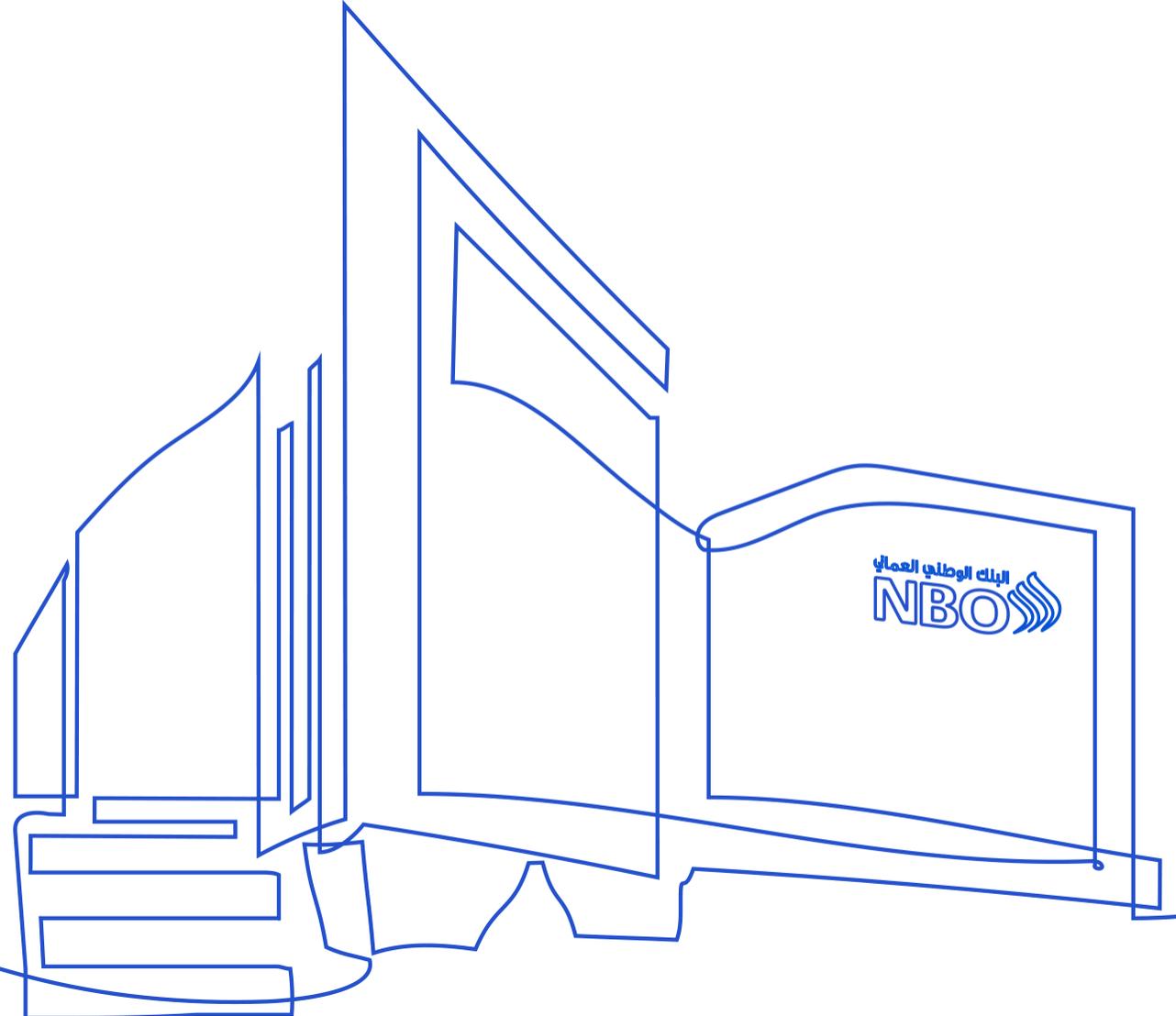


Investor Presentation

June 2023
nbo.om



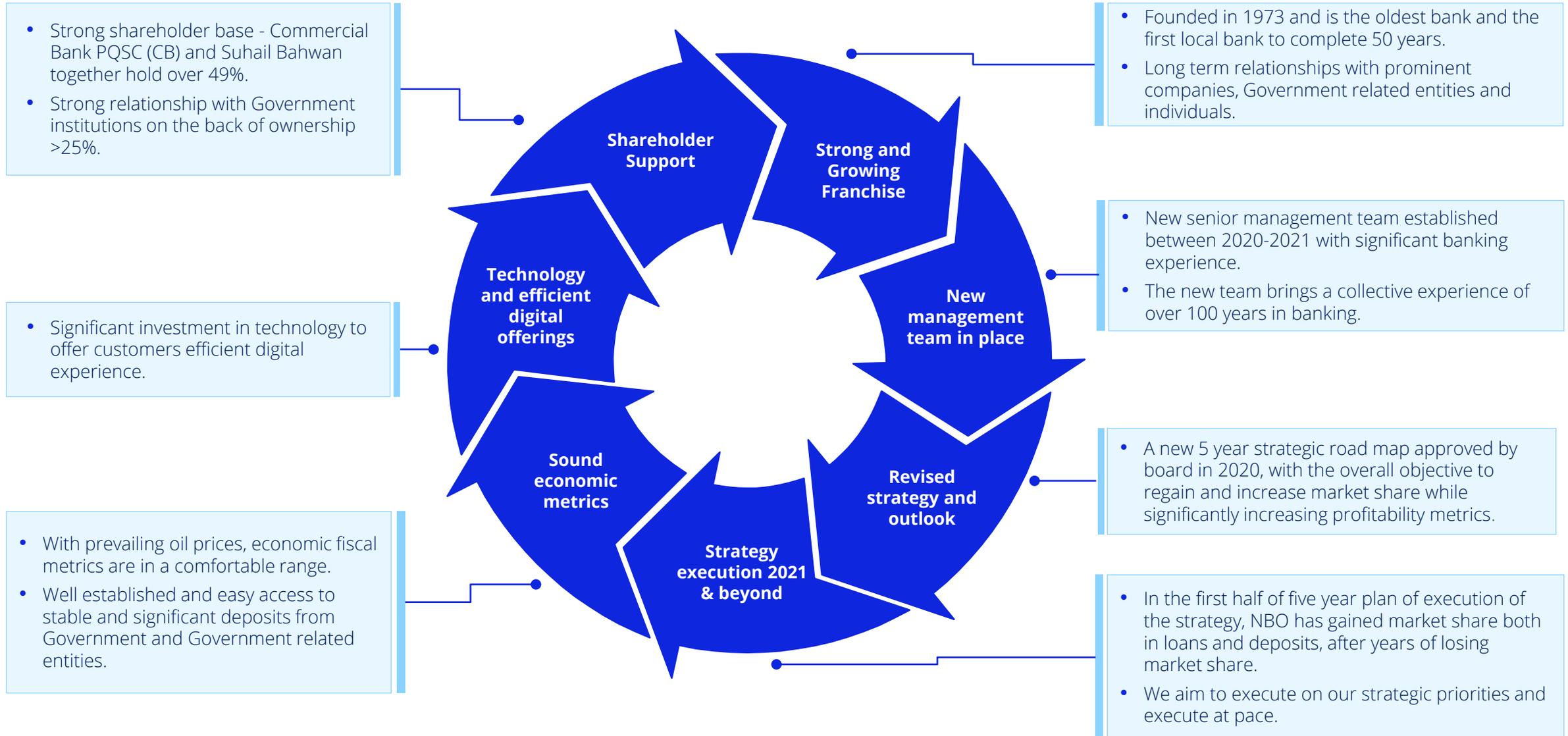
Disclaimer

- Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the consolidated financial statements
- The information contained herein has been prepared by National Bank of Oman SAOG (“NBO”). The information contained in this presentation may not have been reviewed or reported on by the auditors.
- NBO relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness. This presentation has been prepared for information purpose only and does not form part of any offer for sale or solicitation of any offer to subscribe for or purchase or sell any securities nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.
- Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of NBO. These forward-looking statements include all matters that are not historical facts. The inclusion of such forward-looking information shall not be regarded as a representation by NBO or any other person that the objectives or plans of NBO will be achieved.
- NBO undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. Please note that rounding differences may appear throughout the presentation.

Table of Contents

- Key Messages and Priorities
- Operating Environment
- National Bank of Oman Introduction
- Financial Performance
- Appendix

Key Messages



Our Priorities

Strategic Priorities

1 | Safeguard

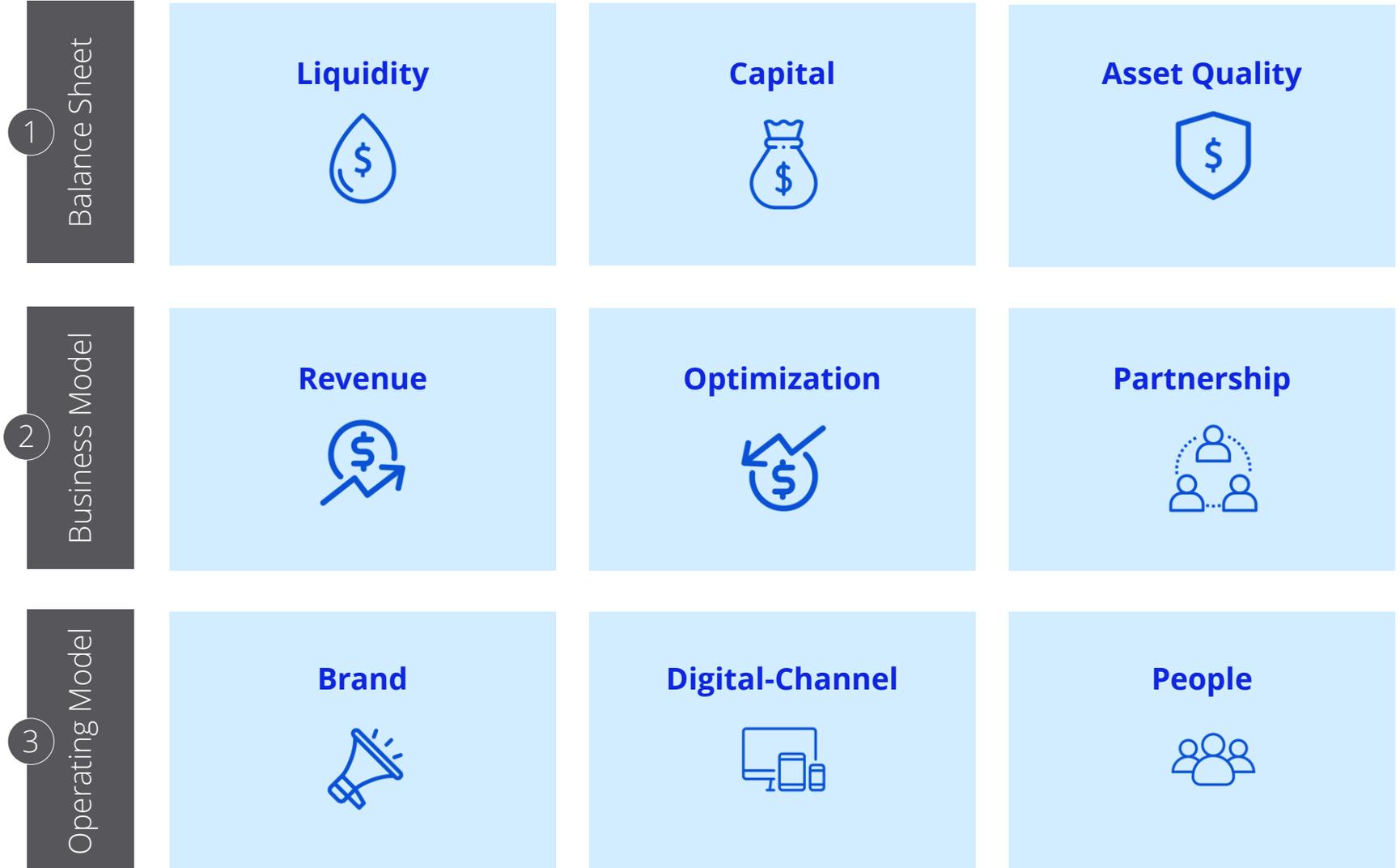
In context of the uncertain conditions ensure the bank maintain healthy levels of funding and capital, whilst guarding asset quality

2 | Value Creation

Actively drive cost optimization plus bolstering income by focusing on low risk revenues streams and leveraging existing client base & partnerships

3 | Sustainability

Continue to invest into build lasting capabilities and digitise the bank's operating model for greater appeal and scale



Oman's Economic Overview

Economic Diversification Strategy With Fiscal Prudence

OVERVIEW

- The Sultanate of Oman is the second largest country by geographical area among the states of the GCC region, after Saudi Arabia. It is spread over 309,500 km², and has a 2,092 km coastline. It is strategically placed at the mouth of the Arabian Gulf
- Population of Oman is approximately 4.9 million (Dec 2022), with Omani nationals comprising 2.9 million and expatriates comprising 2.0 million of the overall figure. Population has increased by 9% YoY
- Oman's nominal economy expanded by 30% percent YoY in 2022 and Real GDP increased by 4.3% over the same period.
- Public Government debt as a percentage of GDP has fallen from 70% in 2020 to 43% as at end 2022 as per State General Budget. It is expected to fall further in 2023
- Government's budget for 2023 was based on oil price at USD 55 per barrel

SULTANATE OF OMAN ECONOMIC SNAPSHOT

Geography	309,500 km ² , Oman is the second largest country in the GCC region
Population	4.9 million (Dec 2022)
Credit Rating	Moody's: Ba2 (Positive); S&P: BB (Positive); and Fitch: BB- (Positive)
Nominal GDP	USD 114.5 billion (2022, NCSI)
GDP per Capita	US\$ 23,215 (NCSI)
Fiscal surplus	Surplus c. 2.68% of GDP (2022, NCSI/CBO)

Positive Rating outlook by All Rating Agencies

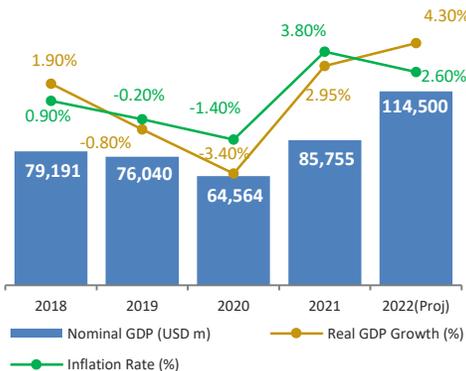
Moody's: The positive outlook captures the prospect that the improvements in the government's debt metrics will be sustained over the next few years, despite lower oil prices, through maintenance of spending discipline and further implementation of fiscal and structural reforms.

S&P: The positive outlook reflects our view that the government's fiscal and economic reform program could strengthen Oman's fiscal position beyond our current assumptions, adding a greater degree of resilience against the economy's structural susceptibility to adverse oil price shocks

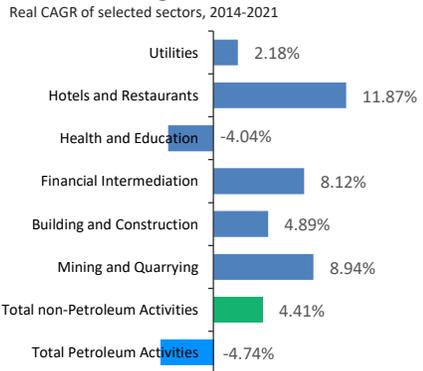
Fitch: The Positive Outlook reflects lower government debt/GDP, with high oil prices and spending restraint reducing external liquidity risk. Fiscal reform should be sufficient to limit a deterioration of Oman's budget, debt/GDP ratio and external position under our assumption of lower oil prices this year and next.

CHALLENGING MACROECONOMIC CONDITIONS WITH A WELL DEFINED ECONOMIC DIVERSIFICATION PLAN

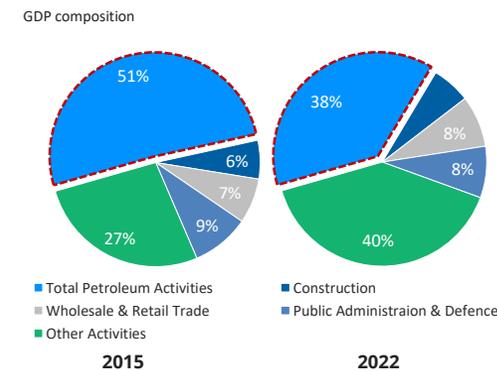
Headwinds to GDP Growth



.. with Non-hydrocarbon sectors having the commendable growth

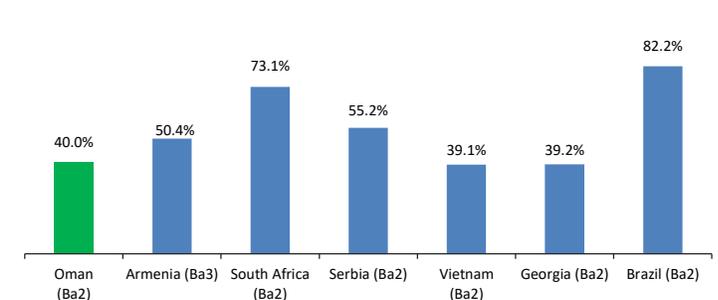


.. leading to a more diversified economy



MODERATE DEBT TO GDP LEVELS AS COMPARED TO BB* RATE PEERS

Gross Government debt to GDP (2022 estimates)



The Oman Banking Sector

OVERVIEW

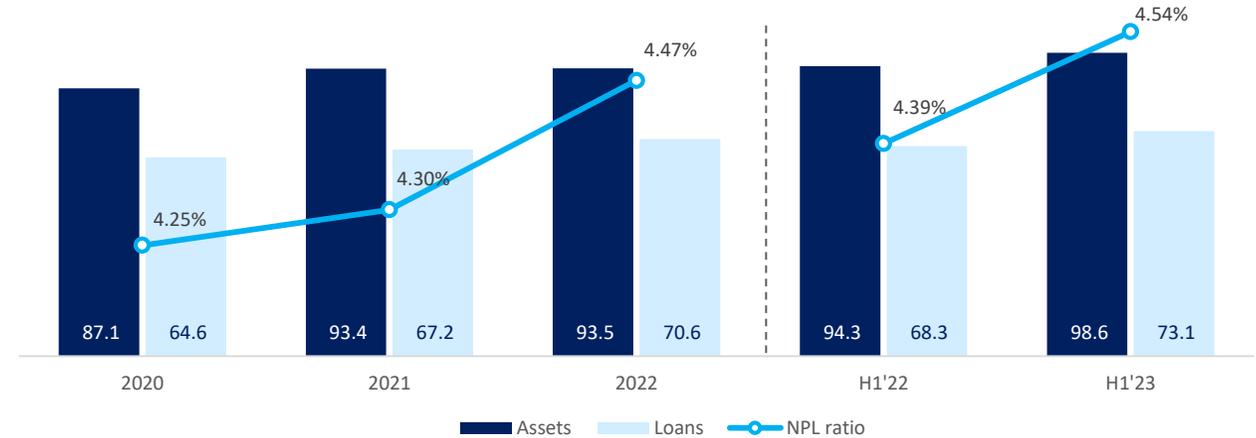
- Oman's Banking sector risk is assessed to be "BB" by Fitch which is underpinned by the sector's strong capitalization.
- Aggregate deposits for the banking sector in 2022 showed a YoY growth of 0.3%. The loans for the same period grew by 4.5% YoY.
- However, the Omani banking system is fairly concentrated with top four banks (NBO included) accounting for nearly three fourth of total credit and banking profits.
- Although the banking assets have shown 2.6% CAGR over last 5 years, several banking profitability metrics have been trending lower than pre-pandemic levels.
- There has been an improvement in the above situation with most banks showing better profitability and asset quality metrics since 2020.
- CBO a strict but supportive regulator has introduced various regulation to support banks as well as borrowers.
- Given the contraction experienced and anticipated in the economy, consolidation is likely over the medium term.

Rating outlook – Banking sector

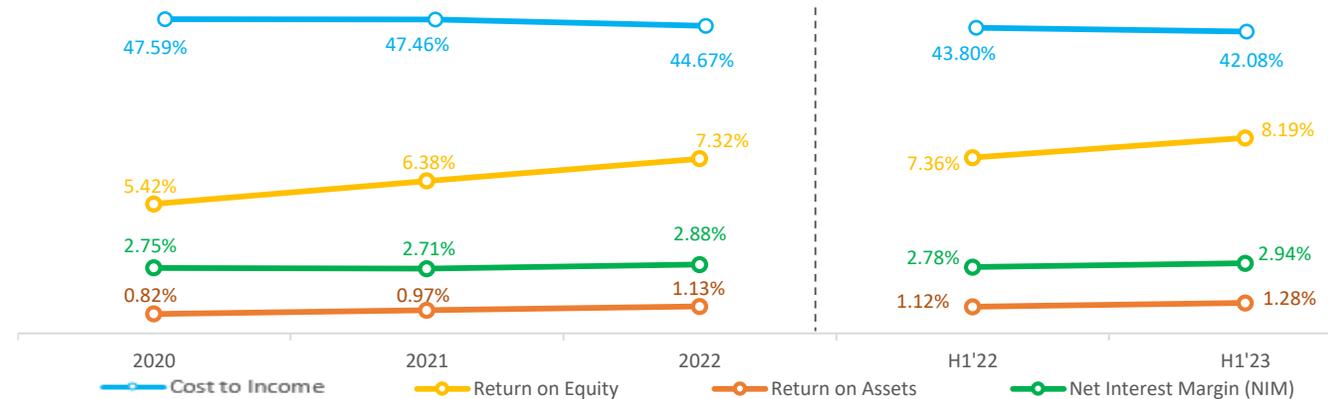
- The rating agency has changed outlook for the Omani banking system to stable from negative. The rating outlook is a balance of supportive operating conditions with tighter funding and weaker asset quality.
- As per the report expect economic growth to accelerate to 4% in 2022, fuelled by a boost in oil production, before slowing to 2.4% in 2023.
- Loan growth will likely accelerate slightly as the economy recovers and strengthening business and consumer confidence increases demand for credit.
- Profitability will remain steady and the banks will maintain solid capital buffers. Deposit growth will continue to lag loan demand, keeping funding flows relatively tight. Overreliance on government deposits remains a key risk for the banks.
- Oman banking sector has ample liquid resources, however, which are adequate to cover their market funding exposure.

MAJOR BANKS ASSETS AND LOANS GROWN

USD billion



KEY RATIOS OF MAJOR BANKS



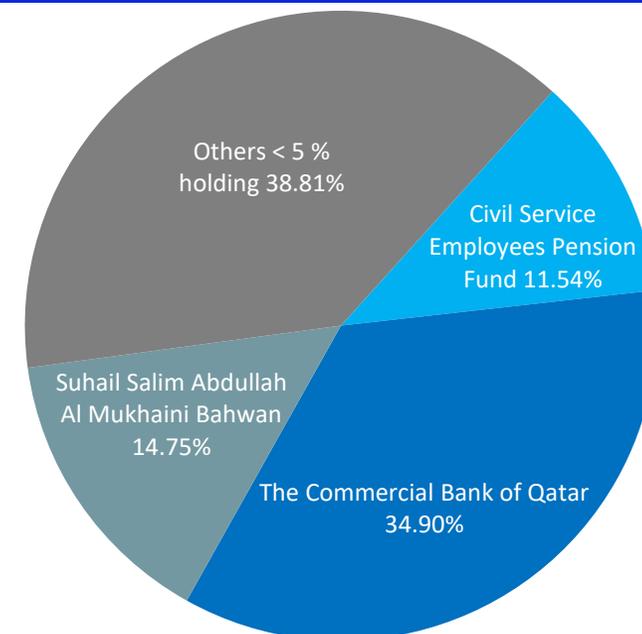
Source: Published FS of eight listed Omani banks including NBO

The First Omani Commercial Bank

OVERVIEW

- National Bank of Oman SAOG (“NBO” or the “Bank”) was the **first incorporated Bank in the Sultanate of Oman** (“Oman”) - established in 1973 as a joint stock company, providing conventional and Islamic banking services.
- The Bank’s shares are listed on the Muscat Stock Exchange (“MSX”).
- The Bank employed 1,417 employees as at 30th June 2023 and is the third largest bank by total assets in Oman accounting to USD 11.7 billion as at 30th June 2023.
- As at 31st March 2023, NBO serves approximately half a million retail customers and 25,000 corporate and SME customers via 66 branches and 203 ATM and CCDM units.
- In addition, the Bank has two overseas branches in the **UAE (Dubai and Abu Dhabi)** and legal closure of **Egypt** branch is in progress.
- The Bank operates via four main segments namely, retail banking, wholesale banking, international banking and Islamic banking.
- As at 30th June 2023, approximately NBO had 12.2% market share of loans and 12.3% market share of deposits.

OWNERSHIP (as at Dec2022)



CREDIT RATING

Rating Agency	Period	Long-term Rating	Outlook
MOODY'S	May 2023	Ba2	Positive
FitchRatings	May 2023	BB-	Positive

KEY FINANCIALS - NBO

In USD Millions	2020	2021	2022	H1'22	H1'23
Total Assets	9,435	10,600	11,153	10,907	11,655
Net Loans	7,501	8,022	8,711	8,470	8,943
Deposits	6,564	7,579	7,915	7,897	8,582
Operating Income	304	320	359	171	196
Net Profit	47	79	125	57	76
Tier 1	15.4%	15.0%	16.3%	14.8%	16.1%
Total CAR	16.4%	15.8%	16.9%	15.3%	16.6%
Loans to Deposit Ratio	114.3%	105.9%	110.1%	107.3%	104.2%
NPL Ratio	5.6%	5.3%	4.9%	5.3%	4.7%
Cost/Income	54.6%	51.5%	43.8%	44.4%	40.9%

Key Financial Highlights

Net Profit for H1 2023 was USD 76.1 million, strong growth by 32.8 per cent over corresponding period last year.

Net Interest Income for H1 2023 was USD 148.0 million, increased by 21.8 per cent compared to last year.

Cost to Income ratio in H1 2023 improved to 40.9 per cent compared to 44.4 per cent for the corresponding period last year.

Net Impairment for H1 2023 was USD 24.8 million, compared to USD 27.2 million for the corresponding period last year, reduced by 8.7 per cent.

Gross loans and advances as of 30th June 2023 are at USD 9.4 billion, grown by 5.5 percent over same period last year.

Customer deposits as of 30th June 2023 are at USD 8.6 billion, grown by 8.7 percent over same period last year.

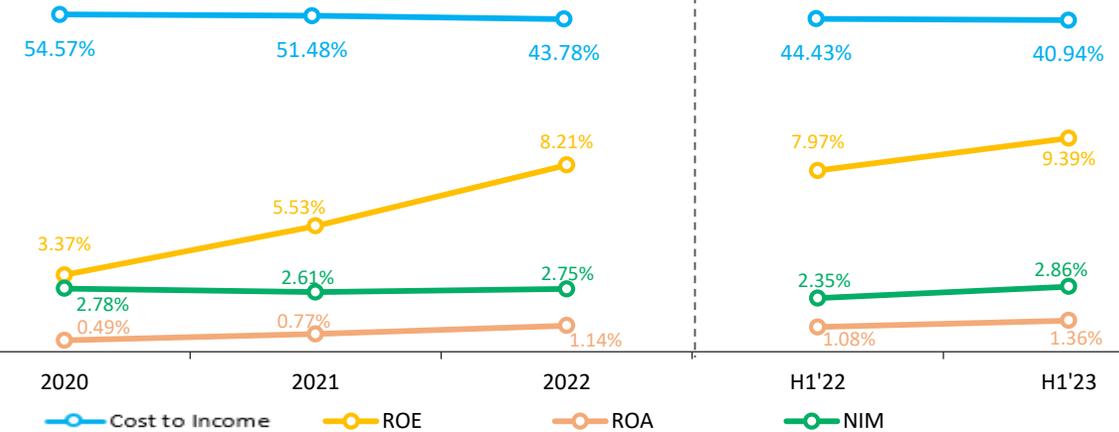
Bank's core equity ratio and total capital adequacy ratio stands at 11.6 per cent and 16.6 per cent respectively in H1 2023.

NBO - Operating Performance

OVERVIEW

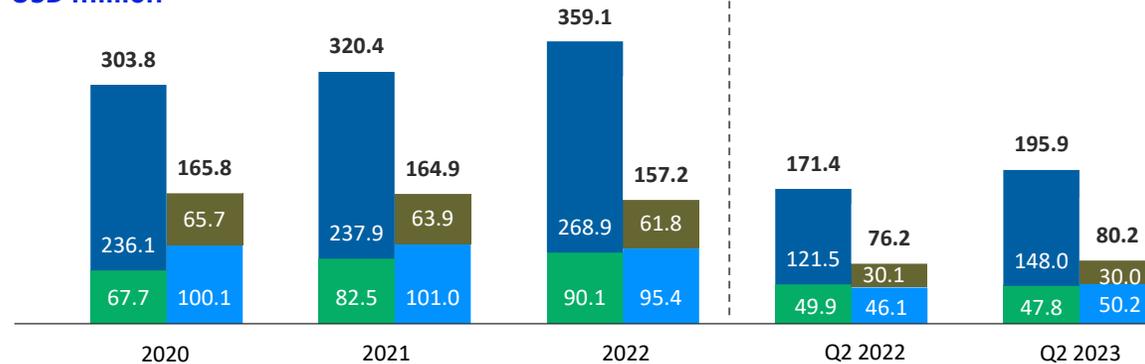
- Net Interest income for H1 2023 increased by 21.8 per cent compared to H1 2022. This is driven by strong growth in loan volumes.
- The bank continued to invest in people and technology, despite that, Cost-to-Income ratio for H1 2023 improved to 40.9 per cent compared to 44.4 per cent for the corresponding period last year on the back of strong revenue growth and robust control on operating expenses.
- Return metrics improved - ROA for H1 2023 was 1.34% compared to 1.07% in H1 2022. ROE for H1 2023 was 9.15%, up by 121 bps as compared to 7.94% in H1 2022.
- Net Impairment for H1 2023 decreased by 8.7%. The reduction is on account of conservative provisioning approach undertaken in the previous years, subsequently there has been improvement to the economic activities and borrower profiles reflected in the lowered expected credit losses.

KEY PROFITABILITY METRICS



OPERATING INCOME COMPOSITION

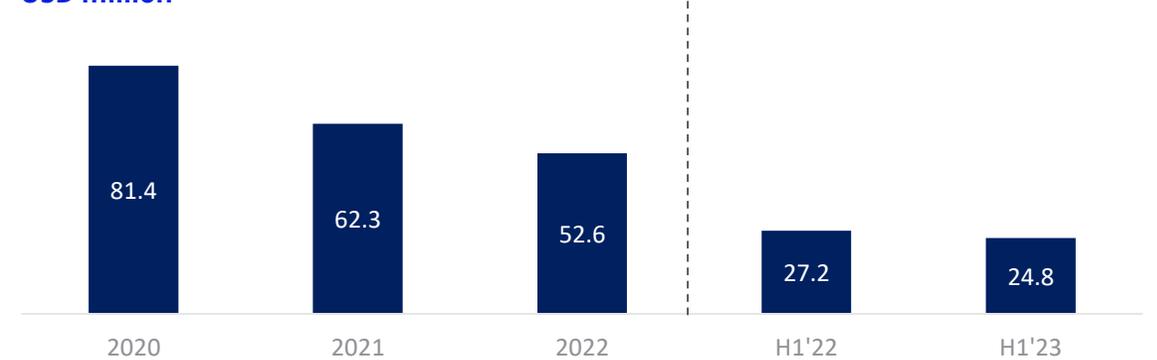
USD million



■ Net Interest Income ■ Staff Costs
■ Other Operating Income ■ Other Operating Expenses

NET IMPAIRMENT

USD million

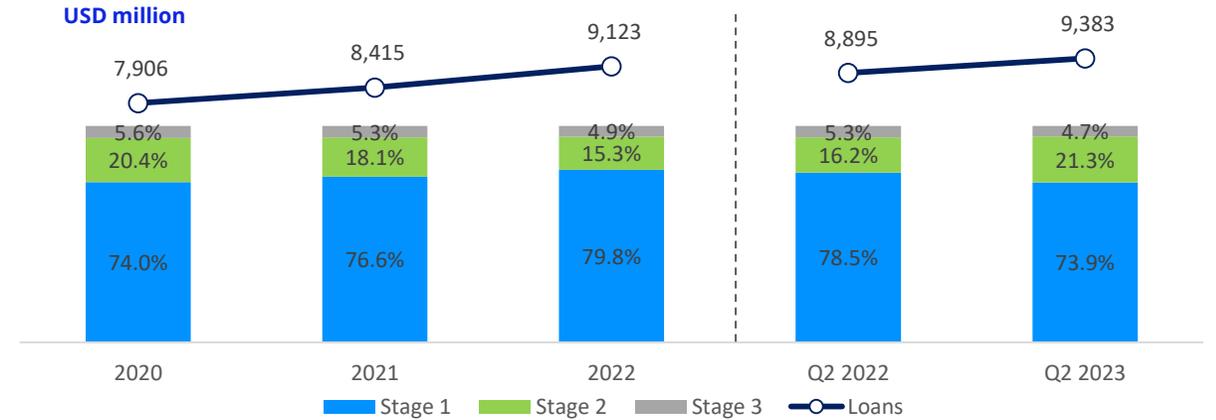


Asset Quality

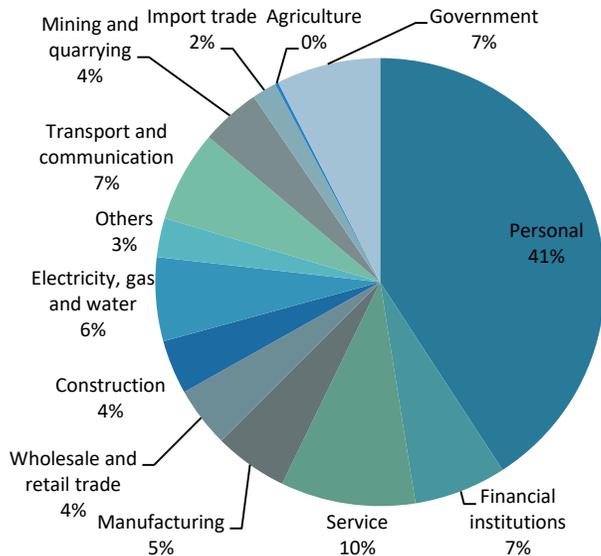
OVERVIEW

- During first six months of 2023, the loan book grew by 2.7% and on a YoY basis, it has grown by 5.6%.
- The Bank has diversified portfolio of loans/financing activities across economic sectors through both conventional and Islamic banking.
- With the continuous build up of Stage 1-2-3 provisions, total provision as percentage of loans stands at 4.7%. As a result, provision coverage ratio improved to 101.0% in H1 2023 from 92.6% in H1 2022.
- NPL ratio for H1 2023 was at 4.7% compared to 5.3% in H1 2022.

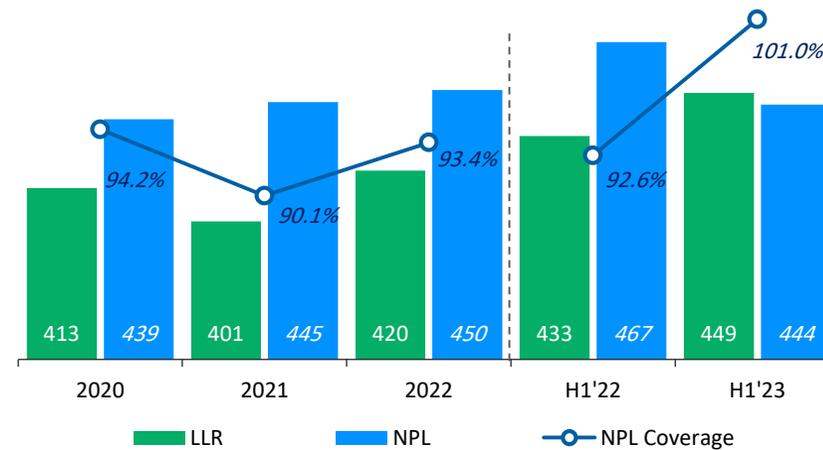
GROSS LOAN EXPOSURE BY STAGES



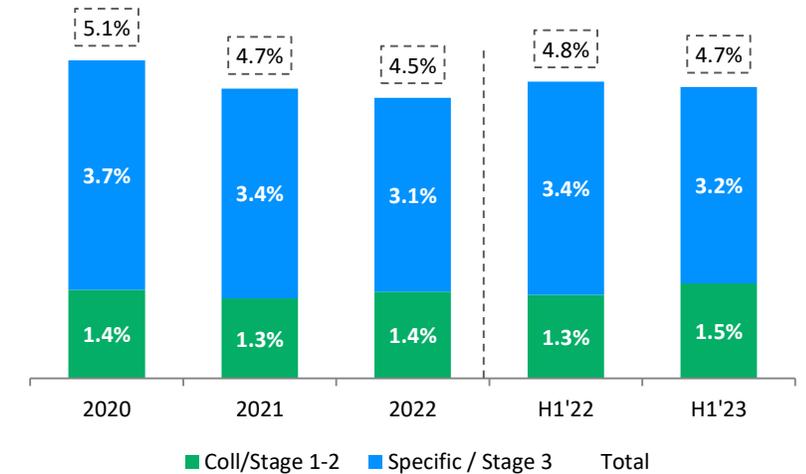
GROSS LOANS - SECTOR BREAKUP (2022)



IMPAIRED ASSETS AND PROVISIONING



PROVISION HELD AS A % OF LOANS



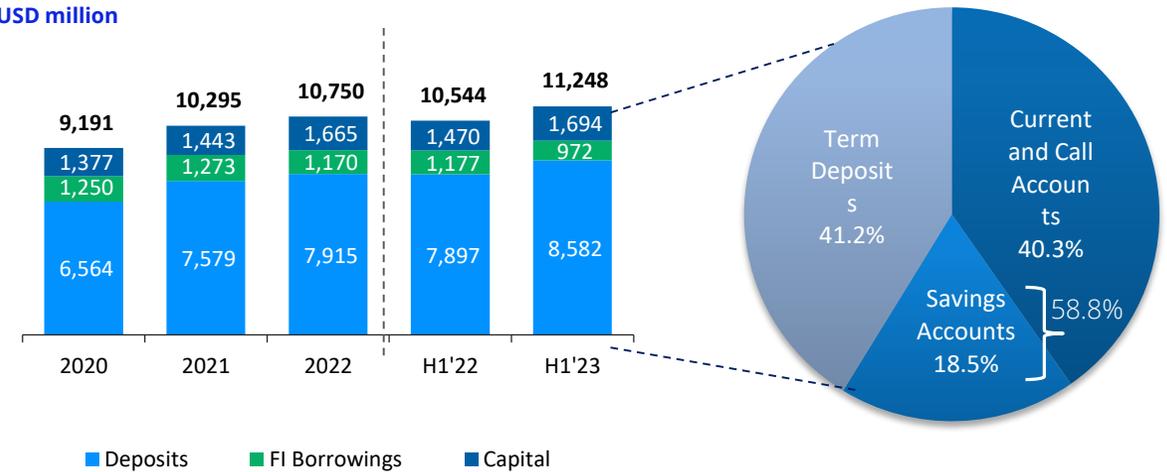
Capitalization, Funding and Liquidity

Overview

- Low cost deposits (58.8% of total deposits) from wholesale and retail have contributed to stability of banks' deposit base as well as stronger NIMs.
- Strong liquidity with liquid asset ratio representing 19.5% of total assets and a high liquidity coverage ratio of 367.78% (Jun 2023)
- Capitalization levels of 16.6% in H1 2023 (excluding interim profits) vs. minimum total capital adequacy ratio of 12.25% (Central Bank of Oman guidelines) leaves us a capital buffer of over 4.38%.
- The Bank's CET1 ratio at 11.6% is well above the regulatory minimum.

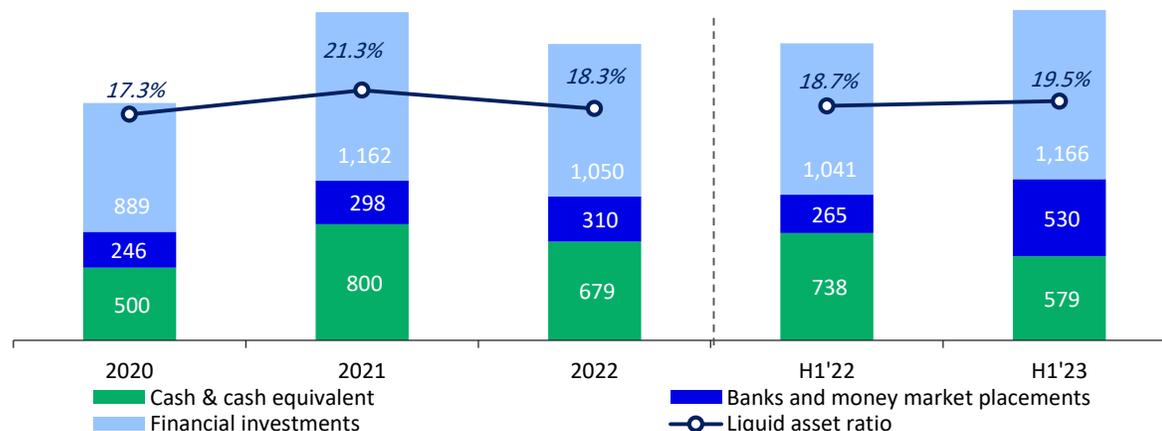
Funding Mix

USD million

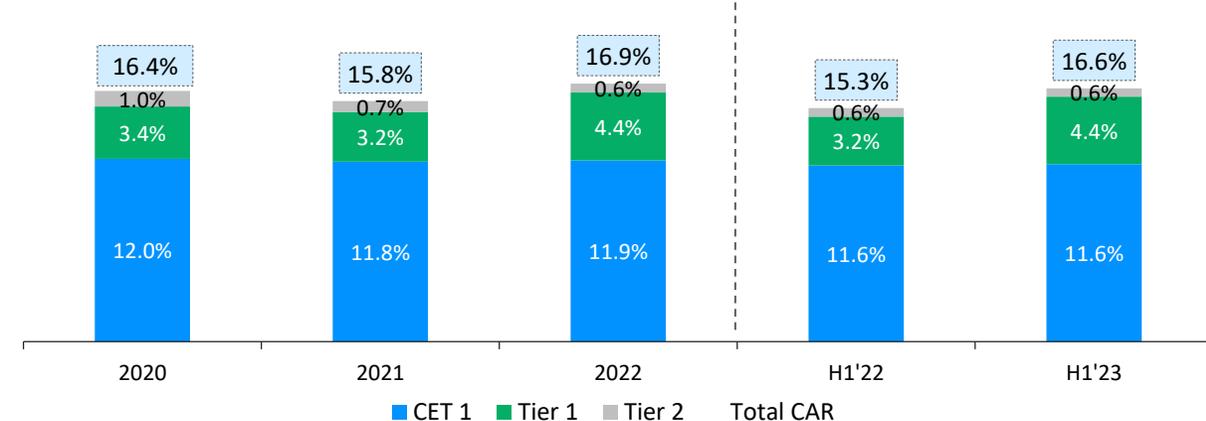


Liquid Assets

USD million



Capitalization



Balance Sheet

Amount in USD Millions	2020	2021	2022	H1'22	H1'23
ASSETS					
Cash & Central Bank	500	800	679	738	579
Due From Banks	246	298	310	265	530
Loans & Advances (Net)	7,501	8,022	8,711	8,470	8,943
Investments	889	1,162	1,050	1,041	1,166
Fixed Assets	163	156	148	151	145
Other Assets	137	163	255	243	293
Total Assets	9,435	10,600	11,153	10,907	11,655
SHAREHOLDERS EQUITY					
- Share Capital	422	422	422	422	422
- Share Premium Reserve	90	90	90	90	90
- Legal and Other Reserves	145	155	157	152	159
- Retained Earnings	373	398	436	499	513
- Net Profit for the period	47	79	125	57	76
Net Worth (A)	1,077	1,143	1,230	1,170	1,260
Tier 1 Capital (B)	300	300	434	300	434
Net Worth (C=A+B)	1,377	1,443	1,665	1,470	1,694
LIABILITIES					
Customer Deposits	6,564	7,579	7,915	7,897	8,582
Due To Banks	750	773	680	683	474
Euro Medium Term Notes	500	500	491	494	498
Other Liabilities	244	306	403	364	407
Total Liabilities	8,058	9,157	9,489	9,437	9,961
Total Net worth and Liabilities	9,435	10,600	11,153	10,907	11,655

Income Statement

Amounts in USD Millions	For the year ended			For the period ended	
	31 December 2020	31 December 2021	31 December 2022	30 June 2022	30 June 2023
- Interest Income-Conventional	423.9	430.1	475.7	220.6	286.0
- Interest Income-Islamic	23.2	25.3	28.2	13.3	16.8
Total Interest Income	447.1	455.4	503.9	233.9	302.9
- Interest Expenses-Conventional	(198.2)	(204.1)	(221.1)	(105.9)	(145.2)
- Interest Expenses-Islamic	(12.8)	(13.4)	(13.9)	(6.4)	(9.6)
Total Interest Expenses	(211.0)	(217.5)	(235.0)	(112.3)	(154.8)
Net Interest Income	236.1	237.9	268.9	121.5	148.0
Non funded Income	67.7	82.5	90.1	49.9	47.8
Total Income	303.8	320.4	359.1	171.4	195.9
- Staff Costs	(100.1)	(101.0)	(95.4)	(46.1)	(50.2)
- Other Operating Costs	(48.9)	(48.0)	(46.6)	(22.5)	(22.3)
- Depreciation	(16.8)	(16.0)	(15.2)	(7.6)	(7.7)
Total Operating Expenditure	(165.8)	(164.9)	(157.2)	(76.2)	(80.2)
Operating Profit	138.0	155.5	201.9	95.3	115.7
- Gross Provisions	(93.5)	(75.6)	(68.9)	(33.7)	(34.2)
- Recovery	12.1	13.3	16.3	6.5	9.4
Net Loan Impairment	(81.4)	(62.3)	(52.6)	(27.2)	(24.8)
Net Profit Before Tax	56.6	93.2	149.3	68.1	90.8
Taxation	(9.5)	(14.5)	(24.1)	(10.7)	(14.7)
Net Profit for the period	47.1	78.6	125.2	57.3	76.1

Q&A

Thank you