بنك العز الإسلامي
alizz islamic bank

ALIZZ ISLAMIC BANK SAOC

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2026

Registered & Principal Place of Business

P.O.Box 753, PC 112 Bousher, Muscat, Sultanate of Oman

ALIZZ ISLAMIC BANK SAOC

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2026

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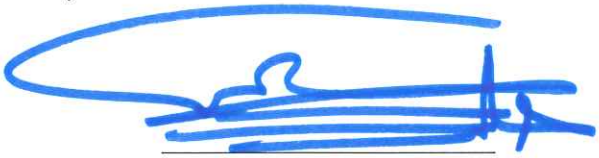
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026 (UNAUDITED)

	Notes	(Unaudited) 30 September 2026 ﷼ '000	(Unaudited) 30 September 2025 ﷼ '000	(Audited) 31 December 2025 ﷼ '000
Assets				
Cash and balances with the Central Bank of Oman		**90,572**	99,821	79,219
Due from banks		**54,517**	10,444	11,306
Investment securities	4	**144,796**	145,110	154,983
Financing assets	5	**1,257,738**	1,147,521	1,173,925
Property and equipment		**4,473**	5,579	5,189
Intangibles		**1,654**	1,475	1,587
Other assets		**47,195**	40,802	38,997
Total assets		**1,600,945**	1,450,752	1,465,206
Liabilities, Quasi Equity and Owner's Equity				
Liabilities				
Due to banks		**592**	2,497	533
Customers' current accounts		**87,722**	160,481	161,431
Other liabilities		**24,878**	28,215	26,020
Total liabilities		**113,192**	191,193	187,984
Quasi Equity				
Participatory investment accounts	6	**1,311,306**	1,093,201	1,107,681
Equity				
Share capital		**111,307**	111,307	111,307
Legal reserve		**2,983**	1,781	2,983
Fair value reserve		**167**	133	412
Retained earnings		**31,990**	23,137	24,839
Total equity attributable to the equity holders		**146,447**	136,358	139,541
Sukuk eligible as additional capital (Tier 1)	7	**30,000**	30,000	30,000
Total equity		**176,447**	166,358	169,541
Total Liabilities, Quasi-Equity and Equity		**1,600,945**	1,450,752	1,465,206
Contingencies and Commitments	9	**155,586**	214,984	219,574

The consolidated financial statements and accompanying notes were approved by the Board of Directors on 08 November 2026 and signed on their behalf by:



Chairman



Chief Executive Officer

The accompanying notes form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2026 (UNAUDITED)

	Notes	**1 July 2026 to 30 September 2026** **AED'000**	1 July 2025 to 30 September 2025 AED'000	**1 January 2026 to 30 September 2026** **AED'000**	1 January 2025 to 30 September 2025 AED '000
Income from financing and investing activities		**20,416**	19,133	**59,092**	56,140
Fee and commission income		**1,855**	1,165	**4,995**	3,859
Fee and commission expense		**(204)**	(97)	**(535)**	(561)
Net fee and commission income		**1,651**	1,068	**4,460**	3,298
Other income		**351**	383	**1,152**	1,165
Total income		**22,418**	20,584	**64,704**	60,603
Staff expenses		**(3,706)**	(3,498)	**(11,012)**	(10,474)
Depreciation		**(368)**	(550)	**(1,090)**	(1,382)
Amortisation of intangibles		**(94)**	(88)	**(281)**	(279)
Other operating expenses		**(1,134)**	(716)	**(3,307)**	(2,668)
Total operating expenses		**(5,302)**	(4,852)	**(15,690)**	(14,803)
Allowance for impairment and expected credit losses - net	5	**(799)**	(1,219)	**(3,715)**	(3,678)
Profit for the period - before tax and attribution to quasi equity		**16,317**	14,513	**45,299**	42,122
Less: Net profit attributable to quasi equity		**(12,204)**	(11,005)	**(34,357)**	(32,551)
Profit for the period - before tax		**4,113**	3,508	**10,942**	9,571
Income tax		**(624)**	(535)	**(1,611)**	(1,436)
Net profit for the period		**3,489**	2,973	**9,331**	8,135
Earnings per share					
Basic	10	**0.0031**	0.0027	**0.0084**	0.0073
Diluted	10	**0.0031**	0.0027	**0.0075**	0.0064

The accompanying notes form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2026 (UNAUDITED)

	1 January 2026 to 30 September 2026	1 January 2025 to 30 September 2025
	'000	'000
Net profit for the period	**9,331**	8,135
Items that may be subsequently classified to consolidated income statement		
Fair value changes of equity–type investments carried at fair value through other comprehensive income	**676**	248
Fair value changes of debt–type investments carried at fair value through other comprehensive income	**(921)**	252
Total other comprehensive income for the period	**(245)**	500
Total comprehensive income for the period	**9,086**	8,635

The accompanying notes form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUIT
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2026 (UNAUDITED)

	1 January 2026 to 30 September 2026	1 January 2025 to 30 September 2025
	'000	'000
Net profit for the period before net profit attributable to quasi-equity after tax	**43,688**	40,686
Adjusted for:		
Less: income not attributable to quasi-equity	**(5,612)**	(4,463)
Total income available for quasi-equity	**38,076**	36,223
Less: Mudarib's share	**(5,061)**	(4,962)
Add: Support provided by bank	**1,342**	1,290
	(3,719)	(3,672)
Net profit attributable to quasi-equity	**34,357**	32,551

The accompanying notes form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2026 (UNAUDITED)

	Notes	1 January 2026 to 30 September 2026	1 January 2025 to 30 September 2025
		﷼'000	﷼'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**10,942**	9,571
Adjustments for:			
Depreciation		**1,090**	1,382
Amortisation of intangibles		**281**	279
Allowance for impairment and credit losses - net	5	**3,715**	3,678
Operating profit before changes in operating assets and liabilities		**16,028**	14,910
Net changes in operating assets and liabilities:			
CBO capital deposit		**500**	-
Due from banks		**3,850**	(7,700)
Financing assets		**(87,539)**	(79,969)
Other assets		**(8,667)**	(722)
Due to banks		**59**	(38,133)
Customers' current accounts		**(73,709)**	(25,809)
Other liabilities		**(1,279)**	2,063
Net cash used in from operating activities		**(150,757)**	(135,360)
Income tax paid		**(1,477)**	(1,057)
Net cash used in operating activities		**(152,234)**	(136,417)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(170,102)**	(123,776)
Proceeds from sale / maturities of investments		**180,066**	101,068
Purchase of property and equipment		**(374)**	(3,103)
Additions to intangibles		**(348)**	(280)
Net cash used in investing activities		**9,242**	(26,091)
CASH FLOWS FROM FINANCING ACTIVITIES			
Change in participatory investment accounts		**203,625**	185,348
Dividends paid		**(1,208)**	-
Profit Paid on Sukuk eligible as additional capital (Tier 1)	7	**(972)**	(972)
Net cash generated from financing activities		**201,445**	184,376
Net (decrease) / increase in cash and cash equivalents		**58,453**	21,868
Cash and cash equivalents at the beginning of the period		**82,833**	78,832
Cash and cash equivalents at end of the period	11	**141,286**	100,700

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2026 (UNAUDITED)

	Share Capital '000	Legal Reserve '000	Fair Value Reserve '000	Retained Earnings / (Accumulated Losses) '000	Total Equity Attributable to Equity Holders '000	Sukuk Eligible as Additional Capital Tier 1 '000	Total equity '000
Balance at 1 January 2026	**111,307**	**2,983**	**412**	**24,839**	**139,541**	**30,000**	**169,541**
Net profit for the period	-	-	-	**9,331**	**9,331**	-	**9,331**
Other comprehensive income	-	-	**(245)**	-	**(245)**	-	**(245)**
Total comprehensive income for the period	-	-	**(245)**	**9,331**	**9,086**	-	**9,086**
Dividend paid	-	-	-	**(1,208)**	**(1,208)**	-	**(1,208)**
Profit on sukuk eligible as additional capital tier 1	-	-	-	**(972)**	**(972)**	-	**(972)**
Balance at 30 September 2026	**111,307**	**2,983**	**167**	**31,990**	**146,447**	**30,000**	**176,447**
Balance at 1 January 2025	111,307	1,781	(398)	16,005	128,695	30,000	158,695
Net profit for the period	-	-	-	8,135	8,135	-	8,135
Other comprehensive income	-	-	500	-	500	-	500
Total comprehensive income for the period	-	-	500	8,135	8,635	-	8,635
Transfer to retained earnings upon disposal of FVOCI equity instruments	-	-	31	(31)	-	-	-
Profit on sukuk eligible as additional capital tier 1	-	-	-	(972)	(972)	-	(972)
Balance at 30 September 2025	111,307	1,781	133	23,137	136,358	30,000	166,358
Balance at 1 October 2025	111,307	1,781	133	23,137	136,358	30,000	166,358
Net profit for the period	-	-	-	3,882	3,882	-	3,882
Other comprehensive income	-	-	279	-	279	-	279
Total comprehensive income for the period	-	-	279	3,882	4,161	-	4,161
Transfer to retained earnings upon disposal of FVOCI equity instruments	-	-	-	-	-	-	-
Transfer to legal reserve	-	1,202	-	(1,202)	-	-	-
Profit on sukuk eligible as additional capital tier 1	-	-	-	(978)	(978)	-	(978)
Balance at 31 December 2025 (audited)	111,307	2,983	412	24,839	139,541	30,000	169,541

The accompanying notes form an integral part of these condensed interim consolidated financial statements

1 INCORPORATION AND ACTIVITIES

Alizz Islamic Bank SAOC ("the Bank or the Parent Company") was incorporated in the Sultanate of Oman ("Oman") as a public joint-stock company to carry out banking activities in accordance with the principles of Islamic Shari'a. The Central Bank of Oman ("CBO") has issued an Islamic banking license to the Bank on 5 September 2013. The Bank commenced its operations on 30 September 2013. On 30 June 2020, the Bank's shares were acquired by Oman Arab Bank SAOC and by virtue of that, the Bank became the subsidiary of the Oman Arab Bank, and the shares were delisted from the Muscat Stock Exchange ("MSX"). The ultimate parent company of the Bank is Arab Bank PLC ("the Ultimate Parent Company"). The condensed interim consolidated financial statements of the Bank for the period ended 30 September 2026 comprise the Bank and its subsidiary (together referred to as “the Group” and individually as “the Bank or the Parent Company”).

The group has eighteen branches as of 30 September 2026 (31 December 2025: seventeen branches).

The group has 411 employees as of 30 September 2026 (31 December 2025: 409 employees).

The group provides banking services which include accepting customer deposits and providing financing through various Islamic instruments such as Murabaha, Wakala, Diminishing Musharka, Ijara and other products as defined in the Central Bank of Oman's Islamic Banking Regulatory Framework. The Bank's registered office is P.O.Box 753, PC 112 Bousher, Muscat.

The principal subsidiary of the group which is consolidated in these consolidated financial statements is as follows:

Name	Country of Incorporation	Entity's capital	Entity's activities	Effective % of Ownership
Alizz Sukuk SPC	Sultanate of Oman	﷼ 30,000,000	Sukuk Issuance	100%

2 BASIS OF PREPARATION

2.1 Statement of compliance

In accordance with the requirements of Section 1.2 of Title 3 of the Islamic Banking Regulatory Framework ("IBRF") issued by the CBO, the consolidated financial statements have been prepared in accordance with Shari'a Rules and Principles as determined by the Shari'a Supervisory Board of the group and the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") as modified by CBO and other applicable regulations of CBO. In accordance with the requirements of AAOIFI, matters that are not covered by FAS, the group uses guidance from the relevant International Financial Reporting Standards ("IFRS"). Accordingly, the consolidated financial statements are prepared in accordance with FAS issued by AAOIFI and in compliance with the relevant requirements of the Commercial Companies Law.

Statement of restricted investment accountholders, Statement of Qard fund and Zakah are not presented as these are not applicable.

The condensed interim consolidated financial statements are reviewed, not audited. The comparatives for the condensed interim consolidated statement of financial position have been extracted from the audited financial statements for the year ended 31 December 2025 and comparatives for the condensed interim consolidated statements of income, condensed interim consolidated statements of other comprehensive income, condensed interim consolidated statements of cash flows and condensed interim consolidated statements of changes in equity have been extracted from the condensed interim financial statement for the six months period ended 30 June 2025.

2.2 Basis of measurement

The consolidated financial statements are prepared under the historical cost convention except for financial assets classified as fair value through equity measured at fair value.

2 BASIS OF PREPARATION (CONTINUED)

2.3 Functional and presentation currency

The consolidated financial statements have been presented in Omani Rial (﷼), which is the functional and presentation currency of the group. One Omani Rial is equivalent to one thousand Baizas. The financial information presented in Omani Rial has been rounded to nearest thousands.

2.4 Use of judgements and estimates

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on various factors, including the expectation of future events that are believed by the group to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The basis and the methods used for critical accounting estimates and judgments adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the annual financial statements of the group for the year ended 31 December 2025.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the bank and its subsidiary as at and for the period ended 30 September 2026. The financial statements of the subsidiary are prepared for the same reporting year as the bank, using consistent accounting policies. The basis and accounting policies used for preparation of consolidated financial statements are the same as applied in the preparation of the consolidated financial statements for the year ended 31 December 2025.

2.6 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 2025.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2025, except for the new and amended financial accounting standards, in accordance with the Financial Accounting Standards issued by Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"). For matters which are not covered by AAOIFI standards, the Bank uses the International Financial Reporting Standards (the "IFRSs").

4 INVESTMENT SECURITIES

Debt type instrument measured at fair value through equity

	(Unaudited) 30 September 2026 '000	(Unaudited) 30 September 2025 '000	(Audited) 31 December 2025 '000
Regional listed sukuks	**139,911**	141,557	151,052
Less: Allowance for impairment and credit losses	**(53)**	(68)	(64)
	139,858	141,489	150,988

Equity type measured at fair value through equity

	(Unaudited) 30 September 2026 '000	(Unaudited) 30 September 2025 '000	(Audited) 31 December 2025 '000
Regional listed equities	**3,941**	2,624	2,998
Regional unlisted equities	**997**	997	997
	4,938	3,621	3,995
Total investment securities	**144,796**	145,110	154,983

5 FINANCING ASSETS

	(Unaudited) 30 September 2026 '000	(Unaudited) 30 September 2025 '000	(Audited) 31 December 2025 '000
Wakala bil Istithmar	**210,037**	195,356	197,111
Murabaha receivables	**184,652**	148,901	158,741
Ijarah Muntahia Bittamleek	**113,304**	129,692	125,644
Diminishing Musharaka	**808,923**	731,115	751,090
Salam receivables	**4,925**	-	-
Total financing assets	**1,321,841**	1,205,064	1,232,586
Less: Deferred Profit	**(3,557)**	(2,897)	(2,578)
Less: Allowance for impairment and expected credit losses	**(51,601)**	(48,221)	(48,955)
Less: Reserve profit	**(8,945)**	(6,425)	(7,128)
	(64,103)	(57,543)	(58,661)
Net Financing assets	**1,257,738**	1,147,521	1,173,925

5.1. Impairment and expected credit losses

In accordance with the CBO circular, BM 1149 Banks should continue to maintain and update the risk classification (i.e. standard, special mention, substandard, etc.) of accounts as per the extant CBO norms, including those on the restructuring of accounts for regulatory reporting purposes.

5.1.1. Comparison of provision held as per IFRS 9 / FAS 30 and required as per CBO norms

Disclosure requirements containing the risk classification-wise gross and net amount outstanding, the provision needed as per CBO norms, allowance made as per IFRS 9, profit recognised as per IFRS 9 and reserve profit required as per CBO are given below based on CBO circular BM 1149.

The table below summarises the provision held as per IFRS 9 / FAS 30 and required as per CBO norms balances as at 30 September 2026:

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	Net Amount as per CBO norms*	Net Amount as per IFRS 9	Profit recognised in P&L as per IFRS 9	Reserve profit as per CBO norms
		'000							
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)	(8) = (3)-(5)	(9)	(10)
	Stage 1	1,104,814	12,109	2,845	9,264	1,092,705	1,101,969	-	-
Standard	Stage 2	16,181	177	510	(333)	16,004	15,671	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		**1,120,995**	**12,286**	**3,355**	**8,931**	**1,108,709**	**1,117,640**	**-**	**-**
	Stage 1	-	-	-	-	-	-	-	-
Special Mention	Stage 2	149,288	5,057	19,483	(14,426)	144,231	129,805	-	3,421
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		**149,288**	**5,057**	**19,483**	**(14,426)**	**144,231**	**129,805**	**-**	**3,421**
	Stage 1	-	-	-	-	-	-	-	-
Substandard	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	2,660	991	743	248	1,669	1,917	-	76
Subtotal		**2,660**	**991**	**743**	**248**	**1,669**	**1,917**	**-**	**76**
	Stage 1	-	-	-	-	-	-	-	-
Doubtful	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	1,346	442	250	192	904	1,096	-	46
Subtotal		**1,346**	**442**	**250**	**192**	**904**	**1,096**	**-**	**46**
	Stage 1	-	-	-	-	-	-	-	-
Loss	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	46,878	41,779	36,797	4,982	5,099	10,081	-	5,401
Subtotal		**46,878**	**41,779**	**36,797**	**4,982**	**5,099**	**10,081**	**-**	**5,401**
	Stage 1	382,310	997	1,538	(541)	381,313	380,772	-	-
Other items not covered under CBO circular BM 977 and related instructions	Stage 2	672	-	18	(18)	672	654	-	-
	Stage 3	24	10	17	(7)	14	7	-	-
Subtotal		**383,006**	**1,007**	**1,573**	**(566)**	**381,999**	**381,433**	**-**	**-**
	Stage 1	**1,487,124**	**13,106**	**4,383**	**8,723**	**1,474,018**	**1,482,741**	**-**	**-**
	Stage 2	**166,141**	**5,234**	**20,011**	**(14,777)**	**160,907**	**146,130**	**-**	**3,421**
Total	**Stage 3**	**50,908**	**43,222**	**37,807**	**5,415**	**7,686**	**13,101**	**-**	**5,523**
	Total	**1,704,173**	**61,562**	**62,201**	**(639)**	**1,642,611**	**1,641,972**	**-**	**8,944**

5.1. Impairment and expected credit losses (continued)

5.1.1. Comparison of provision held as per IFRS 9 / FAS 30 and required as per CBO norms (continued)

The table below summarises the provision held as per IFRS 9 and required as per CBO norms balances as at 31 December 2025:

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	Net Amount as per CBO norms*	Net Amount as per IFRS 9	Profit recognised in P&L as per IFRS 9	Reserve profit as per CBO norms
		'000							
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)	(8) = (3)-(5)	(9)	(10)
	Stage 1	1,026,339	10,745	2,854	7,891	1,015,594	1,023,485	-	-
Standard	Stage 2	31,675	332	1,846	(1,514)	31,343	29,829	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		1,058,014	11,077	4,700	6,377	1,046,937	1,053,314	-	-
	Stage 1	-	-	-	-	-	-	-	-
Special Mention	Stage 2	126,670	3,610	17,156	(13,546)	123,060	109,514	-	2,284
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		126,670	3,610	17,156	(13,546)	123,060	109,514	-	2,284
	Stage 1	-	-	-	-	-	-	-	-
Substandard	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	968	252	141	111	716	827	-	2
Subtotal		968	252	141	111	716	827	-	2
	Stage 1	-	-	-	-	-	-	-	-
Doubtful	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	7,165	3,668	2,879	789	3,497	4,286	-	118
Subtotal		7,165	3,668	2,879	789	3,497	4,286	-	118
	Stage 1	-	-	-	-	-	-	-	-
Loss	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	40,175	38,021	31,267	6,754	2,154	8,908	-	4,724
Subtotal		40,175	38,021	31,267	6,754	2,154	8,908	-	4,724
	Stage 1	410,954	-	493	(493)	410,954	410,461	-	-
Other items not covered under CBO circular BM 977 and related instructions	Stage 2	1,509	-	19	(19)	1,509	1,490	-	-
	Stage 3	24	10	16	(6)	14	8	-	-
Subtotal		412,487	10	528	(518)	412,477	411,959	-	-
	Stage 1	1,437,293	10,745	3,347	7,398	1,426,548	1,433,946	-	-
	Stage 2	159,854	3,942	19,021	(15,079)	155,912	140,833	-	2,284
Total	**Stage 3**	48,332	41,951	34,303	7,648	6,381	14,029	-	4,844
	Total	1,645,479	56,638	56,671	(33)	1,588,841	1,588,808	-	7,128

5.1. Impairment and expected credit losses (continued)

5.1.2. Restructured Financing

The table below summarises the provision held as per IFRS 9 and required as per CBO norms balances on restructured financings as at 30 September 2026:

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	Net Carrying Amount as per CBO norms*	Net Carrying Amount as per IFRS 9	Profit recognised in P&L as per IFRS 9	Reserve profit as per CBO norms
		'000							
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)	(8) = (3)-(5)	(9)	(10)
Classified as performing	Stage 1	15,651	172	121	51	15,479	15,530	-	-
	Stage 2	128,329	4,828	18,399	(13,571)	123,501	109,930	-	3,421
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		**143,980**	**5,000**	**18,520**	**(13,520)**	**138,980**	**125,460**	**-**	**3,421**
Classified as non-performing	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	22,780	18,361	14,560	3,801	4,419	8,220	-	2,475
Sub total		**22,780**	**18,361**	**14,560**	**3,801**	**4,419**	**8,220**	**-**	**2,475**
Total	**Stage 1**	**15,651**	**172**	**121**	**51**	**15,479**	**15,530**	**-**	**-**
	Stage 2	**128,329**	**4,828**	**18,399**	**(13,571)**	**123,501**	**109,930**	**-**	**3,421**
	Stage 3	**22,780**	**18,361**	**14,560**	**3,801**	**4,419**	**8,220**	**-**	**2,475**
	Total	**166,760**	**23,361**	**33,080**	**(9,719)**	**143,399**	**133,680**	**-**	**5,896**

The table below summarises the provision held as per IFRS 9 and required as per CBO norms balances on restructured financings as at 31 December 2025:

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	Net Carrying Amount as per CBO norms*	Net Carrying Amount as per IFRS 9	Profit recognised in P&L as per IFRS 9	Reserve profit as per CBO norms
		'000							
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)	(8) = (3)-(5)	(9)	(10)
Classified as performing	Stage 1	21,940	230	191	39	21,710	21,749	-	-
	Stage 2	120,128	3,541	16,638	(13,097)	116,587	103,490	-	2,284
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		142,068	3,771	16,829	(13,058)	138,297	125,239	-	2,284
Classified as non-performing	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	21,998	17,077	12,899	4,178	4,921	9,099	-	1,865
Sub total		21,998	17,077	12,899	4,178	4,921	9,099	-	1,865
Total	Stage 1	21,940	230	191	39	21,710	21,749	-	-
	Stage 2	120,128	3,541	16,638	(13,097)	116,587	103,490	-	2,284
	Stage 3	21,998	17,077	12,899	4,178	4,921	9,099	-	1,865
	Total	164,066	20,848	29,728	(8,880)	143,218	134,338	-	4,149

5.1 Impairment and expected credit losses (continued)

5.1.3 Impairment charge and provisions held

	2026		
	As per CBO Norms	**As per IFRS 9**	**Difference**
	﷼'000	**﷼'000**	**﷼'000**
Impairment loss charged to statement of income	**(3,715)**	**(3,715)**	**-**
reserve	**61,562**	**62,201**	**(639)**
Gross NPA ratio (percentage)	**3.85%**	**3.85%**	**-**
Net NPA ratio (percentage)	**0.61%**	**1.04%**	**-0.43%**

	2025		
	As per CBO Norms	As per IFRS 9	Difference
	﷼'000	﷼'000	﷼'000
Impairment loss charged to statement of income	(2,459)	(2,459)	-
reserve	53,547	53,593	(46)
Gross NPA ratio (percentage)	4.09%	4.09%	-
Net NPA ratio (percentage)	0.70%	1.40%	-0.70%

In accordance with CBO requirements, where the aggregate provision on portfolio and specific basis computed as per CBO norms is higher than the impairment allowance computed under IFRS 9, the difference, net of the impact of taxation, is transferred to an impairment reserve as an appropriation from the retained earnings.

6 PARTICIPATORY INVESTMENT ACCOUNTS

	(Unaudited) 30 September 2026	(Unaudited) 30 September 2025	(Audited) 31 December 2025
	﷼'000	﷼'000	﷼'000
Participatory investment accounts	**1,311,306**	1,093,201	1,107,681
Participatory investment accounts by type			
Saving deposits	**224,601**	180,266	185,233
Call Deposits	**488,790**	335,737	351,111
Term deposits	**597,915**	577,198	571,337
Participatory investment accounts	**1,311,306**	1,093,201	1,107,681

7 SUKUK ELIGIBLE AS ADDITIONAL CAPITAL

In December 2024, the bank has issued its first unsecured perpetual Mudaraba Sukuk eligible as additional tier 1 with an aggregate amount of OMR 30 million. The instrument pays an indicative profit rate of 6.5% p.a payable semi-annually. These certificates are listed on Muscat Stock Exchange (MSX) being issued in dual currency with Omani Rial tranche of OMR 26 million and US Dollar tranche of USD 10 million (equivalent to OMR 4 million approximately). The entire US Dollar tranche is subscribed by the group's associated company.

For the purpose of issuing this Sukuk, Alizz Sukuk SPC has been established as a sole proprietor company, in accordance with Article 239 of the Commercial Companies Law. The entity in its separate capacity as the issuer and the trustee is licensed by the FSA as a special purpose vehicle.

8 NET ASSETS PER SHARE

	(Unaudited) 30 September 2026	(Unaudited) 30 September 2025	(Audited) 31 December 2025
	﷼'000	﷼'000	﷼'000
Net assets	**146,447**	136,358	139,541
Number of shares at reporting date	**1,113,070,190**	1,113,070,190	1,113,070,190
Net assets per share	**0.1316**	0.1225	0.1254

9 CONTINGENCIES AND COMMITMENTS

	(Unaudited) 30 September 2026	(Unaudited) 30 September 2025	(Audited) 31 December 2025
	'000	'000	'000
Letter of guarantees	**62,903**	52,433	60,678
Letters of credit	**30,067**	104,791	100,315
Irrevocable financing commitments	**62,616**	57,760	58,581
	155,586	214,984	219,574

10 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic earnings per share

	(Unaudited) 30 September 2026	(Unaudited) 30 September 2025	(Audited) 31 December 2025
	'000	'000	'000
Profit attributable to ordinary shareholders	**9,331**	8,135	12,017
Weighted average number of shares outstanding	**1,113,070,190**	1,113,070,190	1,113,070,190
	0.0084	0.0073	0.0108

Diluted earnings per share

	(Unaudited) 30 September 2026	(Unaudited) 30 September 2025	(Audited) 31 December 2025
	'000	'000	'000
Profit for the year	**9,331**	8,135	12,017
Less: profit on perpetual sukuk	**(972)**	(972)	(1,950)
Profit attributable to ordinary shareholders	**8,359**	7,163	10,067
Weighted average number of shares outstanding	**1,113,070,190**	1,113,070,190	1,113,070,190
Effect of sukuk conversion to shares	**3,205,128**	3,205,128	3,205,128
Adjusted weighted average number of shares outstanding	**1,116,275,318**	1,116,275,318	1,116,275,318
	0.0075	0.0064	0.0090

11 CASH AND CASH EQUIVALENTS

	(Unaudited) 30 September 2026	(Unaudited) 30 September 2025	(Audited) 31 December 2025
	'000	'000	'000
Cash in hand	**6,711**	5,505	5,443
Balance with CBO excluding mandatory reserves	**83,861**	94,316	73,776
Current accounts with foreign banks	**3,374**	2,804	3,650
Due from banks	**47,340**	-	-
Due to Banks	**-**	(1,925)	(36)
	141,286	100,700	82,833

12 RELATED PARTY TRANSACTIONS

Related parties comprise major shareholders, directors and key management personnel of the Group, entities owned or controlled, jointly controlled or significantly influenced by them, companies affiliated by virtue of shareholding in common with that of the Group and Shari'a supervisory board. The transactions with related parties are conducted by the Group in the ordinary course of business, on mutually agreed terms with the approval of Board of Directors.

The significant balances with related parties at reporting date are as follows:

	Directors and key executives			Associate companies			Total		
	(Unaudited) 30 September 2026	(Unaudited) 30 September 2025	(Audited) 31 December 2025	**(Unaudited) 30 September 2026**	(Unaudited) 30 September 2025	(Audited) 31 December 2025	**(Unaudited) 30 September 2026**	(Unaudited) 30 September 2025	(Audited) 31 December 2025
	BD'000	BD'000	BD'000	**BD'000**	BD'000	BD'000	**BD'000**	BD'000	BD'000
Assets:									
Financing Assets	**908**	4,247	876	**30,213**	28,916	36,911	**31,121**	33,163	37,787
Other assets	**28**	26	28	**-**	-	-	**28**	26	28
	936	4,273	904	**30,213**	28,916	36,911	**31,149**	33,189	37,815
Liabilities:									
Due to bank	**-**	-	-	**-**	-	-	**-**	-	-
Current account	**225**	213	224	**206**	464	857	**431**	677	1,081
	225	213	224	**206**	464	857	**431**	677	1,081
Quasi-equity	**396**	732	745	**4,076**	4,101	14,501	**4,472**	4,833	15,246
Contingencies and Commitments	**-**	-	-	**-**	-	1,356	**-**	-	1,356

The transactions with the related parties included in the statement of income are as follows:

	1 January 2026 to 30 September 2026	1 January 2025 to 30 September 2025
	BD'000	BD'000
Income from financing and investing activities	**1,367**	1,518
Other income	**78**	10
	1,445	1,528
Expenses		
Return on equity of IAH before Bank's share as a Mudarib	**171**	193
Board expenses	**131**	111
Shari'a board expense	**61**	71
Other expenses	**1,131**	1,246
	1,494	1,621
Compensation of key management personnel is as follows:		
Salaries and allowances	**877**	747
End of service benefits	**78**	26
	955	773

13 FINANCIAL RISK MANAGEMENT

Risk management is an integral part of the group's decision-making process. The group's aim is to achieve a balanced approach towards risk & reward as well as minimise potential adverse impacts on it financial performance as a result of taking unnecessary risk in the normal course of banking business.

Liquidity risk is the risk that the group may not be able to meet its repayment obligations when they fall due under normal and stressed business conditions. To manage this risk, the group focusses on diversified funding sources, manage assets and liabilities in mind, and monitors liquidity on a regular basis through the ALCO.

In addition, the Bank also monitors Basel III framework related liquidity ratios such as Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) which have been adopted by CBO vide circular BM 1127 and BM 1147. The minimum regulatory limit for both these ratios is defined at 100% and the Bank has approved an internal limits which requires a higher ratio to be maintained. The position of the bank is as follows:

	(Unaudited) 30 September 2026	(Unaudited) 30 September 2025	(Audited) 31 December 2025
	%	*%*	*%*
LCR	**120.08**	130.49	157.40
NSFR	**106.81**	107.03	106.87

The table below summarises the maturity profile of the group's assets and liabilities as of 30 September 2026 based on expected periods to cash conversion from the reporting date:

At 30 September 2026	**Up to one month**	**One month to six months**	**Six months to one year**	**One to five years**	**Over five years**	**Not tied to any maturity**	**Total**
	----------	----------	----------	----------	'000 ----------	----------	----------
Assets							
Cash and balances with CBO	**20,186**	**-**	**-**	**-**	**-**	**70,386**	**90,572**
Due from banks	**50,667**	**-**	**3,850**	**-**	**-**	**-**	**54,517**
Investment Securities	**33,658**	**22,440**	**-**	**22,947**	**60,813**	**4,938**	**144,796**
Financing assets	**27,257**	**130,330**	**82,106**	**446,712**	**571,333**	**-**	**1,257,738**
Property and Equipment	**-**	**-**	**-**	**-**	**-**	**4,473**	**4,473**
Intangibles	**-**	**-**	**-**	**-**	**-**	**1,654**	**1,654**
Other assets	**7,809**	**11,869**	**13,268**	**-**	**-**	**14,249**	**47,195**
Total Assets	**139,577**	**164,639**	**99,224**	**469,659**	**632,146**	**95,700**	**1,600,945**
Liabilities							
Due to banks	**592**	**-**	**-**	**-**	**-**	**-**	**592**
Customers' current accounts	**-**	**-**	**-**	**-**	**-**	**87,722**	**87,722**
Other liabilities	**573**	**3,143**	**2,910**	**2,608**	**-**	**15,644**	**24,878**
Total liabilities	**1,165**	**3,143**	**2,910**	**2,608**	**-**	**103,366**	**113,192**
Quasi-equity and owners' equity							
Participatory investments accounts	**31,452**	**139,635**	**260,836**	**165,967**	**25**	**713,391**	**1,311,306**
Owner's Equity	**-**	**-**	**-**	**-**	**-**	**146,447**	**146,447**
Sukuk eligible as additional capital tier 1	**-**	**-**	**-**	**-**	**-**	**30,000**	**30,000**
Total Quasi-equity and owners' equity	**31,452**	**139,635**	**260,836**	**165,967**	**25**	**889,838**	**1,487,753**
Total liabilities, Quasi-equity and owners' equity	**32,617**	**142,778**	**263,746**	**168,575**	**25**	**993,204**	**1,600,945**
Net Gap	**106,960**	**21,861**	**(164,522)**	**301,084**	**632,121**	**(897,504)**	**-**
Cumulative Net gap	**106,960**	**128,821**	**(35,701)**	**265,383**	**897,504**	**-**	**-**

13 FINANCIAL RISK MANAGEMENT (CONTINUED)

13.1 Liquidity Risk (continued)

The table below summarises the maturity profile of the group's assets and liabilities as of 31 December 2025 based on expected periods to cash conversion from the reporting date:

At 31 December 2025	Up to one month	One month to six months	Six months to one year	One to five years	Over five years	Not tied to any maturity	Total
	----------	----------	----------	----------	'000 ----------	----------	----------
Assets							
Cash and balances with CBO	42,715	-	-	-	-	36,504	79,219
Due from banks	3,650	-	7,656	-	-	-	11,306
Investment Securities	13,477	27,355	31,673	15,058	63,425	3,995	154,983
Financing assets	35,818	118,658	68,759	418,783	531,907	-	1,173,925
Property and Equipment	-	-	-	-	-	5,189	5,189
Intangibles	-	-	-	-	-	1,587	1,587
Other assets	2,543	11,654	16,314	-	-	8,486	38,997
Total Assets	98,203	157,667	124,402	433,841	595,332	55,761	1,465,206
Liabilities							
Due to banks	497	-	36	-	-	-	533
Customers' current accounts	-	-	-	-	-	161,431	161,431
Other liabilities	893	4,094	5,732	-	-	15,301	26,020
Total liabilities	1,390	4,094	5,768	-	-	176,732	187,984
Quasi-equity and owners' equity							
Participatory investments accounts	22,738	194,188	168,588	185,823	-	536,344	1,107,681
Owner's Equity	-	-	-	-	-	139,541	139,541
Sukuk eligible as additional capital tier 1	-	-	-	-	-	30,000	30,000
Total Quasi-equity and owners' equity	22,738	194,188	168,588	185,823	-	705,885	1,277,222
Total liabilities, Quasi-equity and owners' equity	24,128	198,282	174,356	185,823	-	882,617	1,465,206
Net Gap	74,075	(40,615)	(49,954)	248,018	595,332	(826,856)	-
Cumulative Net gap	74,075	33,460	(16,494)	231,524	826,856	-	-

14 FINANCIAL INSTRUMENTS

14.1 Fair Value of financial instruments

The fair value of the financial assets and financial liabilities, other than those disclosed in the table below and in note 4, approximate their carrying values.

The group's primary medium and long-term financial liabilities are the financed funds. The fair values of these financial liabilities are not materially different from their carrying values since these liabilities are repriced at intervals of three or nine months, depending on the terms and conditions of the instrument and the resultant applicable margins approximate the current spreads that would apply for financing with similar maturities.

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable and willing parties in an arm's length transaction.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy on reporting date:

	Level 1 **'000**	**Level 2** **'000**	**Level 3** **'000**	**Total** **'000**
(Unaudited) 30 September 2026	**3,941**	**139,911**	**997**	**144,849**
(Unaudited) 30 September 2025	2,624	141,489	997	145,110
(Audited) 31 December 2025	2,998	151,052	997	155,047

15 CAPITAL ADEQUACY RATIO

CBO sets and monitors the capital requirements of the Group operating in Oman. In implementing Basel III's capital requirement, the CBO requires the Group to maintain a minimum of 13.5% ratio of total capital to total risk-weighted assets. The Group's regulatory capital is analysed into two tiers:

- Tier I capital, which includes ordinary share capital, legal reserve and retained earnings.
- Tier II capital includes fair value reserves.
- The Asset-Liability Committee devises capital utilisation strategy and monitors compliance with CBO's regulations in this regard.

The risk asset ratio, calculated in accordance with the capital adequacy guidelines of the Basel Committee on Banking Supervision and CBO Circulars BM 1009 'Guidelines on Basel II' and BM 1114 'Regulatory Capital and Composition of Capital Disclosure requirements under Basel III' effective from 31 December 2013, minimum capital adequacy ratio requirement for the year is 13.5% inclusive of capital conservation buffer of 2.25% (2024: 13.50% inclusive of capital conservation buffer of 2.50%).

The relevant details of the capital adequacy ratio of the Group is as follows:

	(Unaudited) 30 September 2026	(Unaudited) 30 September 2025	(Audited) 31 December 2025
	﷼'000	﷼'000	﷼'000
Common equity tier 1 (CET1)	**133,251**	126,161	134,888
Sukuk eligible as Tier I	**30,000**	30,000	30,000
Tier 1	**163,251**	156,161	164,888
Tier 2	**4,929**	3,760	3,501
Total regulatory capital	**168,180**	159,921	168,389
Risk-weighted assets			
Credit risk	**1,124,113**	946,268	995,190
Market risk	**22,725**	19,575	21,825
Operational risk	**65,525**	59,086	65,525
Total risk-weighted assets	**1,212,363**	1,024,929	1,082,540
Capital adequacy ratio			
CET1 capital (Tier I) expressed as a percentage of total risk-weighted assets	**10.99%**	12.31%	12.46%
Tier II capital as a percentage of total risk weighted assets	**0.41%**	0.37%	0.32%
Total Regulatory Capital expressed as a percentage of total risk-weighted assets	**13.87%**	15.60%	15.55%

16 SEGMENTAL INFORMATION

Segment information is presented in respect of the group's operating segments. For performance management purposes, the group is organised into three operating segments based on products and services as follows:

(i) Retail banking includes customers' deposits, participatory investment account consumer financing, credit card and general banking services.

(ii) Corporate banking includes deposits and financing for corporate and institutional customers and the provision of trade finance services.

(iii) Treasury includes placements with financial institutions and managing the proprietary investment portfolio of the group.

(iv) Others includes assets and liabilities pertaining to headoffice and does not include any assets attributable to other operating segments.

30 September 2026	**Retail** **£'000**	**Corporate** **£'000**	**Treasury** **£'000**	**Others** **£'000**	**Total** **£'000**
Net income from islamic financing and investment activities	**11,490**	**9,230**	**4,017**	**-**	**24,737**
Fees, Commission and other operating income	**1,107**	**3,529**	**975**	**-**	**5,611**
Operating Income	**12,597**	**12,759**	**4,992**	**-**	**30,349**
Operating Expenditure	**(3,616)**	**(1,400)**	**(303)**	**(10,372)**	**(15,692)**
Cost allocation	**(6,088)**	**(3,901)**	**(384)**	**10,372**	**-**
Operating Profit	**2,893**	**7,458**	**4,305**	**-**	**14,657**
Impairment loss allowance	**(399)**	**(3,323)**	**7**	**-**	**(3,715)**
Net profit before tax	**2,494**	**4,134**	**4,312**	**-**	**10,942**
Taxation	**(367)**	**(609)**	**(635)**	**-**	**(1,611)**
Net profit	**2,127**	**3,525**	**3,677**	**-**	**9,331**
Total assets	**598,995**	**716,853**	**176,375**	**108,722**	**1,600,945**
Total liabilities	**568,011**	**831,017**	**592**	**24,879**	**1,424,498**

31 December 2025	Retail £'000	Corporate £'000	Treasury £'000	Others £'000	Total £'000
Net income from islamic financing and investment activities	13,490	13,926	4,667	-	32,082
Fees, Commission and other operating income	1,349	3,655	1,323	-	6,328
Operating Income	14,839	17,581	5,990	-	38,410
Operating Expenditure	(4,786)	(1,724)	(316)	(13,033)	(19,859)
Cost Allocation	(7,449)	(5,077)	(507)	13,033	-
Operating Profit	2,604	10,780	5,167	-	18,550
Impairment loss allowance	940	(5,301)	(41)	-	(4,402)
Net profit before tax	3,544	5,479	5,126	-	14,148
Taxation	(534)	(826)	(772)	-	(2,132)
Net profit	3,010	4,653	4,353	-	12,017
Total assets	546,442	679,104	144,304	95,351	1,465,201
Total liabilities and equity	535,561	744,272	533	15,299	1,295,665

16 SEGMENTAL INFORMATION (CONTINUED)

30 September 2025	Retail ﷼'000	Corporate ﷼'000	Treasury ﷼'000	Others ﷼'000	Total ﷼'000
Net income from islamic financing and investment activities	9,519	10,530	3,559	-	23,609
Fees, Commission and other operating income	963	2,543	938	-	4,444
Operating Income	10,482	13,073	4,497	-	28,053
Operating Expenditure	(3,604)	(1,284)	(226)	(9,691)	(14,805)
Cost Allocation	(5,570)	(3,749)	(372)	9,691	-
Operating Profit	1,309	8,040	3,900	-	13,248
Impairment loss allowance	600	(4,196)	(82)	-	(3,678)
Net profit before tax	1,909	3,844	3,818	-	9,570
Taxation	(287)	(577)	(573)	-	(1,436)
Net profit	1,622	3,267	3,245	-	8,135
Total assets	528,163	669,543	135,994	117,052	1,450,752
Total liabilities and equity	555,309	698,372	1,961	28,752	1,284,394

17 SOURCES AND USES OF CHARITY FUND

	(Unaudited) 30 September 2026 ﷼'000	(Unaudited) 30 September 2025 ﷼'000
Undistributed charity funds at beginning of the year	**27**	32
Donation from customers due to late payment	**75**	58
Forfeiture of non-shari'a compliant income	**1**	1
Total sources of funds at end of the year	**103**	91
Uses of charity funds		
Philanthropic societies	**(87)**	(73)
Undistributed charity funds at end of the year	**16**	18

18 PROPOSED MERGER

On 16 July 2026, the Board of Directors of Oman Arab Bank SAOG ("The Parent Company"), received a non-binding Letter of Intent from Bank Nizwa SAOG, expressing interest in a potential merger by incorporation of Alizz Islamic Bank SAOC into Bank Nizwa SAOG. The proposed merger transaction is subject to due diligence and entering into definitive agreements, in addition to obtaining final approvals from respective boards, regulators and shareholders. As of 30 September 2026, Bank Nizwa SAOG has received principle approval from Central Bank of Oman to commence a comprehensive due diligence process to assess the feasibility of proposed merger.

19 COMPARATIVE INFORMATION

Corresponding figures have been rearranged and reclassified in order to conform with the presentation for the current year for the purpose of comparison and for better presentation. Such reclassifications are not considered material and do not affect previously reported net income or owner's equity.