

**BANK NIZWA SAOG**

**CONDENSED INTERIM FINANCIAL INFORMATION**

**31 MARCH 2025 (UN-AUDITED)**

**Registered office and principal place of business:**

Beach one Building  
Shatti Al Qurum  
P.O. Box 1423  
Postal Code 133  
Muscat  
Sultanate of Oman

**CONDENSED INTERIM FINANCIAL INFORMATION**  
*31 MARCH 2025 (UN-AUDITED)*

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# BANK NIZWA SAOG

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

31 March 2025 (Un-audited)

	Notes	Un-audited 31 March 2025 RO'000	Un-audited 31 March 2024 RO'000	Audited 31 December 2024 RO'000
<b>Assets</b>				
Cash and balances with Central Bank of Oman	3	50,134	53,308	59,480
Due from banks and financial institutions	4	4,615	7,766	18,308
Inter-bank Wakala investments – net	5	3,852	22,673	23,645
Sales receivables and other receivables – net	6	339,012	285,392	306,586
Investment securities	7	201,951	155,976	193,644
Musharaka financing – net	8	618,622	500,771	595,595
Ijara Muntahia Bittamleek – net	10	201,654	223,302	206,057
Wakala Bel Istithmar – net	9	444,678	385,328	450,376
Other assets		28,465	23,378	24,011
Property and equipment – net		5,232	5,395	4,255
Intangible assets		5,258	3,591	4,871
<b>Total assets</b>		<b>1,903,473</b>	<b>1,666,880</b>	<b>1,886,828</b>
<b>Liabilities, quasi- equity and owners' equity</b>				
<b>Liabilities</b>				
Customers' accounts		246,342	232,199	226,329
Other liabilities		60,674	36,614	51,836
<b>Total liabilities</b>		<b>307,016</b>	<b>268,813</b>	<b>278,165</b>
<b>Quasi- Equity</b>				
Participatory investment accounts	11	1,335,593	1,147,080	1,345,662
<b>Owners' equity</b>				
Paid-up capital	13	220,011	220,011	220,011
Share premium		2,091	2,091	2,091
Investment fair value reserve		(4,022)	(1,037)	(3,001)
Legal reserve		9,538	7,727	9,538
Impairment reserve		150	150	150
Retained earnings		23,097	22,045	24,213
Mandatory convertible sukuk	25	9,999	-	9,999
<b>Total owners' equity</b>		<b>260,864</b>	<b>250,987</b>	<b>263,001</b>
<b>Total liabilities, quasi- equity and owners' equity</b>		<b>1,903,473</b>	<b>1,666,880</b>	<b>1,886,828</b>
<b>Net assets value per share</b>	16 (b)	<b>0.112</b>	<b>0.112</b>	<b>0.113</b>
<b>Contingent liabilities and commitments</b>	17	<b>408,861</b>	<b>387,577</b>	<b>426,210</b>

The condensed interim financial information was approved by the Board of Directors on 29 April 2025 and signed on their behalf by:

Khalid Bin Abdullah Al Khalili  
Chairman of Board

Majid Bin Ali Al Maamari  
Vice Chairman of Board

# BANK NIZWA SAOG

## CONDENSED INTERIM STATEMENT OF INCOME

31 March 2025 (Un-audited)

	Notes	<i>Un-audited</i> <i>Three months</i> <i>ended</i> <b>31 March</b> <b>2025</b> <b>RO'000</b>	<i>Un-audited</i> <i>Three months</i> <i>ended</i> <b>31 March</b> <b>2024</b> <b>RO'000</b>
Sales receivables and other receivables revenue		<b>4,047</b>	3,757
Ijara Muntahia Bittamleek and Ijara assets revenue		<b>2,526</b>	2,798
Profit from Wakala Bil Istethmar		<b>6,251</b>	5,299
Profit from Musharaka Financing		<b>9,207</b>	7,470
Profit from inter-bank Wakala investments		<b>172</b>	261
Profit from financial assets at fair value through equity		<b>2,622</b>	2,459
<b>Income from jointly financed investments and receivables</b>		<b>24,825</b>	22,044
Bank's income from its own investments and financing		<b>110</b>	105
Revenue from banking services		<b>2,375</b>	2,375
Foreign exchange gain – net		<b>310</b>	381
<b>Total revenue</b>		<b>27,620</b>	24,905
Staff expenses		<b>(4,182)</b>	(3,796)
Operating expenses	14	<b>(2,191)</b>	(2,252)
Depreciation and amortization		<b>(741)</b>	(698)
<b>Total expenses</b>		<b>(7,114)</b>	(6,746)
<b>Profit for the period before provisions and tax</b>		<b>20,506</b>	18,159
Impairment losses		<b>(2,068)</b>	(2,204)
<b>Profit for the period before net income attributable to quasi-equity</b>		<b>18,438</b>	15,955
Less: Net income attributable to quasi-equity		<b>(13,210)</b>	(11,408)
<b>Profit for the period before tax</b>		<b>5,228</b>	4,547
Income tax		<b>(712)</b>	(682)
<b>Net profit for the period</b>		<b>4,516</b>	3,865
<b>Profit per share basic and diluted (RO)</b>	16 (a)	<b>0.002</b>	0.002

# BANK NIZWA SAOG

## CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2025

	31 March 2025 RO'000	31 March 2024 RO'000
<b>Net income for the period</b>	<b>4,516</b>	3,865
<b>Other comprehensive income</b>		
<b>Items that may subsequently be classified to statement of income</b>		
Fair value changes on equity type investments carried at fair value through OCI	(1,006)	(1,235)
Fair value changes on debt type investments carried at fair value through OCI	67	565
Attributable to quasi-equity	(82)	(108)
<b>Total other comprehensive income for the period</b>	<b>(1,021)</b>	(778)
<b>Total comprehensive income</b>	<b>3,495</b>	3,087

## CONDENSED INTERIM STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY FOR THE PERIOD ENDED 31 MARCH 2025

	31 March 2025 RO'000	31 March 2025 RO'000
Net income for the period before net profit attributable to quasi-equity after tax	17,726	15,273
Less: Income not attributable to quasi- equity	(12,619)	(11,929)
Less: Bank's income from its own investments and financing	(110)	(105)
Add: Expenses not attributable to quasi- equity	9,894	9,632
<b>Net income attributable to quasi- equity before Bank's Mudaraba income</b>	<b>14,891</b>	<b>12,871</b>
Less: Mudarib's share	(1,681)	(1,463)
<b>Net income attributable to quasi- equity</b>	<b>13,210</b>	<b>11,408</b>
<b>Other comprehensive income</b>		
<b>Items that may be subsequently classified to statement of income</b>		
Share in the investment fair value reserve attributable to quasi-equity	(82)	(108)
<b>Total other comprehensive income for the period</b>	<b>(82)</b>	<b>(108)</b>
<b>Total income attributable to quasi-equity</b>	<b>13,128</b>	<b>11,300</b>

# BANK NIZWA SAOG

## CONDENSED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

31 March 2025 (Un-audited)

	Paid-up capital	Share premium	Investment fair value reserve	Legal Reserve	Impairment Reserve	Mandatory convertible sukuk	Retained earnings	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Balance at 1 January 2024	220,011	2,091	(259)	7,727	150	-	23,324	253,044
Net profit for the period	-	-	-	-	-	-	3,865	3,865
Other comprehensive income	-	-	(778)	-	-	-	-	(778)
Total comprehensive income for the period			(778)				3,865	3,087
Profit on Mandatory convertible Sukuk	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(5,144)	(5,144)
Balance at 31 March 2024	220,011	2,091	(1,037)	7,727	150	-	22,045	250,987
Balance at 1 April 2024	220,011	2,091	(1,037)	7,727	150	-	22,045	250,987
Net profit for the period	-	-	-	-	-	-	14,245	14,245
Other comprehensive income			(1,964)	-	-	-	-	(1,964)
Total comprehensive income for the period	-	-	(1,964)	-	-	-	14,245	12,281
Transfer to legal reserve	-	-	-	1,811	-	-	(1,811)	-
Transfer to Mandatory convertible sukuk	-	-	-	-	-	9,999	(9,999)	-
Dividend paid	-	-	-	-	-	-	-	-
Profit on Mandatory convertible sukuk	-	-	-	-	-	-	(267)	(267)
Balance as at 31 December 2024	220,011	2,091	(3,001)	9,538	150	9,999	24,213	263,001
<b>Balance at 1 January 2025</b>	<b>220,011</b>	<b>2,091</b>	<b>(3,001)</b>	<b>9,538</b>	<b>150</b>	<b>9,999</b>	<b>24,213</b>	<b>263,001</b>
<b>Net profit for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,516</b>	<b>4,516</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(1,021)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,021)</b>
<b>Total comprehensive income for the period</b>			<b>(1,021)</b>				<b>4,516</b>	<b>3,495</b>
<b>Profit on Mandatory convertible Sukuk</b>						<b>-</b>	<b>(152)</b>	<b>(152)</b>
<b>Dividend paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,480)</b>	<b>(5,480)</b>
<b>Balance at 31 March 2025</b>	<b>220,011</b>	<b>2,091</b>	<b>(4,022)</b>	<b>9,538</b>	<b>150</b>	<b>9,999</b>	<b>23,097</b>	<b>260,864</b>

The Bank does the appropriation of the profit for the year to legal reserve and impairment reserve on an annual basis.

The notes 1 to 25 form an integral part of this condensed interim financial information

# BANK NIZWA SAOG

## CONDENSED INTERIM STATEMENT OF CASH FLOWS

31 March 2025 (Un-audited)

	<i>Un-audited</i> <b>31 March</b> <b>2025</b> <b>RO</b>	<i>Un-audited</i> <b>31 March</b> <b>2024</b> <b>RO</b>
<b>Cash flows from operating activities</b>		
Profit for the period before tax	5,228	4,547
<b>Adjustments for:</b>		
Depreciation and amortization	741	698
Gain on sale of investments	(30)	(10)
Investment income	(2,592)	(2,450)
Impairment losses	2,068	2,204
Profit equalization reserve	-	42
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<u>5,415</u>	<u>5,031</u>
<b>Changes in operating assets and liabilities:</b>		
Increase in sales and other receivables	(32,907)	(12,046)
Decrease in Ijara Muntahia Bittamleek assets	4,693	5,065
Increase in Musharaka financing	(23,298)	(14,214)
Increase in other assets	(4,432)	(4,607)
Increase in customers' current accounts	20,013	13,371
Increase in other liabilities	6,910	(2,333)
<b>Cash used in operating activities</b>	<u>(23,606)</u>	<u>(9,733)</u>
<b>Net cash used in operating activities</b>	<u>(23,606)</u>	<u>(9,733)</u>
<b>Cash flows from investing activities</b>		
Investment in financial assets at fair value through equity	(9,497)	(9,592)
Investment income	2,622	(2,450)
Decrease/ increase in Wakala Bel Istithmar	4,158	(16,320)
Purchase of intangibles assets	(518)	(183)
Inter-bank Wakala investment	(95)	(390)
Purchase of property and equipment	770	(770)
Payment of lease liability payments	564	(440)
<b>Net cash used in investing activities</b>	<u>(1,996)</u>	<u>(30,145)</u>
<b>Cash flows from financing activities</b>		
Decrease/ increase in participatory investment accounts	(12,780)	49,720
Dividends paid	(5,480)	(5,144)
<b>Net cash (used in)/ generated from financing activities</b>	<u>(18,260)</u>	<u>44,576</u>
Net changes in cash and cash equivalents for the period	(43,862)	7,158
Cash and cash equivalents at the beginning of the period	100,911	69,517
<b>Cash and cash equivalents at the end of the period</b>	<u>57,049</u>	<u>76,675</u>
Cash and balances with CBO	50,134	53,308
Capital deposit with CBO	(500)	(500)
Due from banks and financial institutions	4,622	7,768
Inter-bank Wakala Investment less than three months	2,793	16,099
<b>Cash and cash equivalents at the end of the period</b>	<u>57,049</u>	<u>76,675</u>



## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

31 March 2025 (Un-audited)

### 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Bank Nizwa SAOG ("the Bank") was registered in the Sultanate of Oman as a public joint stock company under registration number 1152878 on 15 August 2012. The Bank's shares are listed on the Muscat Stock Exchange "MSX" and its principal place of business is in Muscat, Sultanate of Oman.

The Bank's business operations commenced on 23 December 2012 and it currently operates through 23 branches (March 2024: 22 branches) in the Sultanate under the banking license issued by the CBO on 19 December 2012.

The principal activities of the Bank are opening current, saving and investment accounts, providing Murabaha finance, Ijara financing and other Sharia compliant forms of financing as well as managing investors' money on the basis of Mudaraba in exchange for a profit share or agency in exchange for a fee, and excess profit as incentive providing commercial banking services and other investment activities.

The Bank's activities are regulated by the CBO and supervised by a Sharia Supervisory Board ("SSB") whose role is defined in Bank's Memorandum and Articles of Association.

At 31 March 2025, the Bank had 488 employees (March 2024: 472 employees).

The Bank's registered address is P O Box 1423, Postal Code 133, Muscat, Sultanate of Oman.

### 2 BASIS OF PREPARATION AND PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation and presentation

The condensed interim financial information of the Bank for the three months period ended 31 March 2025 has been prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"), as modified by Central Bank of Oman. In line with the requirement of AAOIFI, for matters that are not covered by AAOIFI standards, the Bank uses guidance from the relevant International Financial Reporting Standards ("IFRS"). Accordingly, the condensed interim financial information has been presented in condensed form in accordance with the guidance provided by FAS 41 – 'Interim Financial Reporting'. The condensed interim financial information do not contain all the information and disclosures required in the financial statements, and should be read in conjunction with the financial statements as at 31 December 2024. In addition, results of the three months period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

#### *Significant accounting policies*

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2024.

#### *Functional currency*

The condensed interim financial information has been presented in Rials Omani (RO) which is the functional currency of the Bank.

#### *Basis of measurement*

The condensed interim financial information has been prepared on historical cost basis, except for the measurement at fair value of certain financial assets carried at fair value through equity.

#### *Judgements and estimates*

The preparation of the interim condensed financial information in conformity with FAS requires management to make judgements, estimates and assumption that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from estimates.

The basis and the methods used for critical accounting estimates and judgments adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2024.

#### *Financial risk management*

The financial risk management objective and policies adopted by the Bank are consistent with those disclosed in the financial statements of the Bank for the year ended 31 December 2024.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

31 March 2025 (Un-audited)

### 3 CASH AND BALANCES WITH CENTRAL BANK OF OMAN

	<i>(Un-audited)</i> <b>31 March</b> <b>2025</b> <b>RO'000</b>	<i>(Un-audited)</i> 31 March 2024 RO'000	<i>(Audited)</i> 31 December 2024 RO'000
Cash in hand	7,181	9,119	8,879
Balances with Central Bank of Oman	42,453	43,689	50,101
Capital deposit with Central Bank of Oman (3.1)	500	500	500
	<u>50,134</u>	<u>53,308</u>	<u>59,480</u>

3.1 The capital deposit with the CBO cannot be withdrawn without prior approval of CBO.

### 4 DUE FROM BANKS AND FINANCIAL INSTITUTIONS

	<i>(Un-audited)</i> <b>31 March</b> <b>2025</b> <b>RO'000</b>	<i>(Un-audited)</i> 31 March 2024 RO'000	<i>(Audited)</i> 31 December 2024 RO'000
Foreign banks – foreign currency	4,622	7,768	18,311
Less: Impairment losses	(7)	(2)	(3)
	<u>4,615</u>	<u>7,766</u>	<u>18,308</u>

### 5 INTER-BANK WAKALA INVESTMENTS-NET

	<i>(Un-audited)</i> <b>31 March</b> <b>2025</b> <b>RO'000</b>	<i>(Un-audited)</i> 31 March 2024 RO'000	<i>(Audited)</i> 31 December 2024 RO'000
Local banks – local currency	3,850	10,000	19,000
Local banks – foreign currency	-	12,644	4,620
Profit receivable	12	53	34
	<u>3,862</u>	<u>22,697</u>	<u>23,654</u>
Less: Impairment losses	(10)	(24)	(9)
	<u>3,852</u>	<u>22,673</u>	<u>23,645</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

31 March 2025 (Un-audited)

### 6 SALES RECEIVABLES AND OTHER RECEIVABLES – NET

31 March 2025 (Un-audited)			
	Jointly-financed	Self-financed	Total
	RO'000	RO'000	RO'000
Sales receivables (Murabaha) – retail	192,583	1,590	194,173
Sales receivables (Murabaha) – corporate	185,716	-	185,716
Istisna receivables – corporate	2,116	-	2,116
Ijara rent receivables - retail	268	-	268
Ijara rent receivables – corporate	449	-	449
Credit card receivables	3,983	-	3,983
<b>Gross sales receivables and other receivables</b>	<b>385,115</b>	<b>1,590</b>	<b>386,705</b>
Less:			
Deferred profit	(34,096)	(170)	(34,266)
Less: Impairment losses	(13,206)	(13)	(13,219)
Less: Reserved profit	(206)	(2)	(208)
<b>Net sales receivables and other receivables</b>	<b>337,607</b>	<b>1,405</b>	<b>339,012</b>

  

31 March 2024 (Un-audited)			
	Jointly-financed	Self-financed	Total
	RO'000	RO'000	RO'000
Net sales receivables and other receivables	283,843	1,549	285,392

  

31 December 2024 (Audited)			
	Jointly-financed	Self-financed	Total
	RO'000	RO'000	RO'000
Net sales receivables and other receivables	305,143	1,443	306,586

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

31 March 2025 (Un-audited)

### 7 INVESTMENT SECURITIES

	(Un-audited) 31 March 2025 RO'000	(Un-audited) 31 March 2024 RO'000	(Audited) 31 December 2024 RO'000
Debt instruments measured at FVOCI (note a)	180,015	150,532	170,385
Equity instruments measured at FVOCI (note b)	22,043	5,538	23,381
Total investment before impairment losses	202,058	156,070	193,766
Less: impairment losses	(107)	(94)	(122)
	<u>201,951</u>	<u>155,976</u>	<u>193,644</u>

#### a. DEBT INSTRUMENTS MEASURED THROUGH FVOCI

	(Un-audited) 31 March 2025 RO'000	(Un-audited) 31 March 2024 RO'000	(Audited) 31 December 2024 RO'000
<b>Quoted investments</b>			
Government Sukuk	86,868	120,957	87,755
Corporate Sukuk	20,348	14,183	17,410
<b>Unquoted investments</b>			
Government Sukuk	72,799	15,391	65,220
	<u>180,015</u>	<u>150,531</u>	<u>170,385</u>
Less: impairment losses	(107)	(94)	(122)
	<u>179,908</u>	<u>150,437</u>	<u>170,263</u>

#### b. EQUITY INSTRUMENTS MEASURED THROUGH FVOCI

	(Un-audited) 31 March 2025 RO'000	(Un-audited) 31 March 2024 RO'000	(Audited) 31 December 2024 RO'000
Regional un-listed funds	1,066	1,127	1,065
Regional un-listed shares	189	189	189
Local listed shares	20,788	4,223	22,127
	<u>22,043</u>	<u>5,539</u>	<u>23,381</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

31 March 2025 (Un-audited)

### 7.1 DEBT/EQUITY INSTRUMENTS MEASURED THROUGH FVOCI

	Jointly-financed March 2025 (Un-audited)	
	Cost RO'000	Fair value RO'000
International un-listed Sukuk	59,675	59,674
International listed Sukuk	1,535	1,525
Regional un-listed Sukuk	13,091	13,125
Regional listed Sukuk	958	969
Regional un-listed funds	902	1,066
Regional un-listed shares	296	189
Local rated listed Sukuk	102,503	102,965
Local Unrated listed Sukuk	1,747	1,757
Local listed shares	25,972	20,788
Less: impairment losses	-	(107)
<b>31 March 2025</b>	<b>206,679</b>	<b>201,951</b>
31 March 2024 (Un-audited)	157,258	155,976
31 December 2024 (Audited)	197,284	193,644

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)**
*31 March 2025 (Un-audited)*
**8 MUSHARAKA FINANCING- NET**

	31 March 2025		
	Jointly-financed	Self-financed	Total
	RO'000	RO'000	RO'000
Musharaka financing corporate	431,943	-	431,943
Musharaka financing retail	197,147	4,961	202,108
	629,090	4,961	634,051
Reserved profit	(1,232)	-	(1,232)
Less: Impairment losses	(14,197)	-	(14,197)
<b>Net investment in Musharaka financing</b>	<b>613,661</b>	<b>4,961</b>	<b>618,622</b>

	31 March 2024 ( <i>Un-audited</i> )		
	Jointly-financed	Self-financed	Total
	RO'000	RO'000	RO'000
Net investment in Musharaka financing	496,462	4,309	500,771

	31 December 2024 (audited)		
	Jointly-financed	Self-financed	Total
	RO'000	RO'000	RO'000
Net investment in Musharaka financing	590,808	4,787	595,595

**9 WAKALA BIL ISTETHMAR – NET**

	Jointly-financed		
	31 March 2025	31 March 2024	31 December 2024
	RO'000	RO'000	RO'000
Wakala Bil Istethmar	449,217	387,477	452,425
Profit Receivable	17,579	14,719	18,452
Gross investment in Wakala Bil Istethmar	466,796	402,196	470,877
Reserved profit	(1,033)	(494)	(956)
Less: impairment losses	(21,085)	(16,374)	(19,545)
<b>Net investment in Wakala Bil Istethmar</b>	<b>444,678</b>	<b>385,328</b>	<b>450,376</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

31 March 2025 (Un-audited)

### 10 IJARA MUNTAHIA BITTAMLEEK - NET

31 March 2025 (Un-audited)			
	Jointly-financed	Self-financed	Total
	RO'000	RO'000	RO'000
<b>Real estate</b>			
Cost	256,693	11,707	268,400
Accumulated depreciation	(71,272)	(3,690)	(74,962)
<b>Net book value</b>	<b>185,421</b>	<b>8,017</b>	<b>193,438</b>
<b>Equipment</b>			
Cost	17,709	-	17,709
Accumulated depreciation	(8,818)	-	(8,818)
<b>Net book value</b>	<b>8,891</b>	<b>-</b>	<b>8,891</b>
Total Cost	274,402	11,707	286,109
Accumulated depreciation	(80,090)	(3,690)	(83,780)
<b>Net book value before impairment losses</b>	<b>194,312</b>	<b>8,017</b>	<b>202,329</b>
Less: impairment losses	(675)	-	(675)
<b>Net book value after impairment losses</b>	<b>193,637</b>	<b>8,017</b>	<b>201,654</b>

31 March 2024 (Un-audited)			
	Jointly-financed	Self-financed	Total
	RO'000	RO'000	RO'000
Total Cost	291,741	12,561	304,302
Accumulated depreciation	(76,315)	(3,595)	(79,910)
Net book value before impairment losses	215,426	8,966	224,392
Less: impairment losses	(1,077)	(13)	(1,090)
Net book value after impairment losses	214,349	8,953	223,302

31 December 2024 (Audited)			
	Jointly-financed	Self-financed	Total
	RO'000	RO'000	RO'000
Total Cost	277,131	11,790	288,921
Accumulated depreciation	(78,262)	(3,637)	(81,899)
Net book value before impairment losses	198,869	8,153	207,022
Less: impairment losses	(965)	-	(965)
Net book value after impairment losses	197,904	8,153	206,057

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)***31 March 2025 (Un-audited)***11 QUASI- EQUITY - PARTICIPATORY INVESTMENT ACCOUNTS**

	<i>(Un-audited)</i> <b>31 March</b> <b>2025</b> <b>RO'000</b>	<i>(Un-audited)</i> 31 March 2024 RO'000	<i>Audited</i> 31 December 2024 RO'000
Inter-bank Wakala	<b>2,793</b>	16,570	12,254
Customers' Wakala	<b>909,647</b>	745,367	886,858
Participatory investment accounts	<b>423,752</b>	385,252	447,067
Investment fair value reserve	<b>(599)</b>	(151)	(517)
Profit Equalization reserve	<b>-</b>	42	-
	<b><u>1,335,593</u></b>	<b><u>1,147,080</u></b>	<b><u>1,345,662</u></b>

Participatory investment accounts comprise Mudaraba deposits and Wakala deposits accepted by the Bank. The funds received from Participatory investment accounts have been commingled and jointly invested by the Bank. The Bank has utilised full amount of investment risk reserve during the current year.

Participatory investment account holders' fund is commingled with Bank's and Wakala fund to form one general Mudaraba pool. This pooled fund is used to fund and invest in banking assets generating income, however no priority is granted to any party for the purpose of investments and distribution of profits.

**12 SOURCE AND USES OF CHARITY FUND**

	<b>31 March 2025</b> <b>RO'000</b>	31 March 2024 RO'000
<b>Balance as at beginning of year</b>		
<b>Shari'ah non-compliant income for the year</b>		
Late payment by customers	<b>34</b>	29
<b>Total sources available</b>	<b>34</b>	29
Use of charity fund*	<b>-</b>	-
<b>Undistributed charity fund as at end of the year</b>	<b>34</b>	29

\* The charity fund is utilized by making contribution to organizations which are registered with the Ministry of Awqaf and Religious affairs, namely Zakat Seeb Committee, Oman Charitable Organization, Waqaf of Seraj Education, Amerat School of the care of Holy Quran and Oman Association of the Care of Holy Quran.

**13 PAID UP CAPITAL**

The authorised share capital of the Bank is RO 300,000,000 and the issued and paid up capital is RO 220,010,538 divided into 2,236,953,032 shares of a nominal value of RO 0.098 each (RO 220,010,538 divided into 2,236,953,032 shares of a nominal value of RO 0.098 each).

Aflag Financial Investment LLC is the only shareholder which owns 10% or more of the Bank's shares. On 31 March 2025 shareholding of Aflag Financial Investment LLC was 782,933,561 shares equivalent to 35% (31 December 2024: shareholding of Aflag Financial Investment LLC was 782,933,561 shares equivalent to 35%).



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)***31 March 2025 (Un-audited)***14 OPERATING EXPENSES**

	<i>(Un-audited)</i> 31 March 2025 RO	<i>(Un-audited)</i> 31 March 2024 RO
Advertisement	233	528
Maintenance expenses	441	357
Government fees	60	59
Printing and stationery	31	38
Professional and consulting charges	235	164
Board of Directors and Sharia board expenses	223	314
Cards expense	356	259
Utilities expenses	233	169
Security and cleaning	102	87
Subscription expense	50	49
Others	227	228
<b>Total</b>	<b>2,191</b>	<b>2,252</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)**

31 March 2025 (Un-audited)

**15 RELATED PARTY TRANSACTIONS**

In the ordinary course of business, the Bank conducts transactions with certain of its directors, senior management and/or shareholders and companies over which they have significant influence. The Bank enters into certain transactions in the ordinary course of business with related parties and at mutually agreed terms for each of transactions which are approved by the Bank's Board of Directors. The aggregate amounts of balances with such related parties are as follows:

<b>31 March 2025 (Un-audited)</b>	<b>Principal shareholders RO'000</b>	<b>Sharia'a Board RO'000</b>	<b>Senior management RO'000</b>	<b>Total RO'000</b>
Sales receivables	135	-	118	253
Ijara Muntahia Bittamleek	-	-	363	363
Wakala Bil Istethmar	-	-	-	-
Musharaka Financing	2,268	-	87	2,355
Customers' accounts	612	-	156	768
Participatory investment accounts	324,327	-	412	324,739
<b>31 March 2024 (Un-audited)</b>				
Sales receivables	142	-	94	236
Ijara Muntahia Bittamleek	319	-	1,102	1,421
Wakala Bil Istethmar	-	-	-	-
Musharaka Financing	2,554	-	203	2,757
Customers' accounts	680	-	204	884
Participatory investment accounts	179,892	-	487	180,379
<b>31 December 2024 (Audited)</b>				
Sales receivables and other receivables	165	-	150	315
Ijara Muntahia Bittamleek	291	-	877	1,168
Wakala Bil Istethmar	-	-	-	-
Musharaka Financing	2,449	-	182	2,631
Customers' accounts	586	-	75	661
Participatory investment accounts	223,709	-	333	224,042

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

<b>Three months ended 31 March 2025 (Un-audited)</b>	<b>Principal shareholders RO'000</b>	<b>Sharia'a Board RO'000</b>	<b>Senior management RO'000</b>	<b>Total RO'000</b>
Profit income	58	-	12	70
Profit expense	3,660	-	-	3,660
Staff cost	-	-	968	968
Other expenses	209	14	-	223
<b>Three months ended 31 March 2024 (Un-audited)</b>				
Profit income	2	-	13	15
Profit expense	2,153	-	-	2,153
Staff cost	-	-	1,068	1,068
Other expenses	298	16	-	314

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)**

31 March 2025 (Un-audited)

**16 EARNINGS PER SHARE BASIC AND DILUTED AND NET ASSETS PER SHARE**
**a. EARNINGS PER SHARE**

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to ordinary shareholders is as follows:

	<i>(Un-audited)</i> <i>Quarter ended</i> <b>31 March</b> <b>2025</b>	<i>(Un-audited)</i> <i>Quarter ended</i> 31 March 2024
Earnings for the period (RO'000)	<b>4,516</b>	3,865
Weighted average number of shares outstanding during the period for basic earnings per share	<b>2,236,953,032</b>	2,236,953,032
- Mandatory Convertible Sukuk	<b>89,162,283</b>	-
Adjusted weighted average number of shares outstanding during the period for diluted earnings per share	<b>2,326,115,315</b>	2,236,953,032
<b>Earnings per share basic (RO)</b>	<b>0.002</b>	0.002
<b>Earnings per share diluted (RO)</b>	<b>0.002</b>	0.002

Earnings per share basic and diluted has been derived by dividing profit for the period attributable to the shareholders' by weighted average number of shares outstanding. As there are no dilutive potential shares, the diluted earnings per share is same as the basic earnings per share.

**b. NET ASSET PER SHARE**

Net assets value per share is calculated by dividing the shareholders' equity at the reporting date by the number of shares outstanding.

	<i>(Un-audited)</i> <b>31 March</b> <b>2025</b>	<i>(Un-audited)</i> 31 March 2024	<i>(Audited)</i> 31 December 2024
Net assets (RO'000)	<b>250,865</b>	250,987	253,002
Number of shares at reporting date	<b>2,236,953,032</b>	2,236,953,032	2,236,953,032
<b>Net asset per share (RO)</b>	<b>0.112</b>	0.112	0.113

**17 CONTINGENT LIABILITIES AND COMMITMENTS**

	<i>(Un-audited)</i> <b>31 March</b> <b>2025</b> <b>RO'000</b>	<i>(Un-audited)</i> 31 March 2024 RO'000	<i>(Audited)</i> 31 December 2024 RO'000
Contingent liabilities	<b>271,766</b>	235,216	241,158
Commitments	<b>137,095</b>	152,361	140,482
	<b>408,861</b>	387,577	381,640

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)**

31 March 2025 (Un-audited)

**18 SEGMENT REPORTING**

For management purposes, the Bank is organised into three operating segments based on business units and are as follows:

**Retail banking** offers various products and facilities to individual customers to meet everyday banking needs.

**Corporate banking** delivers a variety of products and services to corporate and SMEs customers that includes financing, accepting deposits, trade finance and foreign exchange.

**Treasury and investment banking** provides a full range of treasury products and services including money market and foreign exchange to the clients in addition to managing liquidity and market risk, in addition to asset management, corporate advisory and investment products, high net worth individuals and institutional clients.

Management monitors the operating results of the operating segments 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 an overall basis and are not allocated to operating segments.

Segment information is as follows:

*Three months ended  
31 March 2025  
(Un-audited)*

	<b>Retail banking RO'000</b>	<b>Corporate banking RO'000</b>	<b>Treasury &amp; investment RO'000</b>	<b>Others RO'000</b>	<b>Total RO'000</b>
<b>Operating income</b>	<b>5,456</b>	<b>5,897</b>	<b>1,706</b>	<b>1,351</b>	<b>14,410</b>
<b>Net profit for the period</b>	<b>948</b>	<b>1,718</b>	<b>1,212</b>	<b>638</b>	<b>4,516</b>
<b>Total assets</b>	<b>542,274</b>	<b>1,042,263</b>	<b>260,539</b>	<b>58,278</b>	<b>1,903,354</b>
<b>Total liabilities and Quasi equity (Participatory investment accounts)</b>	<b>644,587</b>	<b>935,154</b>	<b>2,793</b>	<b>59,956</b>	<b>1,642,490</b>

*Three months ended  
31 March 2024  
(Un-audited)*

	<b>Retail banking RO'000</b>	<b>Corporate banking RO'000</b>	<b>Treasury &amp; investment RO'000</b>	<b>Others RO'000</b>	<b>Total RO'000</b>
<b>Operating income</b>	<b>5,037</b>	<b>5,128</b>	<b>1,785</b>	<b>1,547</b>	<b>13,497</b>
<b>Net profit for the period</b>	<b>685</b>	<b>870</b>	<b>1,445</b>	<b>865</b>	<b>3,865</b>
<b>Total assets</b>	<b>509,057</b>	<b>870,375</b>	<b>239,668</b>	<b>47,780</b>	<b>1,666,880</b>
<b>Total liabilities and Quasi equity (Participatory investment accounts)</b>	<b>612,759</b>	<b>750,059</b>	<b>16,570</b>	<b>36,505</b>	<b>1,415,893</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)**
*31 March 2025 (Un-audited)*
**19 FINANCIAL INSTRUMENTS TRANSFER BETWEEN LEVEL 1, LEVEL 2 AND LEVEL 3**

There were no transfers between level 1, level 2 and level 3 of the fair value hierarchy of investment securities during the period.

	Level 1 RO'000	Level 2 RO'000	Level 3 RO'000	Total RO'000
Investment Securities	128,004	74,054		202,058
<b>Total financial assets measured through equity at 31 March 2025 (Un-audited)</b>	<b>128,004</b>	<b>74,054</b>		<b>202,058</b>
Total financial assets measured through equity at 31 March 2024 (Un-audited)	139,363	16,707	-	156,070
Total financial assets measured through equity at 31 December 2024 (Audited)	127,292	66,474	-	193,766

**20 MATURITY PROFILE OF ASSETS AND LIABILITIES**

	Due on demand and up to 30 days RO'000	More than 1 month to 6 months RO'000	More than 6 months to 12 months RO'000	More than 1 year to 5 years RO'000	Over 5 years RO'000	Total RO'000
<b>31 March 2025 (Un-audited)</b>						
<b>Total assets</b>	<b>135,204</b>	<b>258,503</b>	<b>164,947</b>	<b>783,403</b>	<b>561,416</b>	<b>1,903,473</b>
<b>Total liabilities, Quasi equity and Owners' equity</b>	<b>107,844</b>	<b>227,618</b>	<b>374,046</b>	<b>552,468</b>	<b>641,497</b>	<b>1,903,473</b>
<b>Net gap</b>	<b>27,360</b>	<b>30,885</b>	<b>(209,099)</b>	<b>230,935</b>	<b>(80,081)</b>	<b>-</b>
<b>Cumulative net gap</b>	<b>27,360</b>	<b>58,245</b>	<b>(150,854)</b>	<b>80,081</b>	<b>-</b>	<b>-</b>

	Due on demand and up to 30 days RO'000	More than 1 month to 6 months RO'000	More than 6 months to 12 months RO'000	More than 1 year to 5 years RO'000	Over 5 years RO'000	Total RO'000
<b>31 March 2024 (Un-audited)</b>						
<b>Total assets</b>	<b>145,315</b>	<b>271,125</b>	<b>142,096</b>	<b>716,951</b>	<b>391,393</b>	<b>1,666,880</b>
<b>Total liabilities, Quasi equity and Owners' equity</b>	<b>101,450</b>	<b>211,548</b>	<b>174,027</b>	<b>612,764</b>	<b>567,091</b>	<b>1,666,880</b>
<b>Net gap</b>	<b>43,865</b>	<b>59,577</b>	<b>(31,931)</b>	<b>104,187</b>	<b>(175,698)</b>	<b>-</b>
<b>Cumulative net gap</b>	<b>43,865</b>	<b>103,442</b>	<b>71,511</b>	<b>175,698</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

31 March 2025 (Un-audited)

### 21 MATURITY PROFILE OF ASSETS AND LIABILITIES (continued)

	Due on demand and up to 30 days RO'000	More than 1 month to 6 months RO'000	More than 6 months to 12 months RO'000	More than 1 year to 5 years RO'000	Over 5 years RO'000	Total RO'000
31 December 2024 (Audited)						
Total assets	213,055	274,114	158,174	846,671	394,814	1,886,828
Total liabilities, Quasi equity and Owners' equity	94,865	214,495	334,370	609,941	633,157	1,886,828
Net gap	118,190	59,619	(176,196)	236,730	(238,343)	-
Cumulative net gap	118,190	177,809	1,613	238,343	-	-

### 22 CAPITAL ADEQUACY

The capital adequacy ratio calculated in accordance with the capital adequacy guidelines of the Central Bank of Oman is as follows:

Capital structure	(Un-audited) 31 March 2025 RO'000	(Un-audited) 31 March 2024 RO'000	(Audited) 31 December 2024 RO'000
Tier I capital	241,768	241,644	244,516
Tier II capital	7,409	9,856	7,110
<b>Total regulatory capital</b>	<b>249,177</b>	<b>251,500</b>	<b>251,626</b>
<b>Risk weighted assets</b>			
Credit risk	1,425,277	1,457,843	1,385,945
Market risk	172,260	83,033	148,832
Operational risk	103,242	95,126	103,242
<b>Total risk weighted assets</b>	<b>1,700,779</b>	<b>1,636,002</b>	<b>1,638,019</b>
<b>Tier I capital ratio</b>	<b>14.22%</b>	<b>14.77%</b>	<b>14.93%</b>
<b>Total capital ratio</b>	<b>14.65%</b>	<b>15.37%</b>	<b>15.36%</b>
<b>Common equity Tier 1 (CET1)</b>	<b>221,770</b>	<b>241,644</b>	<b>224,518</b>
<b>Common equity Tier 1 ratio</b>	<b>13.04%</b>	<b>14.77%</b>	<b>13.71%</b>

### 23 LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO

	(Un-audited) 31 March 2025	(Un-audited) 31 March 2024	(Audited) 31 December 2024
LCR (%)	159.87	143.18	164.12
NSFR (%)	189.55	126.61	136.79

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)**

31 March 2025 (Un-audited)

**24 COMPARISON OF PROVISION HELD AS PER FAS 30 AND REQUIRED AS PER CBO NORMS**
**(a) Standard, special mention and non-performing Financing account**

31 March 2025 (Un-audited)

Asset Classification as per CBO norms (1)	Asset Classification as per IFRS 9 (2)	Gross amount (3)	Provision required as per CBO norms (4)	Provision held as per FAS 30 (5)	Difference between CBO provision required, and provision held (6) = (4)-(5)	Net amount as per CBO norms (7) = (3)-(4)	Net amount as per IFRS 9 (8) = (3)-(5)	Reserve Profit as Per CBO norms (9)
Standard	Stage 1	1,290,134	12,992	2,321	10,671	1,277,142	1,287,813	-
	Stage 2	61,566	698	2,148	(1,450)	60,868	59,418	-
	Stage 3	-	-	-	-	-	-	-
Subtotal		1,351,700	13,690	4,469	9,221	1,338,010	1,347,231	-
Special Mention	Stage 1	61,232	614	2,147	(1,533)	60,618	59,085	-
	Stage 2	184,226	4,566	16,862	(12,296)	179,660	167,364	1,083
	Stage 3	-	-	-	-	-	-	-
Subtotal		245,458	5,180	19,009	(13,829)	240,278	226,449	1,083
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	186	47	95	(48)	139	91	26
Subtotal		186	47	95	(48)	139	91	26
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	925	463	463	-	462	462	20
Subtotal		925	463	463	-	462	462	20
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	37,293	31,745	25,139	6,606	5,548	12,154	1,344
Subtotal		37,293	31,745	25,139	6,606	5,548	12,154	1,344
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	521,109	-	423	(423)	521,109	520,686	-
	Stage 2	71,460	-	285	(285)	71,460	71,175	-
	Stage 3	4,870	-	1,265	(1,265)	4,870	3,605	-
Subtotal		597,439	-	1,973	(1,973)	597,439	595,466	-
Total All	Stage 1	1,872,475	13,606	4,891	8,715	1,858,869	1,867,584	-
	Stage 2	317,252	5,264	19,295	(14,031)	311,988	297,957	1,083
	Stage 3	43,274	32,255	26,962	5,293	11,019	16,312	1,390
Total		2,233,001	51,125	51,148	(23)	2,181,876	2,181,853	2,473

# BANK NIZWA SAOG

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

31 March 2025 (Un-audited)

### 24 COMPARISON OF PROVISION HELD AS PER FAS 30 AND REQUIRED AS PER CBO NORMS (CONTINUED)

(a) Standard, special mention and non-performing Financing accounts (Continued)

31 December 2024 (Audited)

Asset Classification as per CBO norms	Asset Classification as per IFRS 9	Gross amount	Provision required as per CBO norms	Provision held as per FAS 30	Difference between CBO provision required, and provision held (6) = (4)-(5)	Net amount as per CBO norms (7) = (3)-(4)	Net amount as per IFRS 9 (8) = (3)-(5)	Reserve Profit as Per CBO norms (9)
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7) = (3)-(4)	(8) = (3)-(5)	(9)
Standard	Stage 1	1,240,712	13,771	1,998	11,773	1,226,941	1,238,714	-
	Stage 2	64,798	654	2,642	(1,988)	64,144	62,156	-
	Stage 3	-	-	-	-	-	-	-
Subtotal		1,305,510	14,425	4,640	9,785	1,291,085	1,300,870	-
Special Mention	Stage 1	60,621	595	2,030	(1,435)	60,026	58,591	-
	Stage 2	181,527	1,768	14,886	(13,118)	179,759	166,641	999
	Stage 3	-	-	-	-	-	-	-
Subtotal		242,148	2,363	16,916	(14,553)	239,785	225,232	999
Substandard	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	1,017	254	446	(192)	763	571	15
Subtotal		1,017	254	446	(192)	763	571	15
Doubtful	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	6,942	3,321	3,035	286	3,621	3,907	224
Subtotal		6,942	3,321	3,035	286	3,621	3,907	224
Loss	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	31,719	28,513	22,137	6,376	3,206	9,582	972
Subtotal		31,719	28,513	22,137	6,376	3,206	9,582	972
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	572,831	-	463	(463)	572,831	572,368	-
	Stage 2	60,982	-	193	(193)	60,982	60,789	-
	Stage 3	4,870	-	1,265	(1,265)	4,870	3,605	-
Subtotal		638,683	-	1,921	(1,921)	638,683	636,762	-
Total All	Stage 1	1,874,164	14,366	4,491	9,875	1,859,798	1,869,673	-
	Stage 2	307,307	2,422	17,721	(15,299)	304,885	289,586	999
	Stage 3	44,548	32,088	26,883	5,205	12,460	17,665	1,211
Total		2,226,019	48,876	49,095	(219)	2,177,143	2,176,924	2,210



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)**

31 March 2025 (Un-audited)

**24 COMPARISON OF PROVISION HELD AS PER FAS 30 AND REQUIRED AS PER CBO NORMS (Continued)**
**(b) Restructured accounts**

31 March 2025 (Un-audited)

Assets classification as per CBO Norms	Asset Classification as per FAS 30	Gross Amount	Provision required as per CBO Norms	Provision held as per FAS 30	Difference between CBO provision required and provision held	Net Amount as per CBO norms*	Net Amount as per FAS 30	Reserve profit as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)=(3)-(4)	(8)=(3)-(5)	(9)
Classified as performing	Stage 1	77,825	551	2,817	(2,266)	77,274	75,008	-
	Stage 2	118,704	3,857	15,883	(12,026)	114,847	102,821	1,083
	Stage 3	-	-	-	-	-	-	-
Sub Total		196,529	4,408	18,700	(14,292)	192,121	177,829	1,083
Classified as non- performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	14,554	14,458	9,067	5,391	96	5,487	536
Sub Total		14,554	14,458	9,067	5,391	96	5,487	536
Total	Stage 1	77,825	551	2,817	(2,266)	77,274	75,008	-
	Stage 2	118,704	3,857	15,883	(12,026)	114,847	102,821	-
	Stage 3	14,554	14,458	9,067	5,391	96	5,487	1,619
		211,083	18,866	27,767	(8,901)	192,217	183,316	1,619

31 December 2024 (audited)

Assets classification as per CBO norms	Asset Classification as per FAS 30	Gross amount	Provision required as per CBO norms	Provision held as per FAS 30	Difference between CBO provision required and provision held	Net amount as per CBO norms*	Net amount as per FAS 30	Reserve profit as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6)=(4)-(5)	(7)=(3)-(4)	(8)=(3)-(5)	(9)
Classified as performing	Stage 1	101,849	858	2,882	(2,024)	100,991	98,967	-
	Stage 2	118,609	3,861	14,888	(11,027)	114,748	103,721	999
	Stage 3	-	-	-	-	-	-	-
Sub Total		220,458	4,719	17,770	(13,051)	215,739	202,688	999
Classified as non- performing	Stage 1	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-
	Stage 3	14,869	11,630	8,471	3,159	3,239	6,398	429
Sub Total		14,869	11,630	8,471	3,159	3,239	6,398	429
Total	Stage 1	101,849	858	2,882	(2,024)	100,991	98,967	-
	Stage 2	118,609	3,861	14,888	(11,027)	114,748	103,721	999
	Stage 3	14,869	11,630	8,471	3,159	3,239	6,398	429
		235,327	16,349	26,241	(9,892)	218,978	209,086	1,428

**(c) Non-performing financing ratio**

31 March 2025 (Un-audited)

	As per CBO Norms	As per FAS 30	Difference
Impairment loss charged to profit and loss account	2,248	2,054	194
Provisions required as per CBO norms/held as per FAS 30	51,124	51,149	(25)
Gross NPL ratio	1.91	1.91	-
Net NPL ratio	0.42	0.83	(0.41)

31 December 2024 (Audited)

	As per CBO Norms	As per FAS 30	Difference
Impairment loss charged to profit and loss account	8,253	7,629	624
Provisions required as per CBO norms/held as per FAS 30	48,876	49,095	(219)
Gross NPL ratio	1.97	1.97	-
Net NPL ratio	0.63	0.90	(0.27)

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)**
*31 March 2025 (Un-audited)*
**24 COMPARISON OF PROVISION HELD AS PER FAS 30 AND REQUIRED AS PER CBO NORMS (Continued)**
**(d) Movement in ECL**
**31 March 2025 (Un-audited)**

	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000
<b>Exposure subject to ECL (gross) – as at Dec 31, 2024</b>				
Gross financing- corporate	787,718	214,587	13,279	1,015,584
Gross financing- retail	509,744	14,210	781	524,735
Gross financing- commitments	360,029	60,789	3,605	424,423
Investment securities	170,263	-	-	170,263
Interbank wakala investments	23,611	-	-	23,611
Due from banks, central banks and other financial assets	18,308	-	-	18,308
	<b>1,869,673</b>	<b>289,586</b>	<b>17,665</b>	<b>2,176,924</b>
<b>Net transfer between stages</b>				
Gross financing- corporate	31,207	21,004	23,921	76,132
Gross financing- retail	22,697	(4,009)	423	19,111
Gross financing- commitments	(27,499)	10,671	1,265	(15,563)
Investment securities	9,752	-	-	9,752
Interbank wakala investments	(19,739)	-	-	(19,739)
Due from banks, central banks and other financial assets	(13,616)	-	-	(13,616)
	<b>2,802</b>	<b>27,666</b>	<b>25,609</b>	<b>56,077</b>
<b>Exposure subject to ECL (gross) 31 March 2025</b>				
Gross financing- corporate	818,925	235,591	37,200	1,091,716
Gross financing- retail	532,441	10,201	1,204	543,846
Gross financing- commitments	332,530	71,460	4,870	408,860
Investment securities	180,015	-	-	180,015
Interbank wakala investments	3,872	-	-	3,872
Due from banks, central banks and other financial assets	4,692	-	-	4,692
	<b>1,872,475</b>	<b>317,252</b>	<b>43,274</b>	<b>2,233,001</b>
<b>Expected Credit Loss - as at Dec 31, 2024</b>				
Gross financing- corporate	(3,998)	(17,370)	(24,123)	(45,491)
Gross financing- retail	(29)	(158)	(1,496)	(1,683)
Gross financing- commitments	(329)	(193)	(1,265)	(1,787)
Investment securities	(122)	-	-	(122)
Interbank wakala investments	(9)	-	-	(9)
Due from banks, central banks and other financial assets	(3)	-	-	(3)
	<b>(4,490)</b>	<b>(17,721)</b>	<b>(26,884)</b>	<b>(49,095)</b>
<b>Charge for the period (net)</b>				
Gross financing- corporate	(374)	(1,022)	(717)	(2,113)
Gross financing- retail	(68)	(460)	639	111
Gross financing- commitments	30	(92)	(0)	(62)
Investment securities	15	-	-	15
Interbank wakala investments	(1)	-	-	(1)
Due from banks, central banks and other Financial assets	(4)	-	-	(4)
	<b>(402)</b>	<b>(1,574)</b>	<b>(78)</b>	<b>(2,054)</b>

## BANK NIZWA SAOG

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### Closing Balance - as at 31 March 2025

Gross financing- corporate	814,553	217,199	12,360	1,044,112
Gross financing- retail	532,344	9,583	347	542,274
Gross financing- commitments	332,231	71,175	3,605	407,011
Investment securities	179,908	-	-	179,908
Interbank wakala investments	3,862	-	-	3,862
Due from banks, central banks and other financial assets	4,685	-	-	4,685
	<b>1,867,583</b>	<b>297,957</b>	<b>16,312</b>	<b>2,181,852</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)**
*31 March 2025 (Un-audited)*
**24 COMPARISON OF PROVISION HELD AS PER FAS 30 AND REQUIRED AS PER CBO NORMS (Continued)**
**(d) Movement in ECL**
*31 March 2024 (Un-audited)*

	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000
Exposure subject to ECL (gross) – as at Dec 31, 2023				
Gross financing, commitments and financial guarantees	1,418,533	314,131	34,821	1,767,485
Investment securities	140,284	-	-	140,284
Interbank wakala investments	15,290	-	-	15,290
Due from banks, central banks and other financial assets	9,202	-	-	9,202
	<u>1,583,309</u>	<u>314,131</u>	<u>34,821</u>	<u>1,932,261</u>
Net transfer between stages				
Gross financing, commitments and financial guarantees	66,652	(23,544)	(35)	43,073
Investment securities	10,247	-	-	10,247
Interbank wakala investments	7,354	-	-	7,354
Due from banks, central banks and other financial assets	(1,434)	-	-	(1,434)
	<u>82,819</u>	<u>(23,544)</u>	<u>(35)</u>	<u>59,240</u>
Exposure subject to ECL (gross) 31 March 2024				
Gross financing, commitments and financial guarantees	1,485,185	290,587	34,786	1,810,558
Investment securities	150,531	-	-	150,531
Interbank wakala investments	22,644	-	-	22,644
Due from banks, central banks and other financial assets	7,768	-	-	7,768
	<u>1,666,128</u>	<u>290,587</u>	<u>34,786</u>	<u>1,991,501</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)**

31 March 2025 (Un-audited)

**24 COMPARISON OF PROVISION HELD AS PER FAS 30 AND REQUIRED AS PER CBO NORMS (Continued)**

Expected Credit Loss - as at Dec 31, 2023	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000
Gross financing, commitments and financial guarantees	(6,170)	(15,273)	(19,839)	(41,282)
Investment securities	(173)	-	-	(173)
Interbank wakala investments	(8)	-	-	(8)
Due from banks, central banks and other financial assets	(3)	-	-	(3)
	<u>(6,354)</u>	<u>(15,273)</u>	<u>(19,839)</u>	<u>(41,466)</u>
Charge for the period (net)				
Gross financing, commitments and financial guarantees	1,556	(3,307)	(516)	(2,267)
Investment securities	78	-	-	78
Interbank wakala investments	(16)	-	-	(16)
Due from banks, central banks and other Financial assets	1	-	-	1
	<u>1,619</u>	<u>(3,307)</u>	<u>(516)</u>	<u>(2,204)</u>
Closing Balance - as at 31 March 2024				
Gross financing, commitments and financial guarantees	1,480,571	272,007	14,431	1,767,009
Investment securities	150,437	-	-	150,437
Interbank wakala investments	22,620	-	-	22,620
Due from banks, central banks and other financial assets	7,766	-	-	7,766
	<u>1,661,394</u>	<u>272,007</u>	<u>14,431</u>	<u>1,947,832</u>

**25 CONVERTIBLE MUDARABA SUKUK**

In current year, the Bank established a Mudaraba Sukuk issuance program with a total value of RO 50 million, in multiple tranches. On 25 July 2024, the Bank issued first series of mandatory convertible Mudaraba Sukuk to its shareholders amounting to RO 9,999,180 (99,991,801 certificates of RO 0.100 per each certificate). Summary of key terms and conditions of this issue are as follows:

- i) The securities are not redeemable for cash and will mandatorily convert into ordinary shares either at the end of a five-year term or sooner in the case of accelerated conversion.
- ii) The conversion will result in a variable number of ordinary shares based on the prevailing book value at the time of conversion.
- iii) These securities are unsecured and subordinated to senior creditors, ranking only above ordinary shares.
- iv) The initial anticipated profit rate on the securities is 6% per annum, payable semi-annually in arrears.
- v) The instrument is listed at Muscat Stock Exchange (MSX) and is qualified to be treated as additional Tier 1 instrument as per Basel II.

The Bank has evaluated the instrument's features and classified the convertible Sukuk as equity as per relevant FAS guidance.