)**	(30,044)	**(15,226)**	(10,349)
	73,738	72,732	**23,535**	25,217

16. OTHER OPERATING INCOME

	Unaudited -for nine months period ended- 30-Sep-2026 ﷼ '000	*Unaudited 30-Sep-2025 ﷼ '000*	*Unaudited -for three months ended- 30-Sep-2026 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Foreign exchange	**29,161**	23,742	**10,114**	8,621
Changes in fair value of financial assets	**3,406**	6,146	**1,898**	2,509
Net realised gain (loss) on sale of fair value investments	**86**	1,095	**14**	770
Dividend income	**24,955**	19,730	**3,633**	4,524
Other income	**286**	125	**213**	95
	57,894	50,838	**15,872**	16,519

Dividend income recognised on FVOCI investments during the period ended 30 September 2026 is ﷼ 16,496 thousands. (30 September 2025: ﷼ 11,857 thousands), out of which ﷼ 921 thousands (30 September 2025: ﷼ 322 thousands) pertains to investments sold during this period.

17. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Unaudited -for nine months period ended- 30-Sep-2026 ﷼ '000	*Unaudited 30-Sep-2025 ﷼ '000*	*Unaudited -for three months ended- 30-Sep-2026 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
(Impairment) / reversal of impairment for credit losses:				
- Due from banks	**(212)**	488	**199**	470
- Loans and advances to customers	**(67,124)**	(64,657)	**(14,077)**	(19,844)
- Financial guarantees	**12,608**	1,078	**(707)**	(171)
- Acceptances	**45**	(441)	**300**	(523)
- Loan commitments / unutilised limits	**(4,086)**	(2,524)	**(3,285)**	(2,995)
- Investments	**(1,314)**	(48)	**76**	629
	(60,083)	(66,104)	**(17,494)**	(22,434)
Recoveries from impairment for credit losses	**25,841**	21,833	**8,646**	8,834
Recoveries from collateral pending sale	**154**	-	**-**	-
Recoveries from loans previously written off	**1,328**	643	**391**	133
	27,323	22,476	**9,037**	8,967
	(32,760)	(43,628)	**(8,457)**	(13,467)

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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, where applicable. The balances in respect of related parties included in the consolidated statement of financial position as at the reporting date are as follows:

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
a) Directors and senior management			
Loans and advances	**639**	491	346
Current, deposit and other accounts	**3,143**	2,747	3,136
b) Major shareholders and others			
Loans and advances (gross)			
- Shareholders holding 20% or more interest in the Bank and their related entities	**34,255**	36,925	31,640
- Other related parties	**37,215**	72,437	69,575
	71,470	109,362	101,215
Current, deposit and other accounts			
- Shareholders holding 20% or more interest in the Bank and their related entities	**37,128**	8,537	35,727
- Other related parties	**23,745**	31,948	30,317
	60,873	40,485	66,044
Customers' liabilities under documentary credits, guarantees and other commitments			
- Shareholders holding 20% or more interest in the Bank and their related entities	**-**	9,327	-
- Other related parties	**6,324**	5,125	4,881
	6,324	14,452	4,881

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

	Unaudited -for nine months period ended- 30-Sep-2026 ﷼ '000	*Unaudited -for nine months period ended- 30-Sep-2025 ﷼ '000*	*Unaudited -for three months period ended- 30-Sep-2026 ﷼ '000*	*Unaudited -for three months period ended- 30-Sep-2025 ﷼ '000*
a) Directors and senior management				
Interest income	**21**	14	**10**	4
Interest expenditure	**68**	75	**21**	22
b) Major shareholders and others				
Interest income				
- Shareholders holding 20% or more interest in the Bank and their related entities	**1,137**	707	**376**	258
- Other related parties	**2,072**	3,903	**531**	963
	3,209	4,610	**907**	1,221
Interest expenditure				
- Shareholders holding 20% or more interest in the Bank and their related entities	**217**	194	**74**	55
- Other related parties	**621**	808	**211**	223
	838	1,002	**285**	278

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:

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Royal Court Affairs	**34,255**	46,252	31,640
Omnivest Group	**25,935**	36,124	38,132
HE Sheikh Mustahail Ahmed Al Mashani Group Companies	**17,797**	41,628	36,517
Others	**446**	301	153
	78,433	124,305	106,442

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:

	Unaudited -for nine months period ended- 30-Sep-2026 ﷼ '000	*Unaudited -for nine months period ended- 30-Sep-2025 ﷼ '000*	*Unaudited -for three months period ended- 30-Sep-2026 ﷼ '000*	*Unaudited -for three months period ended- 30-Sep-2025 ﷼ '000*
Royal Court Affairs	**217**	194	**74**	55
Omnivest Group	**421**	568	**134**	145
HE Sheikh Mustahail Al Mashani Group Companies	**200**	240	**78**	79
Others	**68**	75	**20**	21
	906	1,077	**306**	300

Directors remuneration and sitting fees during the period ended 30 September 2026 is ﷼ 288 thousands (30 September 2025: ﷼ 289 thousands)

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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 oustanding during the period as follows:

	Unaudited -for nine months period ended-		*Unaudited -for three months period ended-*	
	30-Sep-2026 ﷼ *'000*	*30-Sep-2025* ﷼ *'000*	*30-Sep-2026* ﷼ *'000*	*30-Sep-2025* ﷼ *'000*
Profit for the period	**209,183**	191,572	**71,690**	65,754
Less: interest on Perpetual Tier I capital	**(11,929)**	(11,929)	**(11,929)**	(11,929)
Profit attributable to ordinary shareholders of parent company for basic earnings per share (﷼ 000's)	**197,254**	179,643	**59,761**	53,825
	7,506,397	7,506,397	**7,506,397**	7,506,397
Basic earnings per share (﷼)	**0.026**	0.024	**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 30 September 2026 (unaudited)	*Positive fair value* ﷼ *'000*	*Negative fair value* ﷼ *'000*	*Notional total* ﷼ *'000*	*Notional amounts by term to maturity* *within 3 months* ﷼ *'000*	*4-12 months* ﷼ *'000*	*> 12 months* ﷼ *'000*
Cash flow hedge	**4,660**	**528**	**288,750**	**-**	**-**	**288,750**
Interest rate swaps	**7,136**	**7,043**	**300,003**	**-**	**3,850**	**296,153**
Commodities purchase contracts	**3,367**	**1,850**	**102,197**	**82,019**	**20,178**	**-**
Commodities sale contracts	**1,892**	**3,313**	**102,198**	**82,020**	**20,178**	**-**
Forward purchase contracts	**9**	**356**	**1,650,412**	**1,036,358**	**453,815**	**160,239**
Forward sales contracts	**1,708**	**4,781**	**1,653,413**	**1,039,235**	**453,715**	**160,463**
Total	**18,772**	**17,871**	**4,096,973**	**2,239,632**	**951,736**	**905,605**

As at 31 December 2025 (audited)	*Positive fair value* ﷼ *'000*	*Negative fair value* ﷼ *'000*	*Notional total* ﷼ *'000*	*Notional amounts by term to maturity* *Within 3 months* ﷼ *'000*	*4-12 months* ﷼ *'000*	*> 12 months* ﷼ *'000*
Cash flow hedge	4,075	-	288,750	-	-	288,750
Interest rate swaps	6,881	6,779	306,036	-	40,066	265,970
Commodities purchase contracts	4,147	107	85,970	32,135	53,835	-
Commodities sale contracts	113	4,114	85,970	32,135	53,835	-
Forward purchase contracts	5,507	742	1,965,781	1,120,326	507,437	338,018
Forward sales contracts	7,015	6,607	1,960,214	1,115,195	507,142	337,877
Total	27,738	18,349	4,692,721	2,299,791	1,162,315	1,230,615

As at 30 September 2025 (unaudited)	*Positive fair value* ﷼ *'000*	*Negative fair value* ﷼ *'000*	*Notional total* ﷼ *'000*	*Notional amounts by term to maturity* *Within 3 months* ﷼ *'000*	*4-12 months* ﷼ *'000*	*> 12 months* ﷼ *'000*
Cash flow hedge	4,493	-	288,750	-	-	288,750
Interest rate swaps	8,055	7,950	316,024	-	43,405	272,619
Commodities purchase contracts	3,325	55	73,095	50,924	22,053	118
Commodities sale contracts	64	3,271	73,096	50,924	22,053	119
Forward purchase contracts	660	295	1,644,404	954,169	382,942	307,293
Forward sales contracts	2,700	825	1,640,672	950,799	382,572	307,301
Total	19,297	12,396	4,036,041	2,006,816	853,025	1,176,200

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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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:

Unaudited 30-Sep-2025 ﷼'000 Total	*Unaudited 30-Sep-2025 ﷼'000 International*	*Unaudited 30-Sep-2025 ﷼'000 Oman*		*Unaudited 30-Sep-2026 ﷼'000 Oman*	*Unaudited 30-Sep-2026 ﷼'000 International*	*Unaudited 30-Sep-2026 ﷼'000 Total*
444,171	9,013	435,158	Interest income	**455,973**	**10,358**	**466,331**
(161,470)	(4,963)	(156,507)	Interest expense	**(165,658)**	**(7,764)**	**(173,422)**
79,491	-	79,491	Income from Islamic financing	**78,571**	**-**	**78,571**
(51,295)	-	(51,295)	Distribution to depositors	**(50,080)**	**-**	**(50,080)**
72,732	1,779	70,953	Commission and fee income (net)	**71,962**	**1,776**	**73,738**
50,838	14,870	35,968	Other operating income	**44,840**	**13,054**	**57,894**
434,467	20,699	413,768		**435,608**	**17,424**	**453,032**
			Operating expenses			
(144,929)	(2,757)	(142,172)	Other operating expenses	**(151,892)**	**(2,694)**	**(154,586)**
(17,888)	(340)	(17,548)	Depreciation	**(17,393)**	**(290)**	**(17,683)**
(162,817)	(3,097)	(159,720)		**(169,285)**	**(2,984)**	**(172,269)**
431	431	-	Share of income from an associate	**-**	**435**	**435**
(43,628)	461	(44,089)	Net impairment losses on financial assets	**(32,765)**	**5**	**(32,760)**
(36,881)	(3,029)	(33,852)	Tax expense	**(36,859)**	**(2,396)**	**(39,255)**
(242,895)	(5,234)	(237,661)		**(238,909)**	**(4,940)**	**(243,849)**
191,572	15,465	176,107	**Profit (Loss) for the period**	**196,699**	**12,484**	**209,183**
			Other information			
14,557,670	522,313	14,035,357	Total assets	**15,393,427**	**610,516**	**16,003,943**
12,030,393	201,646	11,828,747	Total liabilities	**13,057,324**	**264,100**	**13,321,424**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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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:

30 September 2026 (unaudited)	Corporate banking ﷼ '000	Consumer banking ﷼ '000	Wholesale banking ﷼ '000	International banking* ﷼ '000	Subtotal ﷼ '000	Islamic banking ﷼ '000	Total ﷼ '000
Segment revenue							
Net interest income	**101,317**	**153,617**	**35,385**	**2,590**	**292,909**	**-**	**292,909**
Net income from Islamic financing					**-**	**28,491**	**28,491**
Commission, fees and other income	**20,230**	**47,831**	**42,174**	**14,857**	**125,092**	**6,540**	**131,632**
Operating income	**121,547**	**201,448**	**77,559**	**17,447**	**418,001**	**35,031**	**453,032**
Segment costs							
Operating expenses	**(30,642)**	**(109,381)**	**(15,098)**	**(4,197)**	**(159,318)**	**(12,951)**	**(172,269)**
Share of income from associate	**-**	**-**	**-**	**435**	**435**	**-**	**435**
Impairment (net)	**(13,991)**	**(7,700)**	**(340)**	**5**	**(22,026)**	**(10,734)**	**(32,760)**
Tax expense	**(12,167)**	**(13,345)**	**(9,826)**	**(2,228)**	**(37,566)**	**(1,689)**	**(39,255)**
	(56,800)	**(130,426)**	**(25,264)**	**(5,985)**	**(218,475)**	**(25,374)**	**(243,849)**
Segment profit for the period	**64,747**	**71,022**	**52,295**	**11,462**	**199,526**	**9,657**	**209,183**
Segment assets	**5,354,947**	**4,303,297**	**3,562,233**	**610,516**	**13,830,993**	**2,172,950**	**16,003,943**
Segment liabilities	**4,766,868**	**4,759,600**	**1,619,694**	**264,100**	**11,410,262**	**1,911,162**	**13,321,424**

30 September 2025 (unaudited)	Corporate banking ﷼ '000	Consumer banking ﷼ '000	Wholesale banking ﷼ '000	International banking* ﷼ '000	Subtotal ﷼ '000	Islamic banking ﷼ '000	Total ﷼ '000
Segment revenue							
Net interest income	102,719	139,213	36,709	4,060	282,701	-	282,701
Net income from Islamic financing					-	28,196	28,196
Commission, fees and other income	19,474	50,010	31,896	16,642	118,022	5,548	123,570
Operating income	122,193	189,223	68,605	20,702	400,723	33,744	434,467
Segment costs							
Operating expenses	(28,902)	(102,945)	(14,289)	(4,426)	(150,562)	(12,255)	(162,817)
Share of income from associate	-	-	-	431	431	-	431
Impairment (net)	(21,843)	(10,888)	126	461	(32,144)	(11,484)	(43,628)
Tax expense	(11,561)	(12,200)	(8,810)	(2,808)	(35,379)	(1,502)	(36,881)
	(62,306)	(126,033)	(22,973)	(6,342)	(217,654)	(25,241)	(242,895)
Segment profit for the period	59,887	63,190	45,632	14,360	183,069	8,503	191,572
Segment assets	4,830,572	4,153,436	3,033,438	522,314	12,539,760	2,017,910	14,557,670
Segment liabilities	4,360,549	4,477,028	1,211,636	201,655	10,250,868	1,779,525	12,030,393

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

22. ASSET LIABILITY MATURITY

The asset and liability maturity profile was as follows:

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
ASSETS			
On demand or within one month	**2,601,218**	2,515,028	2,420,225
Two to three months	**1,734,493**	1,314,611	1,437,506
Four to twelve months	**1,966,617**	2,017,715	1,515,630
One to five years	**5,330,800**	5,151,616	4,972,338
More than five years	**4,370,815**	4,130,126	4,211,971
	16,003,943	15,129,096	14,557,670
LIABILITIES AND EQUITY			
On demand or within one month	**1,680,686**	1,407,420	1,517,443
Two to three months	**1,250,455**	1,682,304	1,075,101
Four to twelve months	**3,824,889**	3,494,209	3,903,382
One to five years	**4,865,368**	4,400,743	4,217,788
More than five years	**4,382,545**	4,144,420	3,843,956
	16,003,943	15,129,096	14,557,670
MISMATCH			
On demand or within one month	**920,532**	1,107,608	902,782
Two to three months	**484,038**	(367,693)	362,405
Four to twelve months	**(1,858,272)**	(1,476,494)	(2,387,752)
One to five years	**465,432**	750,873	754,550
More than five years	**(11,730)**	(14,294)	368,015
	-	-	-

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

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
Common Equity Tier I capital	**1,793,552**	1,807,695	1,699,009
Perpetual Tier I capital	**505,320**	505,320	505,320
Tier I capital	**2,298,872**	2,313,015	2,204,329
Tier II capital	**81,549**	68,863	64,038
Total regulatory capital	**2,380,421**	2,381,878	2,268,367
Total risk weighted assets	**13,032,556**	12,114,088	11,800,726
Of which: Credit risk weighted assets	**11,284,866**	10,372,302	10,074,751
Of which: Market risk weighted assets	**720,759**	714,855	766,247
Of which: Operational risk weighted assets	**1,026,931**	1,026,931	959,728
Capital ratios :			
Common Equity Tier 1	**13.76%**	14.92%	14.40%
Tier 1	**17.64%**	19.09%	18.68%
Total capital	**18.27%**	19.66%	19.22%

24. LIQUIDITY

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

	Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
LCR	176%	226%	184%
NSFR	112%	115%	114%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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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:

		Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
1	Total consolidated assets as per published financial statements	**16,003,943**	15,129,096	14,557,670
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	**(41,378)**	(42,681)	(42,366)
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	**83,543**	114,633	93,150
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)	**1,130,706**	1,038,179	986,089
7	Other adjustments	**-**	-	-
8	Leverage ratio exposure	**17,176,814**	16,239,227	15,594,543

Table 2: Leverage ratio common disclosure template

		Unaudited 30-Sep-2026 ﷼ '000	*Audited 31-Dec-2025 ﷼ '000*	*Unaudited 30-Sep-2025 ﷼ '000*
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	**16,003,943**	15,129,096	14,557,670
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	**(41,378)**	(42,681)	(42,366)
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) (sum of lines 1 and 2)	**15,962,565**	15,086,415	14,515,304
	Derivative Exposures			
4	Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin)	**19,009**	27,745	19,132
5	Add-on amounts for PFE associated with all derivatives transactions	**64,534**	86,888	74,018
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)**	**83,543**	114,633	93,150
	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	**2,518,476**	2,341,066	2,105,168
18	(Adjustments for conversion to credit equivalent amounts)	**(1,387,770)**	(1,302,887)	(1,119,078)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**1,130,706**	1,038,179	986,090
	Capital and total exposures			
20	Tier 1 capital	**2,298,872**	2,313,015	2,204,329
21	Total exposures (sum of lines 3, 11, 16 and 19)	**17,176,814**	16,239,227	15,594,544
	Leverage Ratio			
22	**Basel III leverage ratio (%)**	**13.38%**	14.24%	14.14%

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

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:

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30 September 2026	Stage 1	Stage 2	Stage 3	Total
Gross exposure				
Central Bank balances	580,033	-	-	580,033
Due from Banks	737,703	16,704	-	754,407
Loans and advances / Islamic financing receivables	10,375,338	1,438,698	439,637	12,253,673
Investment Securities at FVOCI	514,637	641	-	515,278
Investment Securities at amortized Cost	1,482,141	5,762	-	1,487,903
Total funded gross exposure	13,689,852	1,461,805	439,637	15,591,294
Financial guarantee contracts	1,643,638	382,223	20,367	2,046,228
Acceptances	129,069	19,139	71	148,279
Loan Commitment/Unutilised limits	2,537,807	392,452	-	2,930,259
Total non-funded gross exposure	4,310,514	793,814	20,438	5,124,766
Total gross exposure	**18,000,366**	**2,255,619**	**460,075**	**20,716,060**
Impairment				
Due from Banks	5,164	294	-	5,458
Loans and advances / Islamic financing receivables	33,024	273,322	390,100	696,446
Investment Securities at FVOCI	2,529	19	-	2,548
Investment Securities at amortized Cost	446	1,251	-	1,697
Total funded impairment	41,163	274,886	390,100	706,149
Financial guarantee contracts	6,110	13,509	19,360	38,979
Acceptances	541	945	55	1,541
Loan Commitment/Unutilised limits	6,784	12,346	-	19,130
Total non-funded impairment	13,435	26,800	19,415	59,650
Total impairment	**54,598**	**301,686**	**409,515**	**765,799**
Net exposure				
Central Bank balances	580,033	-	-	580,033
Due from Banks	732,539	16,410	-	748,949
Loans and advances / Islamic financing receivables	10,342,314	1,165,376	49,537	11,557,227
Investment Securities at FVOCI	512,108	622	-	512,730
Investment Securities at amortized Cost	1,481,695	4,511	-	1,486,206
Total funded net exposure	13,648,689	1,186,919	49,537	14,885,145
Financial guarantee contracts	1,637,528	368,714	1,007	2,007,249
Acceptances	128,528	18,194	16	146,738
Loan Commitment/Unutilised limits	2,531,023	380,106	-	2,911,129
Total net non-funded exposure	4,297,079	767,014	1,023	5,065,116
Total net exposure	**17,945,768**	**1,953,933**	**50,560**	**19,950,261**

Stage 1: 86.9% 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: 10.9% 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: 2.2% 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
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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:

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31-Dec-25	Stage 1	Stage 2	Stage 3	Total
Gross exposure				
Central Bank balances	390,029	-	-	390,029
Due from Banks	723,646	1,673	-	725,319
Loans and advances / Islamic financing receivables	9,568,878	1,409,746	411,858	11,390,482
Investment Securities at FVOCI	746,001	-	-	746,001
Investment Securities at amortized Cost	1,532,999	5,730	-	1,538,729
Total funded gross exposure	12,961,553	1,417,149	411,858	14,790,560
Financial guarantee contracts	1,380,304	556,327	20,400	1,957,031
Acceptances	103,885	24,780	78	128,743
Loan Commitment/Unutilised limits	2,416,045	446,100	-	2,862,145
Total non-funded gross exposure	3,900,234	1,027,207	20,478	4,947,919
Total gross exposure	**16,861,787**	**2,444,356**	**432,336**	**19,738,479**
Impairment				
Due from Banks	5,238	8	-	5,246
Loans and advances / Islamic financing receivables	34,954	254,001	359,122	648,077
Investment Securities at FVOCI	2,457	-	-	2,457
Investment Securities at amortized Cost	403	70	-	473
Total funded impairment	43,052	254,079	359,122	656,253
Financial guarantee contracts	5,103	27,064	19,426	51,593
Acceptances	489	1,040	57	1,586
Loan Commitment/Unutilised limits	6,844	8,200	-	15,044
Total non-funded impairment	12,436	36,304	19,483	68,223
Total impairment	**55,488**	**290,383**	**378,605**	**724,476**
Net exposure				
Central Bank balances	390,029	-	-	390,029
Due from Banks	718,408	1,665	-	720,073
Loans and advances / Islamic financing receivables	9,533,924	1,155,745	52,736	10,742,405
Investment Securities at FVOCI	743,544	-	-	743,544
Investment Securities at amortized Cost	1,532,596	5,660	-	1,538,256
Total funded net exposure	12,918,501	1,163,070	52,736	14,134,307
Financial guarantee contracts	1,375,201	529,263	974	1,905,438
Acceptances	103,396	23,740	21	127,157
Loan Commitment/Unutilised limits	2,409,201	437,900	-	2,847,101
Total net non-funded exposure	3,887,798	990,903	995	4,879,696
Total net exposure	**16,806,299**	**2,153,973**	**53,731**	**19,014,003**

Stage 1: 85.4% 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: 12.4% 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: 2.2% 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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

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

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As at 30 September 2026 (Unaudited)	*As per CBO norms*	*As per IFRS 9*	*Difference*
Impairment loss charged to statement of comprehensive income (net of recoveries)*	32,760	32,760	-
Provisions required as per CBO norms / held as per IFRS 9 *	573,836	765,799	(191,963)
Gross NPL ratio **	3.59%	3.59%	-
Net NPL ratio **	0.28%	0.25%	0.03%

* 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

﷼ '000

Asset classification as per CBO norms	*Asset classification as per IFRS 9*	*Gross amount*	*Provision as per CBO norms*	*Reserve interest as per CBO norms*	*Provision as per IFRS 9*	*Difference*	*Net carrying amount*	*Interest recognised as per IFRS 9*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7) = (4)+(5)-(6)*	*(8) = (3)-(6)*	*(9)*
Standard	Stage 1	**11,113,041**	**152,594**	**-**	**38,188**	**114,406**	**11,074,853**	**-**
	Stage 2	**991,436**	**9,900**	**-**	**182,491**	**(172,591)**	**808,945**	**-**
	Stage 3	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Sub total	**12,104,477**	**162,494**	**-**	**220,679**	**(58,185)**	**11,883,798**	**-**
Special Mention	Stage 1	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Stage 2	**463,966**	**4,892**	**-**	**91,125**	**(86,233)**	**372,841**	**-**
	Stage 3	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Sub total	**463,966**	**4,892**	**-**	**91,125**	**(86,233)**	**372,841**	**-**
Substandard	Stage 1	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Stage 2	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Stage 3	**22,796**	**5,575**	**424**	**5,999**	**-**	**16,797**	**-**
	Sub total	**22,796**	**5,575**	**424**	**5,999**	**-**	**16,797**	**-**
Doubtful	Stage 1	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Stage 2	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Stage 3	**16,448**	**7,422**	**928**	**11,415**	**(3,065)**	**5,033**	**-**
	Sub total	**16,448**	**7,422**	**928**	**11,415**	**(3,065)**	**5,033**	**-**
Loss	Stage 1	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Stage 2	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Stage 3	**420,831**	**320,935**	**71,166**	**392,101**	**-**	**28,730**	**-**
	Sub total	**420,831**	**320,935**	**71,166**	**392,101**	**-**	**28,730**	**-**
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	**6,887,325**	**-**	**-**	**16,410**	**(16,410)**	**6,870,915**	**-**
	Stage 2	**800,217**	**-**	**-**	**28,070**	**(28,070)**	**772,147**	**-**
	Stage 3	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Sub total	**7,687,542**	**-**	**-**	**44,480**	**(44,480)**	**7,643,062**	**-**
Total	Stage 1	**18,000,366**	**152,594**	**-**	**54,598**	**97,996**	**17,945,768**	**-**
	Stage 2	**2,255,619**	**14,792**	**-**	**301,686**	**(286,894)**	**1,953,933**	**-**
	Stage 3	**460,075**	**333,932**	**72,518**	**409,515**	**(3,065)**	**50,560**	**-**
	Total	**20,716,060**	**501,318**	**72,518**	**765,799**	**(191,963)**	**19,950,261**	**-**

c. ***Restructured loans***

﷼ '000

Asset classification as per CBO norms	*Asset classification as per IFRS 9*	*Gross amount*	*Provision as per CBO norms**	*Reserve interest as per CBO norms*	*Provision as per IFRS 9*	*Difference*	*Net carrying amount*	*Interest recognised as per IFRS 9*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7) = (4)+(5)-(6)*	*(8) = (3)-(6)*	*(9)*
Classified as performing	Stage 1	**14,961**	**150**	**-**	**1,219**	**(1,069)**	**13,742**	**-**
	Stage 2	**608,029**	**6,080**	**-**	**124,716**	**(118,636)**	**483,313**	**-**
	Stage 3	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Sub total	**622,990**	**6,230**	**-**	**125,935**	**(119,705)**	**497,055**	**-**
Classified as non-performing	Stage 1	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Stage 2	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Stage 3	**227,414**	**172,898**	**29,524**	**202,821**	**(399)**	**24,593**	**-**
	Sub total	**227,414**	**172,898**	**29,524**	**202,821**	**(399)**	**24,593**	**-**
Total	Stage 1	**14,961**	**150**	**-**	**1,219**	**(1,069)**	**13,742**	**-**
	Stage 2	**608,029**	**6,080**	**-**	**124,716**	**(118,636)**	**483,313**	**-**
	Stage 3	**227,414**	**172,898**	**29,524**	**202,821**	**(399)**	**24,593**	**-**
	Total	**850,404**	**179,128**	**29,524**	**328,756**	**(120,104)**	**521,648**	**-**

Of the above, the loan outstanding of customers whose credit facilities were rescheduled as per the COVID19 and job laid-off guidelines of Central Bank of Oman amounted to ﷼ 680.400 million (Stage 1: ﷼ 13.733 million, Stage 2: ﷼ 549.677 million and Stage 3: ﷼ 116.990 million) with an impairment allowance (incl. overlays) ﷼ of 222.922 million (Stage 1: ﷼ 1.218 million, Stage 2: ﷼ 115.451 million, Stage 3: ﷼ 106.253 million).

NOTES TO THE INTERIM NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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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

﷼ '000

As at 31 December 2025 (Audited)	*As per CBO norms*	*As per IFRS 9*	*Difference*
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 *	530,798	724,476	(193,678)
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

﷼ '000

Asset classification as per CBO norms As at 31 December 2025	*Asset classification as per IFRS 9*	*Gross amount*	*Provision as per CBO norms*	*Reserve interest as per CBO norms*	*Provision as per IFRS 9*	*Difference*	*Net carrying amount*	*Interest recognised as per IFRS 9*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7) = (4)+(5)-(6)*	*(8) = (3)-(6)*	*(9)*
Standard	Stage 1	10,292,524	142,773	-	40,192	102,581	10,252,332	-
	Stage 2	1,037,391	10,465	-	176,267	(165,802)	861,124	-
	Stage 3	-	-	-	-	-	-	-
		11,329,915	153,238	-	216,459	(63,221)	11,113,456	-
Special Mention	Stage 1	-	-	-	-	-	-	-
	Stage 2	374,028	4,083	-	77,742	(73,659)	296,286	-
	Stage 3	-	-	-	-	-	-	-
		374,028	4,083	-	77,742	(73,659)	296,286	-
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	18,994	4,670	312	4,982	-	14,012	-
		18,994	4,670	312	4,982	-	14,012	-
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	21,123	9,372	1,219	15,721	(5,130)	5,402	-
		21,123	9,372	1,219	15,721	(5,130)	5,402	-
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	392,219	296,085	61,819	357,902	2	34,317	-
		392,219	296,085	61,819	357,902	2	34,317	-
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	6,569,263	-	-	15,296	(15,296)	6,553,967	-
	Stage 2	1,032,937	-	-	36,374	(36,374)	996,563	-
	Stage 3	-	-	-	-	-	-	-
		7,602,200	-	-	51,670	(51,670)	7,550,530	-
Total	Stage 1	16,861,787	142,773	-	55,488	87,285	16,806,299	-
	Stage 2	2,444,356	14,548	-	290,383	(275,835)	2,153,973	-
	Stage 3	432,336	310,127	63,350	378,605	(5,128)	53,731	-
		19,738,479	467,448	63,350	724,476	(193,678)	19,014,003	-

c. *Restructured loans*

Asset classification as per CBO norms as at 31 December 2025	*Asset classification as per IFRS 9*	*Gross amount*	*Provision as per CBO norms*	*Reserve interest as per CBO norms*	*Provision as per IFRS 9*	*Difference*	*Net carrying amount*	*Interest recognised as per IFRS 9*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7) = (4)+(5)-(6)*	*(8) = (3)-(6)*	*(9)*
Classified as performing	Stage 1	68,765	688	-	5,236	(4,548)	63,529	-
	Stage 2	562,399	5,624	-	110,504	(104,880)	451,895	-
	Stage 3	-	-	-	-	-	-	-
		631,164	6,312	-	115,740	(109,428)	515,424	-
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	210,448	156,180	23,789	184,868	(4,899)	25,580	-
		210,448	156,180	23,789	184,868	(4,899)	25,580	-
Total	Stage 1	68,765	688	-	5,236	(4,548)	63,529	-
	Stage 2	562,399	5,624	-	110,504	(104,880)	451,895	-
	Stage 3	210,448	156,180	23,789	184,868	(4,899)	25,580	-
		841,612	162,492	23,789	300,608	(114,327)	541,004	-

Of the above, the loan outstanding of customers whose credit facilities were rescheduled as per the COVID19 and job laid-off guidelines of Central Bank of Oman amounted to amounted to ﷼ 697.678 million (Stage 1: ﷼ 68.765 million, Stage 2: ﷼ 512.49 million and Stage 3: ﷼ 116.423 million) with an impairment allowance of ﷼ 212.239 million (Stage 1: ﷼ 5.236 million, Stage 2: ﷼ 103.649 million, Stage 3: ﷼ 103.354 million).

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 30 September 2026 (Unaudited)	Designated as at FVTPL ﷼ '000	Designated as at FVOCI ﷼ '000	Amortised cost ﷼ '000	Total carrying value ﷼ '000	Fair value ﷼ '000	Level
Cash and balances with Central Banks	**-**	**-**	**756,451**	**756,451**	**756,451**	**3**
Due from banks	**-**	**152,697**	**596,252**	**748,949**	**748,773**	**2,3**
Loans and advances and Islamic financing receivables	**-**	**-**	**11,557,227**	**11,557,227**	**11,319,763**	**3**
Investment securities	**273,701**	**875,048**	**1,486,206**	**2,634,955**	**2,612,667**	**1,2,3**
Fair value gains on derivatives	**18,772**	**-**	**-**	**18,772**	**18,772**	**2**
	292,473	**1,027,745**	**14,396,136**	**15,716,354**	**15,456,427**	
Deposits from banks	**-**	**-**	**1,507,721**	**1,507,721**	**1,506,067**	**3**
Customers' deposits and Islamic customer deposits	**-**	**-**	**10,919,122**	**10,919,122**	**11,126,721**	**3**
Sukuk	**-**	**-**	**16,595**	**16,595**	**16,926**	**1**
Euro medium term notes	**-**	**-**	**295,769**	**295,769**	**302,250**	**1**
Fair value losses on derivatives	**17,871**	**-**	**-**	**17,871**	**17,871**	**2**
	17,871	**-**	**12,739,207**	**12,757,078**	**12,969,835**	

As of 31 December 2025 (Audited)	Designated as at FVTPL ﷼ '000	Designated as at FVOCI ﷼ '000	Amortised cost ﷼ '000	Total carrying value ﷼ '000	Fair value ﷼ '000	Level
Cash and balances with Central Banks	-	-	560,524	560,524	560,524	3
Due from banks	-	79,653	640,420	720,073	719,737	2,3
Loans and advances and Islamic financing receivables	-	-	10,742,405	10,742,405	10,543,735	3
Investment securities	210,337	1,065,102	1,538,256	2,813,695	2,816,028	1,2,3
Positive fair value of derivatives	27,738	-	-	27,738	27,738	2
	238,075	1,144,755	13,481,605	14,864,435	14,667,762	
Deposits from banks	-	-	1,020,730	1,020,730	1,027,804	3
Customers' deposits and Islamic customer deposits	-	-	10,430,281	10,430,281	10,745,405	3
Sukuk	-	-	16,826	16,826	16,826	1
Euro medium term notes	-	-	487,387	487,387	514,753	1
Negative fair value of derivatives	18,349	-	-	18,349	18,349	2
	18,349	-	11,955,224	11,973,573	12,323,137	

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

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:

As of 30 September 2026	*Level 1* ﷼ *'000*	*Level 2* ﷼ *'000*	*Level 3* ﷼ *'000*	*Total* ﷼ *'000*
Assets				
Derivatives	**-**	**18,772**	**-**	**18,772**
FVOCI Due from banks	**-**	**152,697**	**-**	**152,697**
FVOCI Loans and advances and Islamic financing receivables	**-**	**-**	**-**	**-**
FVTPL Equity	**246,275**	**-**	**27,426**	**273,701**
FVTPL Debt	**-**	**-**	**-**	**-**
FVOCI Equity	**361,347**	**-**	**971**	**362,318**
FVOCI Debt	**512,730**	**-**	**-**	**512,730**
Total Assets	**1,120,352**	**171,469**	**28,397**	**1,320,218**
Liabilities				
Derivatives	**-**	**17,871**	**-**	**17,871**

As of 31 December 2025	*Level 1* ﷼ *'000*	*Level 2* ﷼ *'000*	*Level 3* ﷼ *'000*	*Total* ﷼ *'000*
Assets				
Derivatives	-	27,738	-	27,738
FVOCI Due from banks	-	79,653	-	79,653
FVTPL Equity	187,675	-	22,662	210,337
FVOCI Equity	320,536	-	1,022	321,558
FVOCI Debt	743,544	-	-	743,544
Total Assets	1,251,755	107,391	23,684	1,382,830
Liabilities				
Derivatives	-	18,349	-	18,349

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

As of 30 September 2026 (Unaudited)	*FVOCI Equity* ﷼ *'000*	*FVTPL Equity* ﷼ *'000*	*Total* ﷼ *'000*
At 1 January	**1,022**	**22,662**	**23,684**
Realised gain on sale	**-**	**-**	**-**
Gain (loss) from change in fair value	**(53)**	**73**	**20**
Additions	**-**	**5,552**	**5,552**
Disposals and redemption	**-**	**(855)**	**(855)**
Exchange differences	**2**	**(6)**	**- 4**
	971	**27,426**	**28,397**

As of 31 December 2025 (Audited)	*FVOCI Equity* ﷼ *'000*	*FVTPL Equity* ﷼ *'000*	*Total* ﷼ *'000*
At 1 January	1,258	18,456	19,714
Realised gain on sale	-	1,019	1,019
Gain (loss) from change in fair value	(236)	(8)	(244)
Additions	-	5,513	5,513
Disposals and redemption	-	(2,338)	(2,338)
Exchange differences	-	20	20
	1,022	22,662	23,684

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2026

27. FAIR VALUE INFORMATION (continued)

As of 30 September 2026, 7% (31 December 2025: 9%) 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 30 September 2026, 93% (31 December 2025: 91%) 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 30 June 2026 or at a later date and adjusted for subsequent cash flows till 30 September 2026 or based on net asset values received from independent fund managers as at 30 June 2026 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 2025 included for comparative purposes were reclassified.