



بنك عُمان العربي
OMAN ARAB BANK

**CONDENSED INTERIM FINANCIAL STATEMENTS
AS AT AND FOR THE NINE MONTHS
PERIOD ENDED 30 SEPTEMBER 2024**

OMAN ARAB BANK SAOG

Condensed Interim Financial Statements As at and for the period ended 30 September 2024

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CHAIRMAN'S REPORT – THIRD QUARTER 2024

Dear Shareholders,

I am pleased to present to you the financial results of Oman Arab Bank SAOG (the Bank) for the third quarter ended 30 September 2024.

Oman's economic outlook has continued its positive trajectory in the third quarter of 2024, driven by prudent fiscal reforms, stable oil prices, and enhanced governance across critical sectors. A notable highlight is Standard & Poor's upgrade of Oman's credit rating to BBB- with a stable outlook, marking a notable return to investment-grade status. This upgrade reflects the government's efforts to restore fiscal balance, strengthen public finances, and create a resilient economic environment.

The improved credit rating demonstrates confidence in Oman's financial position, especially in its ability to manage debt, grow reserves, and handle external economic shocks. Budget surpluses are expected to continue through 2027. Public debt, which peaked in recent years, is now on a downward trend and is forecast to drop further in the coming years, bolstering economic resilience.

Moody's also upgraded Oman's outlook from stable to positive in August 2024, citing sustained debt reduction achieved without eroding financial reserves.

Looking ahead, Oman is projected to experience steady economic growth driven by moderate increases in hydrocarbon production alongside continued momentum in non-oil sector activities. The government's diversification efforts remain a key focus, promoting investments in renewable energy, green hydrogen, and small- and medium-sized enterprises.

CONSOLIDATED FINANCIAL PERFORMANCE

The Bank's performance for the nine-month period ended 30 September 2024 shows a consolidated net profit after tax of RO 20.5 million, up 15% compared to RO 17.9 million for the same period in 2023.

Net interest income from conventional banking and net income from Islamic financing services reached RO 74.3 million for the nine-month period ended 30 September 2024 due to an increase in interest and finance income, which was offset by higher cost of funds, attributable to the high interest rate environment.

Operating income increased by 3% to RO 94.7 million for the nine-month period ended 30 September 2024 compared to RO 91.9 million for the same period in 2023. Operating expenses reached RO 54.6 million compared to RO 54.1 million for the same period in 2023. This has led to a healthy growth in operating profit, which grew 6% to reach RO 40.1 million



in the first nine months of 2024 compared to RO 37.8 million for the same period last year. Net allowances for expected credit losses declined by 5% to reach RO 15.7 million in the nine-month period ended 30 September 2024 compared to RO 16.5 million for the same period in 2023.

Net loans and advances, including Islamic finance, grew 4% to RO 3,465 million compared to RO 3,327 million on 30 September 2023, while customer deposits reached RO 3,546 million by the end of the third quarter of 2024, up 11% compared to RO 3,198 million on 30 September 2023.

PERFORMANCE OF THE PARENT COMPANY

The parent company recorded a net profit after tax of RO 20.8 million for the nine-month period ended 30 September 2024, up 15% compared to RO 18.1 million for the same period in 2023. Interest income grew 12%, driven by growth in loans and advances, which was offset by higher interest expense. Operating income reached RO 75.3 million for the nine-month period ended 30 September 2024, up 2% compared to RO 74.1 million for the same period in 2023, driven by growth in net fees and other operating income by 8%, while operating profit recorded an increase of 4%. Operating expenses declined by 0.2% to reach RO 39.9 million for the nine-month period ended 30 September 2024 compared to RO 40.0 million for the same period in 2023. Net allowances for expected credit losses decreased by 12% to record RO 12.0 million for the nine-month period ended 30 September 2024 compared to RO 13.6 million for the same period in 2023.

Net loans and advances grew 2% to RO 2,409 million as of 30 September 2024, compared to RO 2,355 million for the same period last year. Customer deposits increased by 9% to RO 2,409 million as of 30 September 2024 compared to RO 2,207 million on 30 September 2023.

The Parent Company has adopted the equity method to account for investments in a subsidiary in its separate financial statements. This amendment has been applied retrospectively, and the previous year's figures have been restated accordingly.

PERFORMANCE OF ALIZZ ISLAMIC BANK

Alizz Islamic Bank's net profit grew by 15% to RO 6.9 million in the first nine months of 2024 compared to RO 6.0 million for the same period last year. Growth has been observed across all the core activities, with operating income and operating profit growing by 11% and 19%, respectively. Net financing receivables amounted to RO 1,056 million as of 30 September 2024, 8% higher than RO 973 million for the same period last year. Customer deposits reached RO 1,138 million as of 30 September 2024, up 15% compared to RO 991 million on 30 September 2023.



NEW BANKING SERVICES AND PRODUCTS

In Q3 2024, the Bank continued to introduce innovative products and services, reinforcing its commitment to enhancing customer experiences and promoting economic growth, especially among crucial sectors like Small and Medium-sized Enterprises (SMEs).

A key highlight this quarter was the launch of Tumouhi, a comprehensive programme aimed at empowering SMEs in Oman. Recognising SMEs as vital to Oman's Vision 2040, Tumouhi offers a robust suite of financial solutions, including waived fees for online banking and chequebooks, competitive rates for car loans and POS machines, and a complimentary Advantage Debit Card for business owners.

The programme also emphasises the importance of knowledge-sharing, offering SMEs free workshops on topics like financial literacy, entrepreneurship, governance, and business communication through partnerships with subject matter experts. Tumouhi customers benefit from strategic collaborations with key partners ensuring access to legal, transport, and cybersecurity services essential for their business operations.

This initiative solidifies the Bank's role as a significant partner in SME development, providing them with the tools, expertise, and support needed to thrive in a competitive market.

Furthermore, in line with its strategy to deliver exceptional banking services, the Bank introduced the Elite Exclusive Program, a premium offering tailored to high-net-worth clients. Unveiled during an exclusive ceremony in Salalah, this Program offers a wide range of privileges, including 24/7 access to dedicated relationship managers, exclusive wealth management services, and comprehensive insurance coverage.

Members receive a Visa Elite Exclusive metal card, granting access to premium global lounges, luxury hotel upgrades, and yacht programs with credit balances of up to EUR 5,000. Elite clients also enjoy discounts on Michelin-starred dining experiences, chauffeur services, and villa rentals, underscoring the exclusivity and luxury of this invitation-only membership.

Additionally, Alizz Islamic Bank further expanded its physical presence by opening a new branch in Wilayat Ibri and launching its first Smart Branch in Wilayat Bawshar. The latter is equipped with cutting-edge technologies, including Self-Service Machines and smart banking solutions, allowing customers to perform transactions more efficiently.

STRATEGIC COLLABORATIONS & PARTNERSHIPS

In Q3 2024, the Bank strengthened its commitment to empowering communities, supporting entrepreneurship, and nurturing national talent through key partnerships and initiatives.



As part of its focus on fostering economic development, the Bank entered a collaboration with the “Badir” Fund – managed by the Arab Fund for Economic and Social Development – to support SMEs in Oman. This strategic partnership leverages the expertise of both the Bank and the Badir Fund to enhance entrepreneurial ventures and expand business opportunities.

The Bank also renewed its commitment to the professional development of Omani nationals by partnering with the National Hospitality Institute. This collaboration aims to upskill students and job seekers, preparing them for careers in Oman’s rapidly growing tourism and hospitality sector.

In another impactful initiative, Alizz Islamic Bank launched the ‘Aziz & Aziza’ financial education series, targeting children. The series was developed in partnership with the Ministry of Finance’s National Program for Financial Sustainability and Financial Sector Development, ‘Estidama,’ and Oman’s first children’s magazine, Murshid. This initiative aligns with the Bank’s mission to raise financial awareness from an early age and instil sound financial habits among the younger generation.

DEVELOPMENT OF HUMAN RESOURCES

In its ongoing commitment to enhancing the skills and competencies of its workforce, the Bank has successfully delivered 86 distinct courses in physical and online formats, benefiting a total of 1,800 participants. These courses were meticulously crafted to address a broad spectrum of topics, including leadership, sales, customer service, and other banking-related subjects. By offering such a comprehensive range of training programmes, the Bank aims to elevate the proficiency and expertise of its employees in their respective fields. Each course was designed with a focus on practical application, ensuring that participants could immediately implement what they learned in their daily roles. This initiative not only underscores the Bank’s dedication to professional development but also reinforces its commitment to maintaining a highly skilled and knowledgeable workforce capable of delivering exceptional service and achieving the highest standards of performance in the banking industry.

Aligned with our dedication to Corporate Social Responsibility, the Bank has bolstered its support for the academic community by offering 90 internship opportunities to college students and recent graduates. These internships have been instrumental in providing participants with practical, hands-on experience, thereby effectively bridging the gap between academic knowledge and professional application.

In the third quarter, our Talent Experience Department launched a series of initiatives aimed at boosting employee well-being, fostering community, and promoting recognition across the Bank.



In July, we kicked off “Happy Thursday,” an initiative designed to bring a positive end to the workweek, promoting relaxation and camaraderie among employees. Additionally, we introduced the Employee Engagement Survey to gather valuable insights on how we can further improve the workplace environment. Branch visits were also conducted to strengthen the connection between our employees in various locations and the Talent Experience team.

August saw a highlight with the Long Service Award event, where we honoured employees who have shown dedication and commitment to the Bank over the years. Another significant event was Khareef Salalah, a celebration that gave our employees a chance to engage in fun, community-driven activities while enjoying the beauty of Salalah during the Khareef season in the Headquarters. Continued branch visits ensured that all employees felt connected and appreciated.

These initiatives reflect our ongoing commitment to creating a vibrant, supportive, and engaging workplace culture.

In Q3, the Talent Com, Benefits & Services department continued the effort with the ‘Idikar’ programme to enhance financial well-being. We have seen strong interest from our staff to be part of this exclusive scheme, which offers attractive returns even at a smaller level of contribution.

The department implemented process automation to enhance operational efficiency, ensuring that employees enjoy a seamless experience when submitting any applications, allowing services to be completed in a short time. This accomplishment not only highlights the team’s dedication to meeting goals but also reflects their commitment to enhancing employee services and support.

COMMUNITY ENGAGEMENT

The Bank maintained its commitment to social responsibility in Q3 2024 through various community initiatives focusing on education, entrepreneurship, and empowerment.

As part of its ongoing efforts to support entrepreneurship, the Bank organised a series of workshops in Wilayat Sohar. These workshops, under the Bank’s SME development training programme, provided entrepreneurs with essential skills in financial literacy, strategic planning, marketing, human resources, and sustainability practices. Participants also had opportunities to network with large corporations, enhancing collaboration and access to investment opportunities. This initiative aligns with the Bank’s “Tumohi” program, which offers technical support and advanced financial services, including a dedicated digital platform tailored for entrepreneurs.

In line with its mission to foster financial literacy among young people, the Bank hosted school visits to the Bank’s Kids Branch at its Headquarters. These visits gave students hands-on exposure to real-world banking, with groups simulating various banking roles and activities,



such as opening accounts, issuing chequebooks, and learning about long-term financial planning. The immersive experience encouraged a deeper understanding of financial responsibility and introduced students to the fundamentals of entrepreneurship.

Additionally, Alizz Islamic Bank collaborated with the Ministry of Social Development and the Cyber Knowledge Institute to empower job seekers from social welfare families. As part of the “Alizz Cares” initiative, the Bank facilitated the training of 10 individuals to work as dental assistants, including development in financial and soft skills, reinforcing the Bank’s belief that individual empowerment leads to societal prosperity.

CONCLUDING THOUGHTS

As we look back on the progress achieved during the third quarter, we extend our heartfelt appreciation to our shareholders, customers, and employees for their continued trust and loyalty. Your unwavering support fuels our drive to deliver exceptional service, foster innovation, and achieve new milestones.

We are equally grateful to the Central Bank of Oman, the Financial Services Authority, and other government institutions for their ongoing support and commitment to strengthening the financial sector. Their collaborative efforts and strategic guidance remain essential to our journey of growth and resilience.

Above all, we express our profound gratitude to His Majesty Sultan Haitham bin Tarik for his visionary leadership and dedication to Oman’s advancement. His enduring support and guidance inspire us to contribute meaningfully to the nation’s progress and ensure sustainable growth for future generations.


Sincerely,

Rashad Al Zubair
Chairman of Board of Directors

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

	Note	Consolidated		Parent Company		
		Unaudited	Audited	Unaudited	Unaudited	Unaudited
					Restated	Restated
		30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23	1-Jan-23
		RO'000	RO'000	RO'000	RO'000	RO'000
Cash and balances with central bank	3	179,929	151,581	112,729	84,685	31,034
Due from banks	4	90,215	130,125	45,346	124,068	48,161
Loans, advances and financing to customers	5	3,464,950	3,274,724	2,409,200	2,306,160	2,164,984
Investment securities	6	371,518	326,561	284,342	253,644	268,426
Investment in subsidiary		-	-	132,459	125,291	117,316
Property and equipment		40,284	43,096	35,207	37,394	35,659
Intangible assets	7	6,357	6,590	-	-	-
Other assets	8	100,080	86,326	65,925	53,696	55,454
Total assets		4,253,333	4,019,003	3,085,208	2,984,938	2,721,034
Due to banks	9	43,114	32,228	33,413	32,228	59,101
Customer deposits	10	3,546,418	3,357,417	2,408,705	2,343,619	2,089,284
Other liabilities	11	121,303	107,146	101,831	87,097	71,114
Taxation		9,193	5,236	7,939	5,236	3,412
Total liabilities		3,720,028	3,502,027	2,551,888	2,468,180	2,222,911
Share capital		166,941	166,941	166,941	166,941	166,941
Share premium		36,565	36,565	36,565	36,565	36,565
Legal reserve		50,551	50,551	48,707	48,707	47,506
General reserve		25,560	25,560	25,560	25,560	25,560
Special reserve		3,837	3,837	3,837	3,837	3,837
Fair value reserve		150	(1,075)	(118)	(1,343)	(3,428)
Impairment reserve		9,130	9,130	9,130	9,130	9,130
Retained earnings		94,321	79,217	96,448	81,111	73,209
Shareholders' equity		387,055	370,726	387,070	370,508	359,320
Perpetual Tier 1 capital bonds	12	146,250	146,250	146,250	146,250	138,803
Total equity		533,305	516,976	533,320	516,758	498,123
Total equity and liabilities		4,253,333	4,019,003	3,085,208	2,984,938	2,721,034
Net assets value per share (RO)	24 (b)	0.232	0.222	0.232	0.222	0.215
Contingent liabilities and commitments	23	380,941	437,849	243,128	302,171	272,193

The financial statements were authorised on 10 November 2024 for issue in accordance with a resolution of the Board of Directors and signed by:



Chairman



Director



Chief Executive Officer

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

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Note	Consolidated (Unaudited)			
		Nine months ended		Three months ended	
		30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
		RO'000	RO'000	RO'000	RO'000
Interest income	13	120,805	107,506	41,734	38,104
Interest expense	14	(67,166)	(53,095)	(24,378)	(19,537)
Net interest income		53,639	54,411	17,356	18,567
Income from Islamic financing and investing activities		51,698	45,014	18,456	16,138
Profit paid on participatory deposits and banks		(31,087)	(24,931)	(10,885)	(9,233)
Net income from Islamic financing and investing activities	15	20,611	20,083	7,571	6,905
Net fee and commission income	16	14,691	13,970	4,719	4,119
Net income from investment securities	17	369	230	147	38
Other operating income	18	5,374	3,192	1,260	1,296
Total income		94,684	91,886	31,053	30,925
Operating expenses	19	(54,582)	(54,051)	(18,467)	(18,255)
Net allowances for credit losses		(15,685)	(16,460)	(3,216)	(5,054)
Profit before tax		24,417	21,375	9,370	7,616
Income tax expense		(3,889)	(3,508)	(1,564)	(1,290)
Net Profit for the period		20,528	17,867	7,806	6,326
Other comprehensive income / (loss)					
Items that will not be reclassified to profit or loss in the subsequent periods					
- Equity investment at FVOCI – net change in fair value		(36)	129	(36)	(104)
Items that are or may be reclassified to profit or loss in the subsequent periods					
- Debt investment at FVOCI – net change in fair value		1,261	47	1,261	(752)
Other comprehensive income / (loss) for the period		1,225	176	1,225	(856)
Total comprehensive income for the period – net of tax		21,753	18,043	9,031	5,470
Earnings per share:					
Basic and diluted (RO)	24 (a)	0.009	0.008	0.005	0.004

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

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

		Parent Company (Unaudited)			
		Nine months ended		Three months ended	
		30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
			Restated		Restated
	Note	RO'000	RO'000	RO'000	RO'000
Interest income	13	120,996	107,733	41,752	38,189
Interest expense	14	(67,166)	(53,095)	(24,378)	(19,537)
Net interest income		53,830	54,638	17,374	18,652
Net fee and commission income	16	11,473	10,537	3,762	3,068
Net income from investment securities	17	279	189	133	38
Other operating income	18	2,759	2,719	884	1,131
Share of profit from subsidiary		6,929	6,008	2,686	2,253
Total income		75,270	74,091	24,839	25,142
Operating expenses	19	(39,915)	(39,998)	(13,426)	(13,527)
Net allowances for credit losses		(11,959)	(13,604)	(2,471)	(4,319)
Profit before tax		23,396	20,489	8,942	7,296
Income tax expense		(2,635)	(2,389)	(1,041)	(892)
Net Profit for the period		20,761	18,100	7,901	6,404
Other comprehensive income / (loss)					
Items that will not be reclassified to profit or loss in the subsequent periods					
- Equity investment at FVOCI – net change in fair value		46	68	(39)	(56)
Items that are or may be reclassified to profit or loss in the subsequent periods					
- Debt investment at FVOCI – net change in fair value		940	55	1,212	(738)
Share of OCI from subsidiary		239	53	219	(62)
Other comprehensive income / (loss) for the period		1,225	176	1,392	(856)
Total comprehensive income for the period – net of tax		21,986	18,276	9,293	5,548
Earnings per share:					
Basic and diluted (RO)	24 (a)	0.009	0.008	0.005	0.004

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

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Share capital	Share premium	Legal reserve	General reserve	Special reserve	Fair value reserve	Impairment reserve	Retained earnings	Sub total	Perpetual Tier 1 capital bonds	Total
Consolidated (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balance at 1 January 2023	166,941	36,565	48,570	25,560	3,837	(3,160)	9,130	71,355	358,798	138,803	497,601
Net Profit for the period	-	-	-	-	-	-	-	17,867	17,867	-	17,867
Unrealised gain on FVOCI investments	-	-	-	-	-	176	-	-	176	-	176
Total comprehensive income	-	-	-	-	-	176	-	17,867	18,043	-	18,043
Additional Tier 1 capital bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on Perpetual Tier 1 capital bonds	-	-	-	-	-	-	-	(5,265)	(5,265)	-	(5,265)
At 30 September 2023	166,941	36,565	48,570	25,560	3,837	(2,984)	9,130	83,957	371,576	138,803	510,379
	Share capital	Share premium	Legal reserve	General reserve	Special reserve	Fair value reserve	Impairment reserve	Retained earnings	Sub total	Perpetual Tier 1 capital bonds	Total
Consolidated (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balance at 1 January 2024	166,941	36,565	50,551	25,560	3,837	(1,075)	9,130	79,217	370,726	146,250	516,976
Net Profit for the period	-	-	-	-	-	-	-	20,528	20,528	-	20,528
Unrealised gain on FVOCI investments	-	-	-	-	-	1,225	-	-	1,225	-	1,225
Total comprehensive income	-	-	-	-	-	1,225	-	20,528	21,753	-	21,753
Additional Tier 1 capital bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on Perpetual Tier 1 capital bonds	-	-	-	-	-	-	-	(5,424)	(5,424)	-	(5,424)
At 30 September 2024	166,941	36,565	50,551	25,560	3,837	150	9,130	94,321	387,055	146,250	533,305

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

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Share capital	Share premium	Legal reserve	General reserve	Special reserve	Fair value reserve	Impairment reserve	Retained earnings	Sub total	Perpetual Tier 1 capital bonds	Total
Parent Company (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balance at 1 January 2023	166,941	36,565	47,506	25,560	3,837	(3,110)	9,130	62,719	349,148	138,803	487,951
Impact of change in accounting policy	-	-	-	-	-	(318)	-	10,490	10,172	-	10,172
Restated balance at 1 January 2023	166,941	36,565	47,506	25,560	3,837	(3,428)	9,130	73,209	359,320	138,803	498,123
Net Profit for the period (restated)	-	-	-	-	-	-	-	18,100	18,100	-	18,100
Unrealised gain on FVOCI investments	-	-	-	-	-	176	-	-	176	-	176
Total comprehensive income	-	-	-	-	-	176	-	18,100	18,276	-	18,276
Additional Tier 1 capital bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on Perpetual Tier 1 capital bonds	-	-	-	-	-	-	-	(5,265)	(5,265)	-	(5,265)
At 30 September 2023 (restated)	166,941	36,565	47,506	25,560	3,837	(3,252)	9,130	86,044	372,331	138,803	511,134

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

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

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	Notes	Consolidated		Parent Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
		RO'000	RO'000	RO'000	RO'000
Operating activities:					
Profit before tax		24,417	21,375	23,396	20,489
Adjustments:					
Share of profit from Subsidiary		-	-	(6,929)	(6,008)
Depreciation	19	6,804	6,675	5,561	5,794
Amortization	19	233	233	-	-
Net impairment for credit losses		15,685	16,460	11,959	13,604
Dividend income	17	(347)	(204)	(265)	(163)
Changes in fair value of financial assets at FVTPL	17	(14)	(26)	(14)	(26)
Operating cashflow before working capital changes		46,778	44,513	33,708	33,690
Loans, advances and financing to customers		(210,042)	(278,498)	(115,248)	(205,684)
Due from banks		3,850	10,000	15,400	10,000
Due to banks		10,886	51,443	1,185	38,758
Other assets		(16,023)	(11,443)	(13,759)	471
Customer deposits		189,001	205,894	65,086	117,756
Other liabilities		15,747	20,880	15,494	11,848
Cash generated from operation activities		40,197	42,789	1,866	6,839
Tax paid		-	467	-	467
Net cash from operating activities		40,197	43,256	1,866	7,306
Investing activities:					
Purchase of investments		(181,188)	(6,301)	(148,772)	(2,100)
Proceeds from sale/maturities of investments		137,316	15,680	118,972	15,487
Purchase of property and equipment		(2,867)	(2,971)	(2,249)	(2,456)
Dividend Income	17	347	204	265	163
Net cash from / (used in) investing activities		(46,392)	6,612	(31,784)	11,094
Financing activities:					
Interest on Perpetual Tier 1 capital bonds		(5,424)	(5,265)	(5,424)	(5,265)
Net cash used in financing activities		(5,424)	(5,265)	(5,424)	(5,265)
Net increase / (decrease) in cash and cash equivalents		(11,619)	44,603	(35,342)	13,135
Cash and cash equivalents at the beginning of the period		280,796	142,595	192,947	68,727
Cash and cash equivalents at the end of the period	20	269,177	187,198	157,605	81,862
Operational cash flows from interest					
Interest and financing income received		148,995	126,560	118,126	108,389
Interest and profit paid		(79,025)	(74,702)	(58,173)	(47,238)

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



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

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

The consolidated financial statements as at and for the period ended 30 September 2024 comprises the results of the Parent Company and Al Izz Islamic Bank (AIB) (the Subsidiary).

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

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1. Basis of preparation

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

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

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

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

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

The unaudited condensed consolidated and separate interim financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Bank's annual consolidated and separate financial statements as at and for the year ended 31 December 2023. In addition, results of the Bank for the period ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year 2024.



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.2. Change in accounting policies and disclosures

The accounting policies are consistent with those used in the previous financial year except for where the Parent Company and Group has adopted certain new standards, amendments and interpretations to IFRS. During the period, the Bank has voluntarily changed an accounting policy with respect to investment in subsidiary in separate financial statement. The change is related with accounting policy of the Bank for investment in subsidiary from cost method to equity method of accounting. This amendment has been applied retrospectively. Details of the restatement are set out in note 29.

2.3. Use of judgements and estimates

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

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

2.4. New standards, implementations and amendments in existing standards

The accounting policies adopted in the preparation of the condensed consolidated and separate interim financial statements are consistent with those followed in the preparation of the Bank's annual consolidated and separate financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have a material impact on the condensed consolidated and separate interim financial statements of the Bank. The above amendments are effective from 1 January 2024.

3. CASH AND BALANCES WITH CENTRAL BANK

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO' 000	RO' 000	RO' 000	RO' 000
Cash in hand	27,905	26,850	22,500	21,085
Balances with the Central Bank of Oman:				
- Clearing account	104,799	105,611	43,529	63,100
- Placements	46,200	18,095	46,200	-
- Capital deposit	1,025	1,025	500	500
Total	179,929	151,581	112,729	84,685

- (i) The capital deposit cannot be withdrawn without the approval of the Central Bank of Oman. The capital deposit earns an annual interest at 1.5% as at September 2024 (31 December 2023:1.5%) for the Parent Company. The CBO does not pay any interest to the Islamic Banks in Oman; therefore, no such interest was earned by the Subsidiary during the period.
- (ii) Cash and balances with Central Bank is classified under stage 1 as per IFRS 9. However, there are no expected credit losses and hence no provision has been recognised.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

4. DUE FROM BANKS

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO' 000	RO' 000	RO' 000	RO' 000
Placements	60,704	102,168	19,894	98,718
Current accounts	29,569	28,072	25,482	25,444
Due from banks and other money market placements	90,273	130,240	45,376	124,162
Less: allowance for credit losses	(58)	(115)	(30)	(94)
Total	90,215	130,125	45,346	124,068

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

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO' 000	RO' 000	RO' 000	RO' 000
Balance at the beginning of the period	115	36	94	32
Charge / (release) during the period	(57)	79	(64)	62
Balance at the end of the period	58	115	30	94

5. LOANS, ADVANCES AND FINANCING TO CUSTOMERS

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO' 000	RO' 000	RO' 000	RO' 000
Term loans	1,599,436	1,487,851	1,599,436	1,487,851
Overdrafts	122,837	117,947	122,837	117,947
Bills discounted	14,920	15,482	14,920	15,482
Islamic finance	643,119	585,132	-	-
Corporate loans	2,380,312	2,206,412	1,737,193	1,621,280
Consumer loans	461,968	452,531	461,968	452,531
Mortgage loans	387,647	390,423	387,647	390,423
Overdrafts	6,180	4,141	6,180	4,141
Credit cards	12,587	11,071	12,587	11,071
Islamic finance	463,280	428,408	-	-
Retail loans	1,331,662	1,286,574	868,382	858,166
Gross loans, advances and financing to customers	3,711,974	3,492,986	2,605,575	2,479,446
Allowance for credit losses	190,608	174,347	146,075	133,552
Contractual interest not recognised	56,416	43,915	50,300	39,734
Less: allowance for credit losses and suspended interest	(247,024)	(218,262)	(196,375)	(173,286)
Net loans, advances and financing to customers	3,464,950	3,274,724	2,409,200	2,306,160

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**
5. LOANS, ADVANCES AND FINANCING TO CUSTOMERS

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

Consolidated Unaudited	Allowance for credit losses	Contractual interest not recognised	Total
2024	RO' 000	RO' 000	RO' 000
Balance at 1 January 2024	174,347	43,915	218,262
Provided during the period	25,615	16,308	41,923
Amounts written off and net transfer from / (to) memorandum portfolio	315	(1,308)	(993)
Amounts released / recovered during the period	(9,669)	(2,499)	(12,168)
Balance at 30 September 2024	190,608	56,416	247,024
2023	RO' 000	RO' 000	RO' 000
Balance at 1 January 2023	149,712	29,924	179,636
Provided during the period	24,160	13,419	37,579
Amounts written off and net transfer from / (to) memorandum portfolio	(390)	(1,754)	(2,144)
Amounts released / recovered during the period	(7,693)	(1,881)	(9,574)
Balance at 30 September 2023	165,789	39,708	205,497

Parent Company Unaudited	Allowance for credit losses	Contractual interest not recognised	Total
2024	RO' 000	RO' 000	RO' 000
Balance at 1 January 2024	133,552	39,734	173,286
Provided during the period	20,121	14,373	34,494
Amounts written off and net transfer from / (to) memorandum portfolio	315	(1,308)	(993)
Amounts released / recovered during the period	(7,913)	(2,499)	(10,412)
Balance at 30 September 2024	146,075	50,300	196,375
2023	RO' 000	RO' 000	RO' 000
Balance at 1 January 2023	111,978	25,833	137,811
Provided during the period	20,222	13,416	33,638
Amounts written off and net transfer from / (to) memorandum portfolio	(390)	(1,754)	(2,144)
Amounts released / recovered during the period	(6,652)	(1,881)	(8,533)
Balance at 30 September 2023	125,158	35,614	160,772



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

5. LOANS, ADVANCES AND FINANCING TO CUSTOMERS

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO' 000	RO' 000	RO' 000	RO' 000
Performing loans, advances and financings	3,488,984	3,286,439	2,432,891	2,319,854
Allowance for the credit losses on performing loans	93,834	75,319	74,277	60,637
Non-performing loans, advances and financings on which interest was not accrued	222,990	206,547	172,684	159,592
Allowance for the credit losses on non-performing loans	153,190	142,943	122,098	112,649

The analysis of the Islamic financing activities is as follows:

	Corporate	Retail	Total
	RO'000	RO'000	RO'000
30 September 2024 (Unaudited)			
Musharaka	330,001	288,032	618,033
Murabaha	69,741	70,172	139,913
Ijarah Muntahia Bittamleek	50,910	100,178	151,088
Wakala	192,467	2,000	194,467
Others	-	2,898	2,898
Balance at 30 September 2024	643,119	463,280	1,106,399
31 December 2023 (Audited)			
Musharaka	282,466	252,957	535,423
Murabaha	58,578	63,330	121,908
Ijarah Muntahia Bittamleek	55,842	107,280	163,122
Wakala	188,149	2,000	190,149
Others	97	2,841	2,938
Balance at 31 December 2023	585,132	428,408	1,013,540



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

6. INVESTMENT SECURITIES

	Consolidated		Parent Company	
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO'000	RO'000	RO'000	RO'000
- Banking and investment sector	270	266	270	266
Quoted investments – Oman	270	266	270	266
- Banking and investment sector	202	192	202	192
Quoted investments – Foreign	202	192	202	192
Investments measured at FVTPL	472	458	472	458
- Banking and investment sector	4,481	2,400	4,481	2,400
- Manufacturing sector	263	224	263	224
- Service sector	2,285	1,823	606	599
Quoted investments – Oman	7,029	4,447	5,350	3,223
- Service sector	-	75	-	-
Quoted investments – Foreign	-	75	-	-
- Service sector	194	194	194	194
Unquoted investments – Oman	194	194	194	194
Equity investments measured at FVOCI	7,223	4,716	5,544	3,417
- Government Sukuk	54,386	48,337	-	-
- Government Development Bonds (GDBs)	36,484	36,125	36,484	36,125
- Corporate Bonds	58,213	29,346	27,050	24,138
Debt investments measured at FVOCI	149,083	113,808	63,534	60,263
Investments measured at FVOCI	156,306	118,524	69,078	63,680
- Government Development Bonds (GDBs)	167,860	177,097	167,860	177,097
- Government Sukuk	-	18,095	-	-
-T-bills	34,584	-	34,584	-
Quoted investments – Oman	202,444	195,192	202,444	177,097
- Corporate Bonds	12,638	12,667	12,638	12,667
Quoted investments – Foreign	12,638	12,667	12,638	12,667
Investments measured at amortized cost	215,082	207,859	215,082	189,764
Total financial investments	371,860	326,841	284,632	253,902
Less: allowance for credit losses	(342)	(280)	(290)	(258)
Net financial investments	371,518	326,561	284,342	253,644



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

6. INVESTMENT SECURITIES

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

Consolidated	Level 1	Level 2	Level 3	Total
30 September 2024 (Unaudited)	RO'000	RO'000	RO'000	RO'000
- Quoted investments	472	-	-	472
Investment measured at FVTPL	472	-	-	472
- Quoted investments	5,350	-	-	5,350
- Unquoted investments	-	-	194	194
Equity investment measured at FVOCI	5,350	-	194	5,544
- Quoted investments	63,534	85,549	-	149,083
Debt investments measured at FVOCI	63,534	85,549	-	149,083
Consolidated	Level 1	Level 2	Level 3	Total
31 December 2023 (Audited)	RO'000	RO'000	RO'000	RO'000
- Quoted investments	458	-	-	458
Investment measured at FVTPL	458	-	-	458
- Quoted investments	4,522	-	-	4,522
- Unquoted investments	-	-	194	194
Equity investment measured at FVOCI	4,522	-	194	4,716
- Quoted investments	60,263	53,545	-	113,808
Debt investments measured at FVOCI	60,263	53,545	-	113,808
Parent Company	Level 1	Level 2	Level 3	Total
30 September 2024 (Unaudited)	RO'000	RO'000	RO'000	RO'000
- Quoted investments	472	-	-	472
Investment measured at FVTPL	472	-	-	472
- Quoted investments	5,350	-	-	5,350
- Unquoted investments	-	-	194	194
Equity investment measured at FVOCI	5,350	-	194	5,544
- Quoted investments	63,534	-	-	63,534
Debt investments measured at FVOCI	63,534	-	-	63,534
Parent Company	Level 1	Level 2	Level 3	Total
31 December 2023 (Audited)	RO'000	RO'000	RO'000	RO'000
- Quoted investments	458	-	-	458
Investment measured at FVTPL	458	-	-	458
- Quoted investments	3,223	-	-	3,223
- Unquoted investments	-	-	194	194
Equity investment measured at FVOCI	3,223	-	194	3,417
- Quoted investments	60,263	-	-	60,263
Debt investments measured at FVOCI	60,263	-	-	60,263



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

7. INTANGIBLE ASSETS

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

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

8. OTHER ASSETS

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO'000	RO'000	RO'000	RO'000
Customers' indebtedness against acceptances	15,002	11,883	15,002	11,883
Fees receivable	2,502	1,465	2,502	1,465
Interest receivable	52,582	47,530	21,514	18,644
Prepayments	3,824	2,404	2,568	1,352
Positive fair value of derivatives	3,830	5,360	3,830	5,360
Deferred tax asset	-	739	-	-
Others	22,340	16,945	20,509	14,992
Total	100,080	86,326	65,925	53,696

Others include repossessed properties of RO 3.9 million (31 December 2023 – RO 3.1 million) which will be sold as soon as practicable.

9. DUE TO BANKS

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO'000	RO'000	RO'000	RO'000
Current accounts	14,149	3,300	14,149	3,300
Borrowings	28,965	28,928	19,264	28,928
Total	43,114	32,228	33,413	32,228

10. CUSTOMER DEPOSITS

	Consolidated		Parent Company	
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO'000	RO'000	RO'000	RO'000
Term deposits	1,696,689	1,913,732	1,212,741	1,355,637
Demand and call accounts	1,257,734	918,772	789,692	645,256
Saving accounts	591,995	524,913	406,272	342,726
Total	3,546,418	3,357,417	2,408,705	2,343,619



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

11. OTHER LIABILITIES

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO'000	RO'000	RO'000	RO'000
Liabilities against acceptances	15,002	11,883	15,002	11,883
Interest payable	47,210	38,676	37,826	28,833
Accrued expenses and other payables	28,568	25,159	26,035	22,433
Cheques and trade settlement payable	7,421	3,801	4,746	3,025
Staff end of service benefits	784	1,002	784	706
Interest and commission received in advance	4,422	4,319	4,422	4,319
Negative fair value of derivatives	4,655	5,895	4,655	5,895
Deferred tax liability	44	112	44	112
Provision for loan commitments, financial guarantees and acceptances	3,370	3,636	3,122	3,339
Others	2,792	5,107	2	1,136
Lease liabilities	7,035	7,556	5,193	5,416
Total	121,303	107,146	101,831	87,097

12. PERPETUAL TIER 1 CAPITAL BONDS

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

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

The Tier 1 bonds constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 bonds do not have a fixed or final maturity date and are redeemable by the Bank at its sole discretion. The bond issued in 2021 has First Call date on 4 June 2026 or on any interest payment date thereafter subject to the prior consent of the regulatory authority. The bond issued in 2018 has First Call date on 16 October 2028 or on any interest reset date thereafter subject to the prior consent of the regulatory authority.

On 17 October 2023, the bank has fully redeemed the previously issued unsecured perpetual Tier 1 bonds amounting to RO 42.5 million.


**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**
13. INTEREST INCOME

	Consolidated (Unaudited)				Parent Company (Unaudited)			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Loans and advances	106,704	95,079	36,559	34,180	106,704	95,079	36,559	34,180
Investment securities	10,478	10,382	3,800	3,399	10,478	10,382	3,800	3,399
Placements with banks	3,623	2,045	1,375	525	3,814	2,272	1,393	610
Total	120,805	107,506	41,734	38,104	120,996	107,733	41,752	38,189

14. INTEREST EXPENSE

	Consolidated (Unaudited)				Parent Company (Unaudited)			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Customer deposits	65,006	49,680	23,616	18,404	65,006	49,680	23,616	18,404
Bank borrowings	1,984	3,303	708	1,080	1,984	3,303	708	1,080
Interest cost on lease liabilities	176	112	54	53	176	112	54	53
Total	67,166	53,095	24,378	19,537	67,166	53,095	24,378	19,537

15. NET INCOME FROM ISLAMIC FINANCING

	Consolidated (Unaudited)				Parent Company (Unaudited)			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Income from Islamic financing and investing activities								
Islamic financing receivables	47,271	41,476	16,790	14,728	-	-	-	-
Islamic due from banks	1,412	1,175	542	593	-	-	-	-
Islamic investment	3,015	2,363	1,124	817	-	-	-	-
Total income from Islamic financing	51,698	45,014	18,456	16,138	-	-	-	-
Profit paid on participatory deposits and banks								
Islamic customers' deposits	30,393	23,735	10,688	8,759	-	-	-	-
Islamic bank borrowings	694	1,196	197	474	-	-	-	-
Total expense from Islamic financing	31,087	24,931	10,885	9,233	-	-	-	-
Net Income from Islamic financing and investing activities	20,611	20,083	7,571	6,905	-	-	-	-


**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**
16. NET FEE AND COMMISSION INCOME

	Consolidated				Parent Company			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Fee and commission income	23,331	21,410	7,847	6,912	19,500	17,434	6,654	5,661
Fee and commission expense	(8,640)	(7,440)	(3,128)	(2,793)	(8,027)	(6,897)	(2,892)	(2,593)
Total	14,691	13,970	4,719	4,119	11,473	10,537	3,762	3,068

17. NET INCOME FROM INVESTMENT SECURITIES

	Consolidated				Parent Company			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Fair value changes	14	26	12	(4)	14	26	12	(4)
Profit/(loss) on sale of amortized cost investments	8	-	3	-	-	-	-	-
Dividend income	347	204	132	42	265	163	121	42
Total	369	230	147	38	279	189	133	38

18. OTHER OPERATING INCOME

	Consolidated				Parent Company			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Exchange income	3,661	2,926	1,257	1,075	2,753	2,453	881	910
Other income	1,713	266	3	221	6	266	3	221
Total	5,374	3,192	1,260	1,296	2,759	2,719	884	1,131

19. OPERATING EXPENSES

	Consolidated				Parent Company			
	Nine months ended		Three months ended		Nine months ended		Three months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23	30-Sep-23	30-Sep-23
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Staff costs	32,974	32,421	11,244	11,165	22,745	23,024	7,671	7,963
Other operating expenses	14,305	14,494	5,052	4,781	11,418	11,027	3,855	3,646
Depreciation	6,804	6,675	1,979	2,155	5,561	5,794	1,811	1,867
Amortization	233	233	78	78	-	-	-	-
Directors' remuneration	266	228	114	76	191	153	89	51
Total	54,582	54,051	18,467	18,255	39,915	39,998	13,426	13,527



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

20. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Company	
	Unaudited	Unaudited	Unaudited	Unaudited
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RO'000	RO'000	RO'000	RO'000
Cash and balances with the Central Bank of Oman (CBO) (note 3)	179,929	140,849	112,729	64,604
Due from banks (note 4)	90,273	47,374	45,376	17,758
Restricted deposits included under balances with the CBO	(1,025)	(1,025)	(500)	(500)
Total	269,177	187,198	157,605	81,862

21. ASSETS LIABILITIES GAP

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

Consolidated	Assets	Liabilities	Gap	Cumulative Gap
	RO'000	RO'000	RO'000	RO'000
30 September 2024 (Unaudited)				
0-3 months	945,950	847,893	98,057	98,057
3-12 months	461,118	945,857	(484,739)	(386,682)
1-5 years	1,251,040	1,251,374	(334)	(387,016)
More than 5 years	1,595,225	674,904	920,321	533,305
Total	4,253,333	3,720,028	533,305	
31 December 2023 (Audited)				
0-3 months	655,551	459,775	195,776	195,776
3-12 months	422,208	1,158,134	(735,926)	(540,150)
1-5 years	1,140,053	922,540	217,513	(322,637)
More than 5 years	1,801,191	961,578	839,613	516,976
Total	4,019,003	3,502,027	516,976	

Parent Company	Assets	Liabilities	Gap	Cumulative Gap
	RO'000	RO'000	RO'000	RO'000
30 September 2024 (Unaudited)				
0-3 months	758,257	714,821	43,436	43,436
3-12 months	272,006	719,535	(447,529)	(404,093)
1-5 years	850,169	659,394	190,775	(213,318)
More than 5 years	1,204,776	458,138	746,638	533,320
Total	3,085,208	2,551,888	533,320	
31 December 2023 (Audited)				
0-3 months	521,131	356,807	164,324	164,324
3-12 months	250,127	911,372	(661,245)	(496,921)
1-5 years	771,801	425,425	346,376	(150,545)
More than 5 years	1,423,732	774,576	649,156	498,611
Total	2,966,791	2,468,180	498,611	



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

22. RELATED PARTY TRANSACTIONS

(a) Technical and administrative services with major shareholders

During the period ended 30 September 2024, the cost of technical and administrative services provided by Arab Bank Plc amounted to RO 61,584 (30 September 2023: RO 53,602).

(b) Other related party transactions

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

Consolidated	Major	Others	Total
	shareholders		
30 September 2024 (Unaudited)	RO'000	RO'000	RO'000
Loans and advances	23,667	186,459	210,126
Customers' deposits	1,036	44,414	45,450
Due from banks	20,864	-	20,864
Other assets	-	-	-
Due to banks	7,537	-	7,537
Stand by line of credit	57,750	-	57,750
Letters of credit, guarantees and acceptances	76,612	4,390	81,002
31 December 2023 (Audited)	RO'000	RO'000	RO'000
Loans and advances	28,667	155,187	183,854
Customers' deposits	2,512	32,334	34,846
Due from banks	41,155	22	41,177
Other assets	-	345	345
Due to banks	7,032	-	7,032
Stand by line of credit	57,750	-	57,750
Letters of credit, guarantees and acceptances	76,049	2,425	78,474

Parent Company	Subsidiary	Major	Others	Total
		shareholders		
30 September 2024 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Loans and advances	-	23,667	152,813	176,480
Customers' deposits	-	1,036	38,980	40,016
Due from banks	-	20,864	-	20,864
Other asset	-	-	-	-
Due to banks	-	7,537	-	7,537
Stand by line of credit	-	57,750	-	57,750
Letters of credit, guarantees and acceptances	-	76,612	4,390	81,002
31 December 2023 (Audited)	RO'000	RO'000	RO'000	RO'000
Loans and advances	-	28,667	123,335	152,002
Customers' deposits	-	2,512	27,309	29,821
Due from banks	15,400	41,155	-	56,555
Other asset	-	-	-	-
Due to banks	-	7,032	-	7,032
Stand by line of credit	-	57,750	-	57,750
Letters of credit, guarantees and acceptances	-	76,049	2,425	78,474



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

22. RELATED PARTY TRANSACTIONS

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

Consolidated	Subsidiary	Major shareholders	Others	Total
30 September 2024 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Interest and commission income	-	1,838	7,287	9,125
Interest expense	-	758	870	1,628
30 September 2023 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Interest and commission income	-	1,498	6,980	8,478
Interest expense	-	(978)	(825)	(1,803)
Parent Company	Subsidiary	Major shareholders	Others	Total
30 September 2024 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Interest and commission income	191	1,838	6,330	8,359
Interest expense	-	758	754	1,512
30 September 2024 (Unaudited)	RO'000	RO'000	RO'000	RO'000
Interest and commission income	227	1,498	5,472	7,197
Interest expense	-	(978)	(825)	(1,803)



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

23. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Letters of credit and guarantees

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

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

The outstanding contract value or the notional amounts of these instruments at 30 September 2024 were as follows:

	Consolidated		Parent Company	
	Unaudited 30-Sep-24	Audited 31-Dec-23	Unaudited 30-Sep-24	Audited 31-Dec-23
	RO'000	RO'000	RO'000	RO'000
Letters of credit	184,501	207,602	88,211	105,457
Guarantees	140,003	179,214	98,480	145,681
Financial guarantees	56,437	51,033	56,437	51,033
Total	380,941	437,849	243,128	302,171

Letters of credit and guarantees amounting to RO 112,711 thousand (31 December 2023: 168,028 thousand) were counter guaranteed by other banks in the Parent Company. As of reporting date the subsidiary has no material letters of credit and guarantees that were counter guaranteed by other banks.

The allowances for credit losses for commitments and financial guarantees is included under note 11.

As at 30 September 2024, the unutilised commitment of facilities of RO 430,868 thousand (Consolidated), RO 386,961 thousand (Parent Company); [(31 December 2023 RO 419,340 thousand (Consolidated), RO 399,537 thousand (Parent Company))].

As at 30 September 2024, contingent liabilities include RO 3,868 thousand (Consolidated), RO 3,831 thousand (Parent Company); [31 December 2023 RO 5,734 thousand (Consolidated), RO 5,629 thousand (Parent Company)] relating to non-performing loans.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

24. EARNINGS PER SHARE/ NET ASSETS PER SHARE

(a) Basic and diluted earnings per share

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

	Consolidated (Unaudited)			
	Nine months ended		Three months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RO'000	RO'000	RO'000	RO'000
Profit for the period	20,528	17,867	7,806	6,326
Less: Interest distribution of Perpetual Tier 1 capital bonds	(5,424)	(5,265)	-	-
Profit / (loss) for the period attributable to shareholders	15,104	12,602	7,806	6,326
Weighted average number of shares outstanding during the period	1,669,410,000	1,669,410,000	1,669,410,000	1,669,410,000
Basic earnings / (loss) per share (RO)	0.009	0.008	0.005	0.004
	Parent Company (Unaudited)			
	Nine months ended		Three months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RO'000	RO'000	RO'000	RO'000
Profit for the period	20,761	18,100	7,901	6,404
Less: Interest distribution of Perpetual Tier 1 capital bonds	(5,424)	(5,265)	-	-
Profit / (loss) for the period attributable to shareholders	15,337	12,835	7,901	6,404
Weighted average number of shares outstanding during the period	1,669,410,000	1,669,410,000	1,669,410,000	1,669,410,000
Basic earnings / (loss) per share (RO)	0.009	0.008	0.005	0.004
Weighted average number of shares outstanding				
1 January 2024 to 30 September 2024				1,669,410,000
Weighted average as at 31 December 2023				1,669,410,000

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

(b) Net assets value per share

The calculation of net assets per share is based on net assets as at 30 September 2024 attributable to ordinary shareholders of RO 166,941 million (31 December 2023: RO 166,941 million) and on 1,669,410,000 ordinary shares (31 December 2023 – 1,669,410,000 ordinary shares) being the number of shares outstanding as at 30 September 2024.

	Consolidated		Parent Company	
	Unaudited	Audited	Unaudited	Audited
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
Shareholders' equity (RO'000)	387,055	370,726	387,070	370,508
Number of shares (in thousands)	1,669,410	1,669,410	1,669,410	1,669,410
Net assets value per share (RO)	0.232	0.222	0.232	0.222



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

25. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

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

	Consolidated (Unaudited)							
	30-Sep-24				30-Sep-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Exposure at default	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
- Loans and Advances to Customers including interest receivables	2,973,146	564,974	222,990	3,761,110	2,790,604	593,345	200,842	3,584,791
- Investment Securities (Debt)	364,165	-	-	364,165	317,871	-	-	317,871
- Loan Commitments, financial guarantees and acceptances	734,584	88,359	3,868	826,811	652,139	108,267	6,273	766,679
- Due from Banks, Central Banks and Other Financial Assets	90,273	-	-	90,273	47,383	-	-	47,383
Exposure subject to ECL	4,162,168	653,333	226,858	5,042,359	3,807,997	701,612	207,115	4,716,724
Movement of ECL								
- Loans and Advances to Customers including interest receivables	9,641	59,745	104,961	174,347	9,768	55,212	84,732	149,712
- Investment Securities (Debt)	280	-	-	280	239	-	-	239
- Loan Commitments, financial guarantees and acceptances	482	72	3,082	3,636	426	101	3,160	3,687
- Due from Banks, Central Banks and Other Financial Assets	115	-	-	115	36	-	-	36
Opening balance as at 1 January	10,518	59,817	108,043	178,378	10,469	55,313	87,892	153,674
- Loans and Advances to Customers including interest receivables	(2,285)	(2,078)	4,363	-	(19,546)	13,300	6,246	-
- Investment Securities (Debt)	-	-	-	-	-	-	-	-
- Loan Commitments, financial guarantees and acceptances	(24)	24	-	-	(47)	12	35	-
- Due from Banks, Central Banks and Other Financial Assets	-	-	-	-	-	-	-	-
Net transfer between stages	(2,309)	(2,054)	4,363	-	(19,593)	13,312	6,281	-
- Loans and Advances to Customers including interest receivables	1,879	16,917	(2,850)	15,946	19,123	(8,337)	5,681	16,467
- Investment Securities (Debt)	62	-	-	62	24	-	-	24
- Loan Commitments, financial guarantees and acceptances	(45)	(18)	(203)	(266)	60	(35)	(85)	(60)
- Due from Banks, Central Banks and Other Financial Assets	(57)	-	-	(57)	29	-	-	29
Charge for the period (net)	1,839	16,899	(3,053)	15,685	19,236	(8,372)	5,596	16,460
Write Off								
- Loans and Advances to Customers including interest receivables	9,235	74,584	106,789	190,608	9,345	60,175	96,269	165,789
- Investment Securities (Debt)	342	-	-	342	263	-	-	263
- Loan Commitments, financial guarantees and acceptances	413	78	2,879	3,370	439	78	3,110	3,627
- Due from Banks, Central Banks and Other Financial Assets	58	-	-	58	65	-	-	65
Closing balance as at 30 September	10,048	74,662	109,668	194,378	10,112	60,253	99,379	169,744



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

25. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

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

	Parent Company (Unaudited)							
	30-Sep-24				30-Sep-23			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Exposure at default								
- Loans and Advances to Customers including interest receivables	2,031,948	419,011	172,684	2,623,643	1,940,169	438,128	156,728	2,535,025
- Investment Securities (Debt)	278,616	-	-	278,616	250,709	-	-	250,709
- Loan Commitments, financial guarantees and acceptances	554,012	87,248	3,831	645,091	502,799	106,265	5,596	614,660
- Due from Banks, Central Banks and Other Financial Assets	45,376	-	-	45,376	17,758	-	-	17,758
Exposure subject to ECL	2,909,952	506,259	176,515	3,592,726	2,711,435	544,393	162,324	3,418,152
Movement of ECL								
- Loans and Advances to Customers including interest receivables	6,886	47,966	78,700	133,552	6,324	45,522	60,132	111,978
- Investment Securities (Debt)	258	-	-	258	237	-	-	237
- Loan Commitments, financial guarantees and acceptances	305	33	3,001	3,339	201	67	2,950	3,218
- Due from Banks, Central Banks and Other Financial Assets	94	-	-	94	32	-	-	32
Opening balance as at 1 January	7,543	47,999	81,701	137,243	6,794	45,589	63,082	115,465
- Loans and Advances to Customers including interest receivables	(900)	(1,991)	2,891	-	(15,727)	10,795	4,932	-
- Investment Securities (Debt)	-	-	-	-	-	-	-	-
- Loan Commitments, financial guarantees and acceptances	(24)	24	-	-	(12)	12	-	-
- Due from Banks, Central Banks and Other Financial Assets	-	-	-	-	-	-	-	-
Net transfer between stages	(924)	(1,967)	2,891	-	(15,739)	10,807	4,932	-
- Loans and Advances to Customers including interest receivables	99	13,204	(1,095)	12,208	15,363	(8,291)	6,498	13,570
- Investment Securities (Debt)	32	-	-	32	4	-	-	4
- Loan Commitments, financial guarantees and acceptances	(57)	(18)	(142)	(217)	44	(42)	23	25
- Due from Banks, Central Banks and Other Financial Assets	(64)	-	-	(64)	5	-	-	5
Charge for the period (net)	10	13,186	(1,237)	11,959	15,416	(8,333)	6,521	13,604
Write Off			315	315	-	-	(390)	(390)
- Loans and Advances to Customers including interest receivables	6,085	59,179	80,811	146,075	5,960	48,026	71,172	125,158
- Investment Securities (Debt)	290	-	-	290	241	-	-	241
- Loan Commitments, financial guarantees and acceptances	224	39	2,859	3,122	233	37	2,973	3,243
- Due from Banks, Central Banks and Other Financial Assets	30	-	-	30	37	-	-	37
Closing balance as at 30 September	6,629	59,218	83,670	149,517	6,471	48,063	74,145	128,679

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

25. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

(b) Impairment charge and provisions held:

	Consolidated (Unaudited)					
	30-Sep-24			30-Sep-23		
	As per CBO Norms	As per IFRS 9	Difference	As per CBO Norms	As per IFRS 9	Difference
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Impairment loss charged to profit or loss account ¹	15,685	15,685	-	16,460	16,460	-
Provisions required as per CBO norms/held as per IFRS 9 ¹	206,304	194,378	(11,926)	168,603	169,744	1,141
Gross NPL ratio ²		6.01%			5.69%	
Net NPL ratio ²		2.01%			2.08%	

	Parent Company (Unaudited)					
	30-Sep-24			30-Sep-23		
	As per CBO Norms	As per IFRS 9	Difference	As per CBO Norms	As per IFRS 9	Difference
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Impairment loss charged to profit or loss account ¹	11,959	11,959	-	13,604	13,604	-
Provisions required as per CBO norms/held as per IFRS 9 ¹	162,774	149,517	(13,257)	129,926	128,679	(1,247)
Gross NPL ratio ²		6.63%			6.23%	
Net NPL ratio ²		2.04%			2.31%	

1. Impairment loss and provisions held include unallocated provision.

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



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

25. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

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

Consolidated								
Asset Classification as per CBO Norms	Asset classification as per IFRS 9	Gross Amount RO'000	Provision required as per CBO Norms RO'000	Provision held as per IFRS 9 RO'000	Difference between CBO provision required and provision held RO'000	Reserve interest as per CBO norms RO'000	Net Amount as per CBO norms ¹ RO'000	Net Amount as per IFRS 9 RO'000
30 September 2024 (Unaudited)		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	2,972,009	35,403	9,228	26,175	-	2,936,606	2,962,781
	Stage 2	221,570	2,237	10,402	(8,165)	-	219,333	211,168
	Stage 3	-	-	-	-	-	-	-
	Sub-total	3,193,579	37,640	19,630	18,010	-	3,155,939	3,173,949
Special Mention	Stage 1	1,137	19	7	12	-	1,118	1,130
	Stage 2	343,404	38,720	64,182	(25,462)	10,015	294,669	269,207
	Stage 3	-	-	-	-	-	-	-
	Sub-total	344,541	38,739	64,189	(25,450)	10,015	295,787	270,337
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	5,556	1,290	1,480	(190)	374	3,892	3,702
	Sub-total	5,556	1,290	1,480	(190)	374	3,892	3,702
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	17,166	5,800	4,450	1,350	1,135	10,231	11,581
	Sub-total	17,166	5,800	4,450	1,350	1,135	10,231	11,581
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	200,268	122,820	100,859	21,961	44,892	32,556	54,517
	Sub-total	200,268	122,820	100,859	21,961	44,892	32,556	54,517
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,189,022	-	813	(813)	-	1,189,022	1,188,209
	Stage 2	88,359	-	78	(78)	-	88,359	88,281
	Stage 3	3,868	15	2,879	(2,864)	-	3,853	989
	Sub-total	1,281,249	15	3,770	(3,755)	-	1,281,234	1,277,479
Total	Stage 1	4,162,168	35,422	10,048	25,374	-	4,126,746	4,152,120
	Stage 2	653,333	40,957	74,662	(33,705)	10,015	602,361	568,656
	Stage 3	226,858	129,925	109,668	20,257	46,401	50,532	70,789
	Total	5,042,359	206,304	194,378	11,926	56,416	4,779,639	4,791,565



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

25. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

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

Consolidated								
Asset Classification as per CBO Norms	Asset classification as per IFRS 9	Gross Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Reserve interest as per CBO norms	Net Amount as per CBO norms¹	Net Amount as per IFRS 9
31 December 2023 (Audited)		RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	2,759,648	33,407	9,289	24,118	-	2,726,241	2,750,359
	Stage 2	221,053	2,233	8,483	(6,250)	-	218,820	212,570
	Stage 3	-	-	-	-	-	-	-
	Sub-total	2,980,701	35,640	17,772	17,868	-	2,945,061	2,962,929
Special Mention	Stage 1	21,956	192	351	(159)	-	21,764	21,605
	Stage 2	328,118	29,141	51,264	(22,123)	5,932	293,045	270,922
	Stage 3	-	-	-	-	-	-	-
	Sub-total	350,074	29,333	51,615	(22,282)	5,932	314,809	292,527
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	7,658	1,877	2,429	(552)	201	5,580	5,028
	Sub-total	7,658	1,877	2,429	(552)	201	5,580	5,028
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	17,559	7,740	7,060	680	1,836	7,983	8,663
	Sub-total	17,559	7,740	7,060	680	1,836	7,983	8,663
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	181,330	109,998	95,471	14,527	35,946	35,386	49,913
	Sub-total	181,330	109,998	95,471	14,527	35,946	35,386	49,913
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,241,950	-	878	(878)	-	1,241,950	1,241,072
	Stage 2	88,695	-	70	(70)	-	88,695	88,625
	Stage 3	5,734	91	3,083	(2,992)	-	5,643	2,651
	Sub-total	1,336,379	91	4,031	(3,940)	-	1,336,288	1,332,348
Total	Stage 1	4,023,554	33,599	10,518	23,081	-	3,989,955	4,013,036
	Stage 2	637,866	31,374	59,817	(28,443)	5,932	600,560	572,117
	Stage 3	212,281	119,706	108,043	11,663	37,983	54,592	66,255
	Total	4,873,701	184,679	178,378	6,301	43,915	4,645,107	4,651,408



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

25. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

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

Parent Company								
Asset Classification as per CBO Norms	Asset classification as per IFRS 9	Gross Amount RO'000	Provision required as per CBO Norms RO'000	Provision held as per IFRS 9 RO'000	Difference between CBO provision required and provision held RO'000	Reserve interest as per CBO norms RO'000	Net Amount as per CBO norms ¹ RO'000	Net Amount as per IFRS 9 RO'000
30 September 2024 (Unaudited)		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	2,030,811	25,708	6,078	19,630	-	2,005,103	2,024,733
	Stage 2	159,660	1,580	3,894	(2,314)	-	158,080	155,766
	Stage 3	-	-	-	-	-	-	-
	Sub-total	2,190,471	27,288	9,972	17,316	-	2,163,183	2,180,499
Special Mention	Stage 1	1,137	19	7	12	-	1,118	1,130
	Stage 2	259,351	37,834	55,285	(17,451)	9,013	212,504	195,053
	Stage 3	-	-	-	-	-	-	-
	Sub-total	260,488	37,853	55,292	(17,439)	9,013	213,622	196,183
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	3,149	755	861	(106)	124	2,270	2,164
	Sub-total	3,149	755	861	(106)	124	2,270	2,164
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	7,897	2,740	2,201	539	396	4,761	5,300
	Sub-total	7,897	2,740	2,201	539	396	4,761	5,300
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	161,638	94,138	77,749	16,389	40,767	26,733	43,122
	Sub-total	161,638	94,138	77,749	16,389	40,767	26,733	43,122
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	878,004	-	544	(544)	-	878,004	877,460
	Stage 2	87,248	-	39	(39)	-	87,248	87,209
	Stage 3	3,831	-	2,859	(2,859)	-	3,831	972
	Sub-total	969,083	-	3,442	(3,442)	-	969,083	965,641
Total	Stage 1	2,909,952	25,727	6,629	19,098	-	2,884,225	2,903,323
	Stage 2	506,259	39,414	59,218	(19,804)	9,013	457,832	438,028
	Stage 3	176,515	97,633	83,670	13,963	41,287	37,595	51,558
	Total	3,592,726	162,774	149,517	13,257	50,300	3,379,652	3,392,909



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

25. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

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

Parent Company								
Asset Classification as per CBO Norms	Asset classification as per IFRS 9	Gross Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Reserve interest as per CBO norms	Net Amount as per CBO norms ¹	Net Amount as per IFRS 9
31 December 2023 (Audited)		RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
		(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6) = (1)-(2)-(5)	(7) = (1)-(3)-(5)
Standard	Stage 1	1,913,110	24,500	6,535	17,965	-	1,888,610	1,906,575
	Stage 2	158,761	1,592	4,524	(2,932)	-	157,169	154,237
	Stage 3	-	-	-	-	-	-	-
	Sub-total	2,071,871	26,092	11,059	15,033	-	2,045,779	2,060,812
Special Mention	Stage 1	21,956	192	351	(159)	-	21,764	21,605
	Stage 2	241,477	28,273	43,442	(15,169)	5,785	207,419	192,250
	Stage 3	-	-	-	-	-	-	-
	Sub-total	263,433	28,465	43,793	(15,328)	5,785	229,183	213,855
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	1,302	317	503	(186)	38	947	761
	Sub-total	1,302	317	503	(186)	38	947	761
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	14,243	6,512	6,113	399	1,714	6,017	6,416
	Sub-total	14,243	6,512	6,113	399	1,714	6,017	6,416
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	144,047	84,126	72,084	12,042	32,197	27,724	39,766
	Sub-total	144,047	84,126	72,084	12,042	32,197	27,724	39,766
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	995,745	-	657	(657)	-	995,745	995,088
	Stage 2	86,406	-	33	(33)	-	86,406	86,373
	Stage 3	5,629	-	3,001	(3,001)	-	5,629	2,628
	Sub-total	1,087,780	-	3,691	(3,691)	-	1,087,780	1,084,089
Total	Stage 1	2,930,811	24,692	7,543	17,149	-	2,906,119	2,923,268
	Stage 2	486,644	29,865	47,999	(18,134)	5,785	450,994	432,860
	Stage 3	165,221	90,955	81,701	9,254	33,949	40,317	49,571
	Total	3,582,676	145,512	137,243	8,269	39,734	3,397,430	3,405,699

1. The CBO regulations require that the allowance for credit losses should be in accordance with IFRS 9 and if the provision requirements as per the CBO guidelines are higher than IFRS 9, the difference, net of tax, needs to be transferred to the "Impairment Reserve" as an appropriation from net profit after tax. There were no transfers to the impairment reserve during the nine-month period ended in 30 September 2024.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

25. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

(d) Restructured loans:

Consolidated								
Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Reserve interest as per CBO norms	Net Amount as per CBO norms	Net Amount as per IFRS 9
		RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
30 September 2024 (Unaudited)		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	58,489	632	746	(114)	-	57,857	57,743
	Stage 2	372,887	31,996	54,591	(22,595)	8,381	332,510	309,915
	Stage 3	-	-	-	-	-	-	-
	Sub-total	431,376	32,628	55,337	(22,709)	8,381	390,367	367,658
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	91,301	55,375	48,128	7,247	16,880	19,046	26,293
	Sub-total	91,301	55,375	48,128	7,247	16,880	19,046	26,293
Total	Stage 1	58,489	632	746	(114)	-	57,857	57,743
	Stage 2	372,887	31,996	54,591	(22,595)	8,381	332,510	309,915
	Stage 3	91,301	55,375	48,128	7,247	16,880	19,046	26,293
	Total	522,677	88,003	103,465	(15,462)	25,261	409,413	393,951
31 December 2023 (Audited)								
		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	77,983	759	1,148	(389)	-	77,224	76,835
	Stage 2	382,395	24,604	46,388	(21,784)	5,092	352,699	330,915
	Stage 3	-	-	-	-	-	-	-
	Sub-total	460,378	25,363	47,536	(22,173)	5,092	429,923	407,750
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	77,370	47,373	42,850	4,523	11,607	18,390	22,913
	Sub-total	77,370	47,373	42,850	4,523	11,607	18,390	22,913
Total	Stage 1	77,983	759	1,148	(389)	-	77,224	76,835
	Stage 2	382,395	24,604	46,388	(21,784)	5,092	352,699	330,915
	Stage 3	77,370	47,373	42,850	4,523	11,607	18,390	22,913
	Total	537,748	72,736	90,386	(17,650)	16,699	448,313	430,663



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

25. CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

(d) Restructured loans:

Parent Company								
Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Reserve interest as per CBO norms	Net Amount as per CBO norms	Net Amount as per IFRS 9
		RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
30 September 2024 (Unaudited)		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	15,030	172	78	94	-	14,858	14,952
	Stage 2	274,387	30,961	44,512	(13,551)	7,379	236,047	222,496
	Stage 3	-	-	-	-	-	-	-
	Sub-total	289,417	31,133	44,590	(13,457)	7,379	250,905	237,448
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	69,472	45,209	40,124	5,085	14,861	9,402	14,487
	Sub-total	69,472	45,209	40,124	5,085	14,861	9,402	14,487
Total	Stage 1	15,030	172	78	94	-	14,858	14,952
	Stage 2	274,387	30,961	44,512	(13,551)	7,379	236,047	222,496
	Stage 3	69,472	45,209	40,124	5,085	14,861	9,402	14,487
	Total	358,889	76,342	84,714	(8,372)	22,240	260,307	251,935
31 December 2023 (Audited)		RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
		(1)	(2)	(3)	(4) = (2)-(3)	(7)	(8)=(1)-(2)-(7)	(9)=(1)-(3)-(7)
Classified as performing	Stage 1	23,485	205	342	(137)	-	23,280	23,143
	Stage 2	260,287	23,374	35,604	(12,230)	4,945	231,968	219,738
	Stage 3	-	-	-	-	-	-	-
	Sub-total	283,772	23,579	35,946	(12,367)	4,945	255,248	242,881
Classified as non-performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	62,517	40,337	36,041	4,296	10,686	11,494	15,790
	Sub-total	62,517	40,337	36,041	4,296	10,686	11,494	15,790
Total	Stage 1	23,485	205	342	(137)	-	23,280	23,143
	Stage 2	260,287	23,374	35,604	(12,230)	4,945	231,968	219,738
	Stage 3	62,517	40,337	36,041	4,296	10,686	11,494	15,790
	Total	346,289	63,916	71,987	(8,071)	15,631	266,742	258,671



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

26. CAPITAL MANAGEMENT

The Bank's objectives of capital management are:

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

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

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

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

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

The capital adequacy of the Bank is as follows:

	Consolidated		Parent Company	
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
	RO'000	RO'000	RO'000	RO'000
Common Equity Tier 1 (CET 1)	348,426	347,289	231,231	231,231
Additional Tier 1	143,850	143,850	143,850	143,850
Tier 1 capital	492,276	491,139	375,081	375,081
Tier 2 capital	21,968	27,358	17,636	23,320
Total regulatory capital	514,244	518,497	392,717	398,401
Credit risk	3,035,102	2,872,616	2,124,161	2,092,426
Market risk	47,050	39,138	34,375	29,500
Operational risk	221,298	221,734	167,175	167,175
Total risk weighted assets	3,303,450	3,133,488	2,325,711	2,289,101
Capital adequacy ratio %	15.57%	16.55%	16.89%	17.40%
CET 1 ratio	10.55%	11.08%	9.94%	10.10%
Tier 1 Capital ratio	14.90%	15.67%	16.13%	16.39%



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

27. SEGMENT INFORMATION

The Bank mainly operates in only one geographical location, the Sultanate of Oman. The Bank has, however, earned interest income and incurred interest expenses on account of money market placements and borrowings with banks outside the Sultanate of Oman as of 30 September 2024.

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

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

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

Cash and balances with the Central Bank of Oman, Certificate of Deposits, due from banks, property and equipment and other assets are unallocated assets. No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the Bank's total revenue in 2024 or 2023.

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


**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**
27. SEGMENT INFORMATION

Consolidated	Retail	Corporate	Treasury	Others	Islamic Banking	Total
30 September 2023 (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Net interest income	21,631	33,457	(677)	-	-	54,411
Net income from Islamic financing	-	-	-	-	20,083	20,083
Net fees, commission and other operating income	5,334	6,364	1,747	-	3,947	17,392
Share of Profit from Subsidiary	-	-	-	-	-	-
Total operating income	26,965	39,821	1,070	-	24,030	91,886
Operating expenses	(23,813)	(14,838)	(1,347)	(233)	(13,820)	(54,051)
Net allowances for credit losses	597	(14,192)	(9)	-	(2,856)	(16,460)
Tax expenses	(582)	(1,818)	11	-	(1,119)	(3,508)
Profit / (Loss) for the period	3,167	8,973	(275)	(233)	6,235	17,867
Assets	838,657	1,515,347	336,695	104,065	1,188,090	3,982,854
Liabilities	655,000	1,552,040	97,859	96,491	1,071,085	3,472,475

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

Parent Company	Retail	Corporate	Treasury	Others	Islamic Banking	Total
30 September 2023 (Unaudited)	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Net interest income	21,631	33,457	(450)	-	-	54,638
Net fees, commission and other operating income	5,334	6,364	1,747	-	-	13,445
Share of Profit from Subsidiary	-	-	-	6,008	-	6,008
Total operating income	26,965	39,821	1,297	6,008	-	74,091
Operating expenses	(23,813)	(14,838)	(1,347)	-	-	(39,998)
Net allowances for credit losses	597	(14,192)	(9)	-	-	(13,604)
Tax expenses	(582)	(1,818)	11	-	-	(2,389)
Profit / (Loss) for the period	3,167	8,973	(48)	6,008	-	18,100
Assets	838,657	1,516,397	460,072	97,398	-	2,912,524
Liabilities	655,000	1,552,040	97,859	96,491	-	2,401,390



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024

28. PROPOSED DIVIDEND

The Board of Directors had recommended dividend of 6 baiza per share in the form of mandatory convertible bonds (MCBs) aggregating up to RO 10 million which was approved by the Central Bank of Oman. The same was approved by the shareholders of the Bank at the Annual General Meeting which was held on 28 March 2024. The MCBs will be issued subsequent to the quarter end.

29. PRIOR YEARS ADJUSTMENTS

The effects of change in policy has been made by restating each of the affected financial statement line items in the separate financial statements for the prior periods, as follows:

Statement of financial position At 1 January 2023	Originally reported	Effect of prior years' adjustments	As Restated
	RO' 000	RO' 000	RO' 000
Assets			
Investment in subsidiary	107,144	10,172	117,316
Total assets	2,710,862	10,172	2,721,034
Equity			
Fair value reserve	(3,110)	(318)	(3,428)
Retained earnings	62,719	10,490	73,209
Total equity	349,148	10,172	359,320
Total equity and liabilities	2,710,862	10,172	2,721,034

Statement of financial position At 31 December 2023	Originally reported	Effect of prior years' adjustments	As Restated
	RO' 000	RO' 000	RO' 000
Assets			
Investment in subsidiary	107,144	18,147	125,291
Total assets	2,966,791	18,147	2,984,938
Equity			
Fair value reserve	(1,198)	(145)	(1,343)
Retained earnings	62,819	18,292	81,111
Total equity	352,361	18,147	370,508
Total equity and liabilities	2,966,791	18,147	2,984,938

Statement of comprehensive income For the nine months period ended 30 September 2023	Originally reported	Effect of prior years' adjustments	As Restated
	RO' 000	RO' 000	RO' 000
Share of results of subsidiary	-	6,008	6,008
Profit before income tax	14,481	6,008	20,489
Profit for the year	12,092	6,008	18,100
Share of OCI from subsidiary	-	53	53
Other comprehensive income / (expense) for the year	123	53	176
Total comprehensive income for the year	12,215	6,061	18,276



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2024**

30. COMPARATIVE FIGURES

Certain comparative figures for 2023 have been restated/reclassified to conform to the presentation for the current period. Please refer note 29 for more details on the restated figures.

31. SUBSEQUENT EVENTS

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