

Our Purpose

الغاية

سوّياً نفتح آفاقاً جديدة

To unlock

opportunities as one.

Values

قيمنا

أساسنا الأصالة والحفاوة
Authentic, first and foremost

نتعاون لتقديم قيمة ملموسة
Creating value through connection

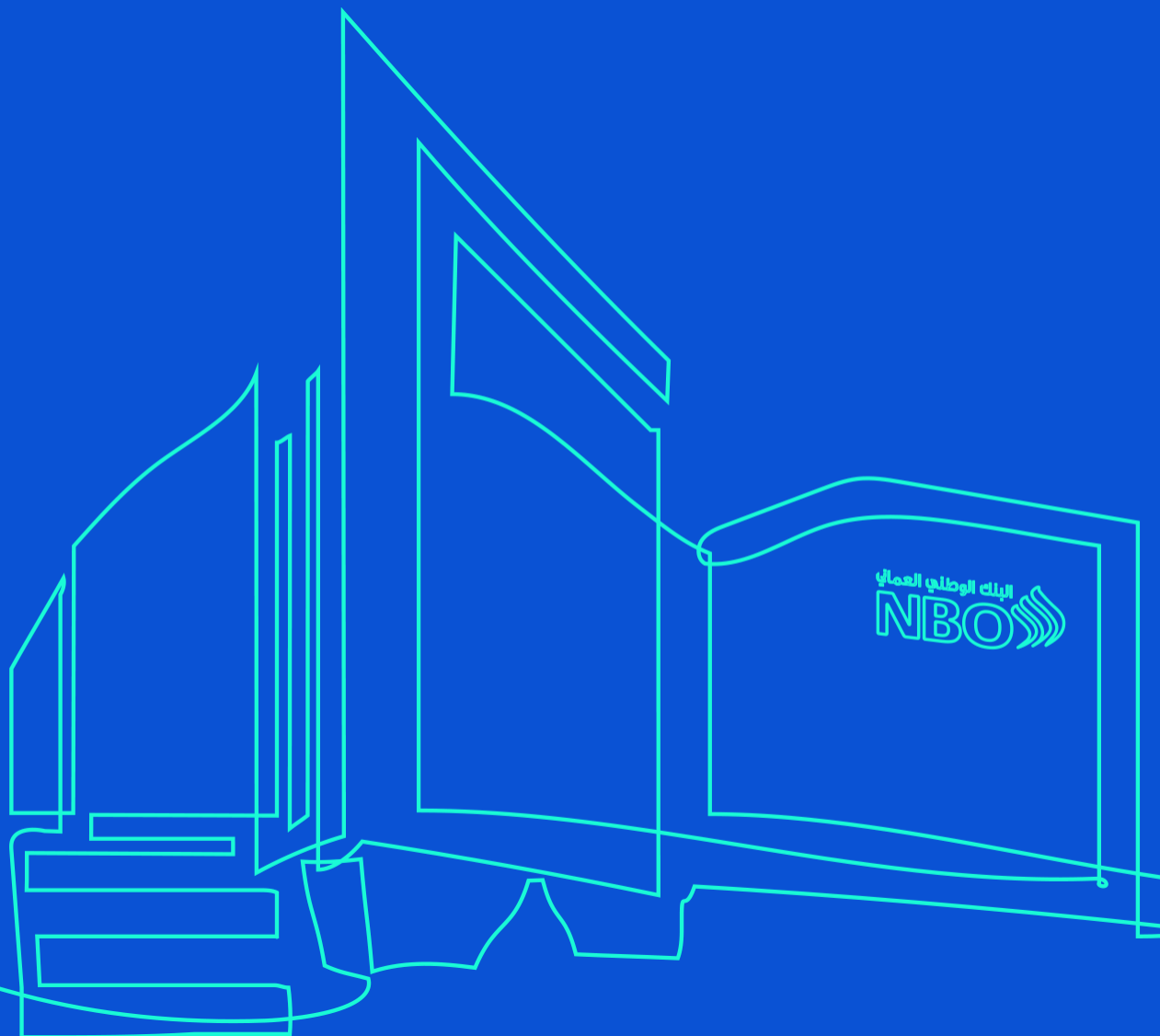
الريادة بلا حدود
Relentlessly pioneering

نقدم تجربة بسيطة وسلسة
Pursuing simplicity



Investor Presentation

31st March 2025
nbo.om



Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the consolidated financial statements.

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All financial information are stated in USD using the conversion rate of 1 USD = 0.385 OMR.

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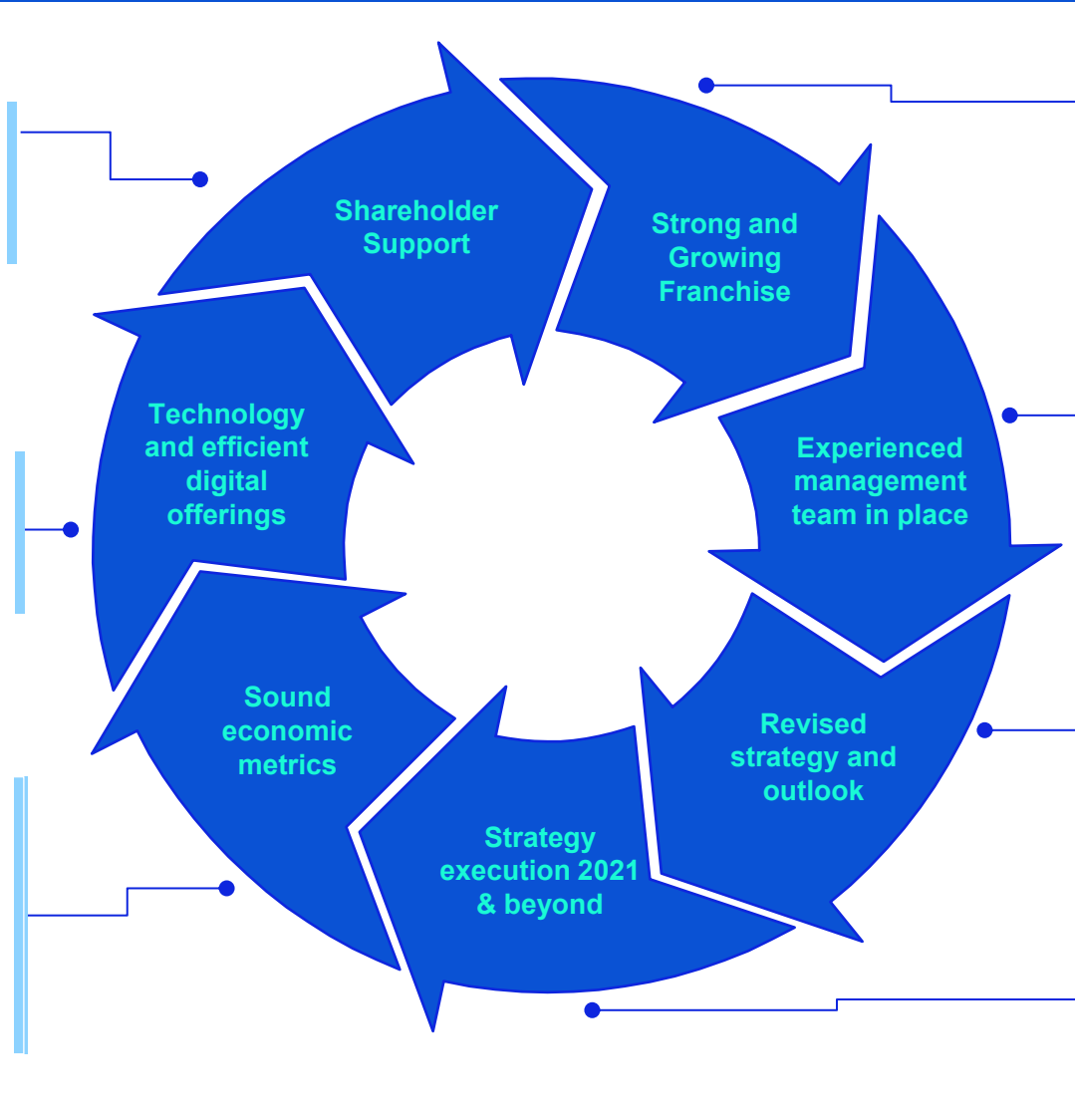
- Key Messages and Priorities
- Operating Environment
- National Bank of Oman Introduction
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Key Messages

- Strong shareholder base - Commercial Bank PQSC (CB) and Suhail Bahwan together hold over 49%.
- Strong relationship with Government institutions on the back of ownership >30%.

- Significant investment in technology to offer customers efficient digital experience.

- On the back of current oil prices, Oman has managed its finances in a prudent manner.
- Well established and easy access to stable and significant deposits from Government and Government-related entities.



- Founded in 1973 and is the oldest bank and the first local bank to complete 50 years.
- Long term relationships with prominent companies, Government related entities and individuals.

- A well-established senior management team formed between 2020-2021, with significant expertise in banking sector.
- The team brings a collective experience of over 100 years in banking.

- Our current five-year strategic road map approved by board in 2020, with the overall objective to regain and increase market share while significantly increasing profitability metrics.

- Being in the last year of our five-year strategy plan (2021-2025), NBO has increased market share in both loans and deposits.
- We aim to execute on our strategic priorities at pace.

Oman's Economic Overview

Economic Diversification Strategy With Fiscal Prudence

MACRO ECONOMY



Oman's Nominal GDP

Was at USD 106.8 bn up in 2024, a growth of 1.0% over 2023; 2024 estimated fiscal surplus of USD 1.4 bn.



Public Debt

Public Debt reduced to USD 37.4 bn by end of 2024 from OMR 39.5 bn in 2023.



Oil Price

Average Brent Crude price YTD May-25 exceeded \$70.



Oman's Rating Outlook

- S&P affirmed Oman's rating to BBB- with "Stable" Outlook
- Moody's & Fitch upgraded Oman's outlook to Positive.

OVERVIEW

- The Sultanate of Oman is the second largest country by geographical area among the countries 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 5.3 million (Mar 2025), with Omani nationals comprising 3.0 million and expatriates comprising 2.3 million of the overall figure. Population has increased by 2.1% YoY.
- Oman's Real GDP increased by 1.7% YoY in 2024
- Public Government debt as a percentage of GDP has declined to 34% by the end on 2024, from 70% in 2020.
- Government has recorded an estimated fiscal surplus of USD 1.4 billion for 2024 against a budgeted deficit of USD 1.66 billion
- Government has budgeted a deficit of USD 1.61 billion in 2025 with an assumed oil price of USD 60 per barrel.

SOCIOLOGICAL



Maternity Insurance

Employers to pay 1% subscription based on full wages with no ceiling



Rising CSR Expectations

Participation in all Governorate development plans, Smart City loans & Govt. Secondments



Disability & Elder Person

CBO mandates financial inclusion for disabled and elderly, offering them tailored products and branch facilities



Demographic Profile

Gen Z constitutes ~40% of total population; high aptitude to embrace digital services

TECHNOLOGICAL



Open Banking API

Open Banking gaining prominence with some banks launching Open Banking APIs



RegTech Initiatives

Higher investments in RegTech anticipated with the rising regulatory mandates & payments landscape transformation



Digital Bank Guidelines

CBO released draft guidelines for the licensing of Digital Banks



Cyber Security

Guidelines launched by CBO to further strengthen the Cyber Security & Resilience Risk framework

MARKET



New Regulations

Central Bank has promulgated new Banking Law. Attendant circulars to be released shortly.



Privatization

Multiple government owned companies accessed markets to raise funds via IPOs e.g. OQEP, OQGN and OQBI



Innovation

Initiatives like BNPL, Tokenization and other innovations require reliance on technical expertise and involve collaboration with knowledge partners



Potential Mergers

Sohar Internal Bank and Ahli Bank Oman are in merger talks

ENVIRONMENTAL



ESG Disclosures

All companies listed with MSX are mandated to report ESG related metrics from 2025 onwards



Estidamah

MOFs National program for fiscal sustainability across Banking & Capital Markets



Smart Cities

Multiple sustainable future city projects announced across Oman, including Sultan Haitham City



Green Financing

All banks to contribute to the ongoing effort to secure green funds

Oman's Economic Overview

Economic Diversification Strategy With Fiscal Prudence

SULTANATE OF OMAN ECONOMIC SNAPSHOT

Geography	309,500 km ² , Oman is the second largest country in the GCC region
Population	5.3 million (Mar-25, NCSI)
Credit Rating	Moody's: Ba1 (Positive); S&P: BBB- (Stable); and Fitch: BB+ (Positive)
Nominal GDP	USD 106.8 billion (2024, NCSI)
GDP per Capita (annualized)	USD 20,204 (2024, NCSI)
Fiscal Surplus	Surplus c. 6.2% of GDP (2024, IMF)

POSITIVE RATING OUTLOOK BY ALL RATING AGENCIES

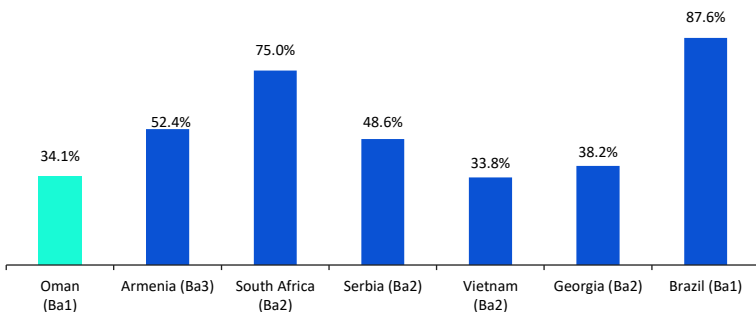
Moody's: The upgrade reflects Moody's expectation that there will be further improvements in Oman's debt burden. A lower debt burden increases the sovereign's resilience to potential future shocks, and the improving track record of fiscal prudence and policy effectiveness increases the likelihood that the stronger debt burden and debt affordability metrics will be maintained in the next few years even if oil prices become less supportive.

S&P: We forecast Oman will be in a small net general government asset position by the end of 2024, compared with a net debt position of 19% in 2021. The authorities also remain committed to advancing their longer-term structural reform agenda aimed at strengthening economic resilience.

Fitch: The Positive Outlook reflects the continued reduction of government and state-owned entities (SOEs) debt/GDP, lower net external debt and the accumulation of net sovereign foreign assets. The Outlook also reflects greater confidence in the resilience of public finances, evidenced by a growing record of fiscal prudence, a lower fiscal break-even oil price (below USD70 per barrel), and the availability of more fiscal .

MODERATE DEBT TO GDP LEVELS AS COMPARED TO Ba RATED PEERS

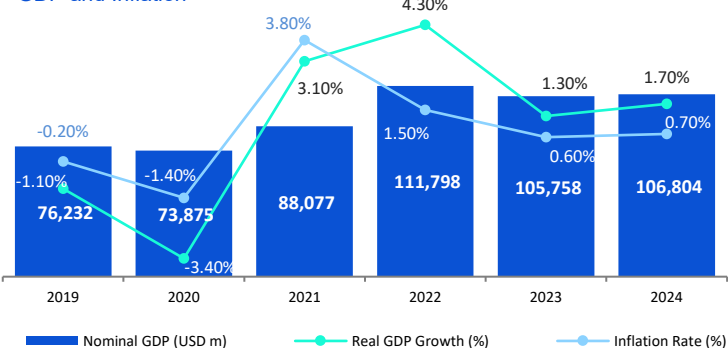
Gross Government debt to GDP (2023 estimates)



Source: Bloomberg & International Monetary Fund (IMF).

CHALLENGING MACROECONOMIC CONDITIONS WITH A WELL DEFINED ECONOMIC DIVERSIFICATION PLAN

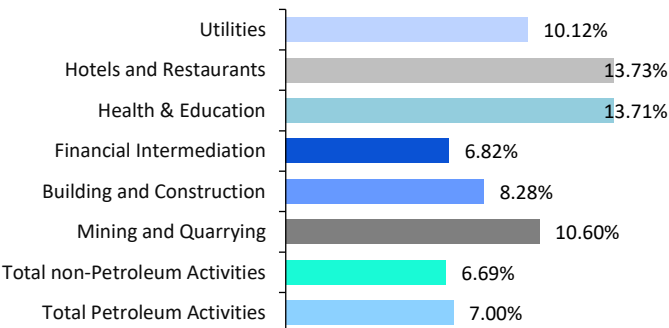
GDP and Inflation



Source: National Center for Statistical Information (NCSI).

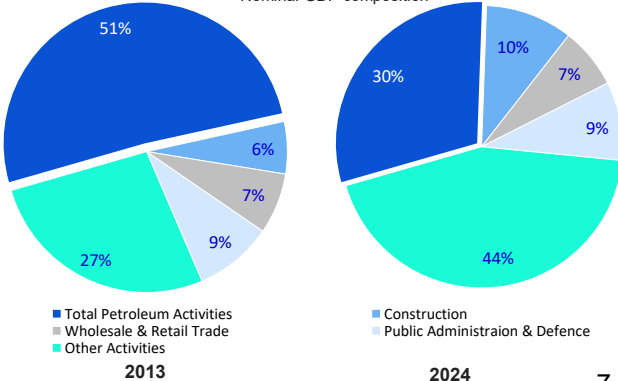
.. with Non-hydrocarbon sectors having commendable growth

Nominal GDP CAGR of selected sectors, 2019-2024



.. leading to a more diversified economy

Nominal GDP composition



OVERVIEW

- Aggregate deposits for the banking sector as of 2024 showed a YoY growth of 9.0% . Loans for the same period grew by 6.6% YoY.
- However, the Omani banking system is fairly concentrated with top four banks (NBO included) accounting for nearly three-fourths of total banking credit and 86% of banking profits.
- Banking assets have shown 3.7% CAGR as of 2024 over the last 5 years and there has been an improvement in banks' profitability and asset quality metrics since 2020.
- CBO, a conservative but supportive regulator has introduced various regulations to support banks as well as borrowers.
- Strong business and consumer confidence, along with a continued recovery in tourism will support the non-oil economic sector.
- Growth in revenue from non-oil economic sector is expected to increase to 1.5% in 2025 as against realised 5.7% in 2024.

RATING OUTLOOK– BANKING SECTOR

- Fitch affirmed rating outlook of major banks in Oman as Positive.
- On banking sector ratings, Fitch has quoted that profitability will remain steady, and banks will maintain solid capital buffers. Further, 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, which are adequate to cover its market funding exposure.
- Government's capacity to support country's banks has improved, driven by a reduction in Oman's debt burden.

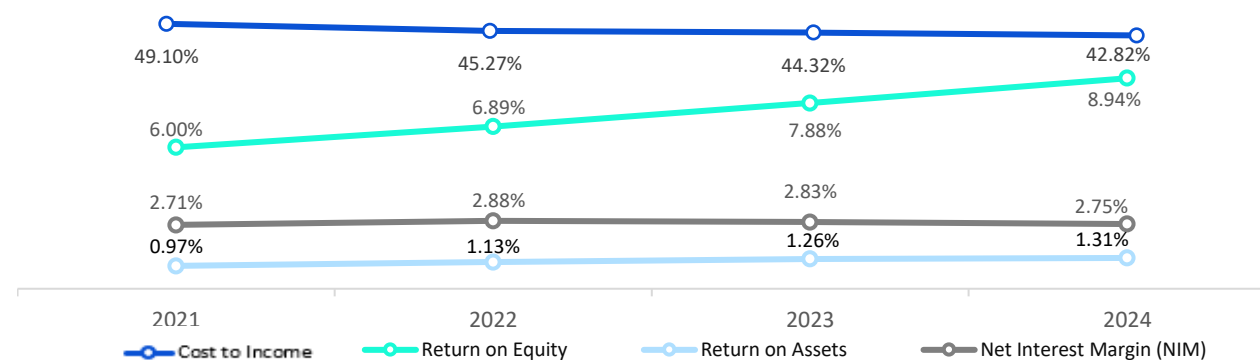
Source: Published FS of seven listed Omani banks including NBO

BANKING SECTORS' ASSETS AND LOANS

USD billion



KEY RATIOS OF BANKING SECTOR



OVERVIEW

- Development of social, economic and environmental aspects of society has been a national objective since the launch of Oman's 2040 Vision towards sustainability.
- Oman's geographical position and biodiversity provides favorable conditions and significant protentional for green and circular growth.
- CBO has issued a circular in October 2024 on "Promoting Sustainable and Green Financial Practices" providing regulatory requirements related to climate risk management, covering governance, strategy, risk management and disclosures.
- Going forward in 2025 and 2026, banks are to launch green products, improve their sustainability practices and allocate 8% of their lending portfolio to renewable energy.
- The Bank is expected to align with Oman Vision 2040 and Net Zero commitments by 2050 as well as Oman Sustainable Finance framework from Ministry Of Finance.
- MSX mandated all listed companies to report on their ESG performance by 2025 Q1, in compliance with the GCC ESG Disclosure Metrics for listed companies.
- Projected green and social government expenditure for 2040 will further support these initiatives.



NET ZERO COMMITMENTS 2050

Net Zero 2050 Targets:

- GHG Emissions reduction of 21% by 2030, 54% by 2040, 92% by 2050 – Last 8% gap to be bridged by leveraging Decarbonization Technologies
- Generate 20% of electricity from Renewable Sources by 2027



OMAN VISION 2040

Oman Vision 2040 Pillars:

- People & Society
- Economy & Development
- Governance & Institutional Performance
- Sustainable Environment
- Building Hydrogen-Centric Economy



OMAN SUSTAINABLE FINANCE - MOF

Key Objective under MOF Strategy:

- Issue Sustainable Financial Instruments (Green, Social and Sustainability bonds, Loans or Sukuk) for investment in projects that deliver environmental and social benefits
- SEZAD (Special Economic Zone At Duqm) will play an important role in developing Green projects i.e. Green hydrogen & Green ammonia) which will be supplied by wind/solar electricity.
- Oman's first sustainable cities are being developed (Sultan Haitham Smart City, & Yiti Sustainable City)

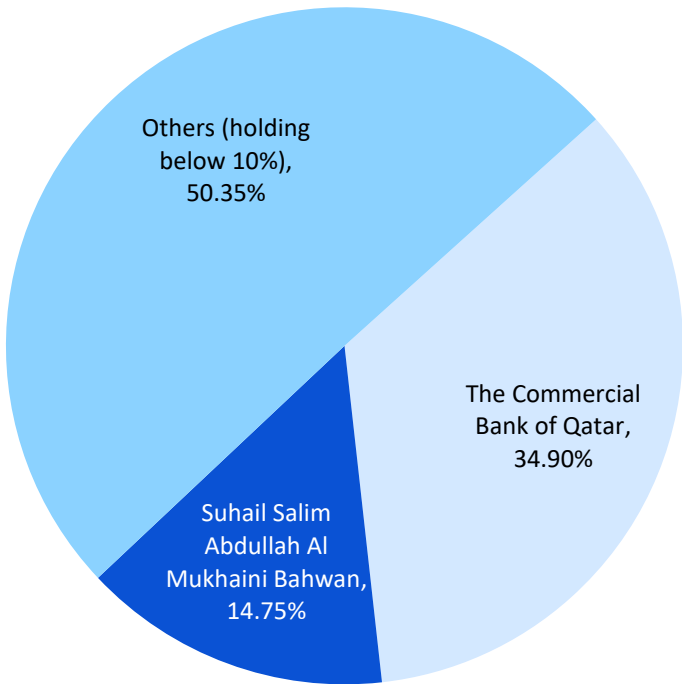
OVERVIEW

- 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”).
- With total assets of USD 13.7 billion as of 31st March 2025, the Bank is considered as one of the largest banks in Oman and employed 1,423 employees.
- As of 31st March 2025, the Bank’s serves approximately half a million retail customers and 29,400 corporate and SME customers via 68 branches and 236 ATM and CCDM units.
- The Bank has two overseas branches in the **UAE (Dubai and Abu Dhabi)** and is in process of legal closure of its presence in **Egypt**.
- The Bank operates via four main segments namely, Retail banking, Wholesale banking, International banking and Islamic banking.
- As of 31st December 2024, the Bank’s market share was approximately 12.9% of loans and 13.2% of deposits.

KEY FINANCIALS - NBO

In USD Millions	2022	2023	2024	Q1-24	Q1-25
Total Assets	11,153	12,525	13,617	13,432	13,707
Net Loans	8,742	9,108	10,198	9,334	10,352
Deposits	7,966	9,376	10,723	10,543	10,407
Operating Income	359	379	393	97	104
Net Profit	125	151	164	40	44
Tier 1	16.3%	16.3%	16.7%	15.8%	16.4%
Total CAR	16.9%	16.9%	17.1%	16.2%	16.8%
Loans to Deposit Ratio	109.7%	97.1%	95.1%	88.5%	99.5%
NPL Ratio	4.9%	4.5%	4.7%	4.6%	4.6%
Cost/Income	43.8%	42.4%	41.6%	41.1%	40.4%

OWNERSHIP (as of 31st Mar 2025)



CREDIT RATING

Rating Agency	Period	Long-term Rating	Outlook
Moody's	September 2024	Ba1	Positive
FitchRatings	December 2024	BB	Positive

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

Balance Sheet

Liquidity



Capital



Asset Quality



Business Model

Revenue



Optimization



Partnership



Operating Model

Brand



Digital-Channel



People



Liquidity



Create new lending opportunities and attract deposits from clients interested in sustainable investment options, as the market for sustainable finance—including green bonds, social impact investments, and sustainability-linked loans—is expanding rapidly.

Capital



- Enhanced risk management and lower credit losses through sustainable practices
- Access to lower cost of capital through our commitment to ESG standards
- Attracting new sources of capital aligned with sustainability goals
- Increased profitability and capital generation

Asset Quality



- Proactive risk management strategies for ESG-related risks
- Ensuring future-proofing assets
- Lower default rates through enhanced due diligence and monitoring of ESG factors

Digital-Channel



- Attract environmentally and socially conscious customers
- Become a leader in sustainable finance
- Offer innovative and differentiated financial products and services
- In line with Bank's digital transformation

People Brand



- Stronger customer loyalty and brand advocacy through gender diversity and ESG initiatives
- Enhance reputation and trust within community
- Competitive edge in attracting and retaining top talent
- A brand image that aligns with Oman's national goals

Revenue



- Opportunity to provide services regionally and engage in international ESG-focused bonds and sukuk
- New sources of revenue
- New market segment

Optimization



- Enhanced resource allocation by prioritizing ESG risk mitigating efforts before they affect the Bank
- Streamlined decision making process
- Adopting environmentally sustainable practices leading to cost saving, operational efficiency and reduced carbon footprint

Partnership



- Aligning with Government priorities to support national goals through sustainable development projects in Oman
- Developing innovative financial solutions, such as partnerships with clean energy companies

Strategic Collaborations

- **Partnerships Aligned with Oman Vision 2040:** Engaged in government-led initiatives supporting the UN Sustainable Development Goals (SDGs) and Global Reporting Initiative (GRI) standards.
- **Key Projects:**
 - Financing desalination plants with reverse osmosis technology.
 - Supporting the Oman-UAE railway network for enhanced energy efficiency.
 - Development of a world-class port at Duqm.



Environmental Commitment

- **Reducing Footprint:** Leveraging digital banking to minimize paper use and enhance operational efficiency.
- **Sustainable Infrastructure:** NBO's headquarters designed with eco-friendly features, including energy-efficient systems and local materials.

Social Responsibility

- **Diversity & Inclusion:** Achieved a 93% Omanisation rate; committed to gender balance and opportunities for individuals with disabilities.
- **Community Impact:** Invested OMR 200,000 in CSR initiatives, including support for health, education, and fintech innovation through the NBO Fintech Accelerator Programme.

Governance & Risk Management

- **Ethical Practices:** Strong corporate governance and transparency aligned with UN ESG goals.
- **Climate Risk Management:** Proactively assessing and managing climate-related risks within the lending portfolio.

Future Focus

- **Sustainable Finance Framework:** Facilitating the transition to a low-carbon economy through green financing and advisory services.
- **Digital Transformation:** Expanding digital banking services to promote sustainability and reduce resource consumption.

Net Profit for Q1-25 was USD 44.4 million, an increase of 10.4 per cent over the corresponding period in the previous year.

Gross Loans and Advances as of 31st March 2025 are at USD 10.8 billion, grown by 10.6 percent over same period last year.

Net Interest Income for Q1-25 was USD 67.7 million, an increase of 3.2 per cent over the corresponding period in the previous year.

Net Impairment for Q1-25 was USD 9.9 million, compared to USD 10.1 million for the corresponding period last year, reduced by 1.7 per cent.

Total Assets as of 31st March 2025 was USD 13.7 billion, increased by 2.0 per cent compared to last year.

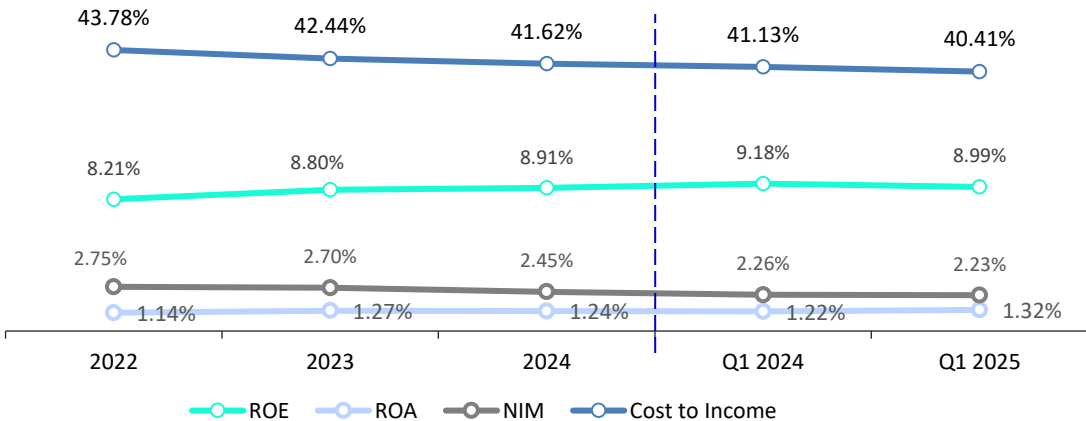
Pursuant to the Additional Tier 1 Capital issuance of USD 150.4 million in October 24, the bank's total capital adequacy ratio stood at 16.8 per cent for Q1-25.

Fee Income for Q1-25 grew strongly by 16.2 per cent from USD 31.5 million to USD 36.5 million.

OVERVIEW

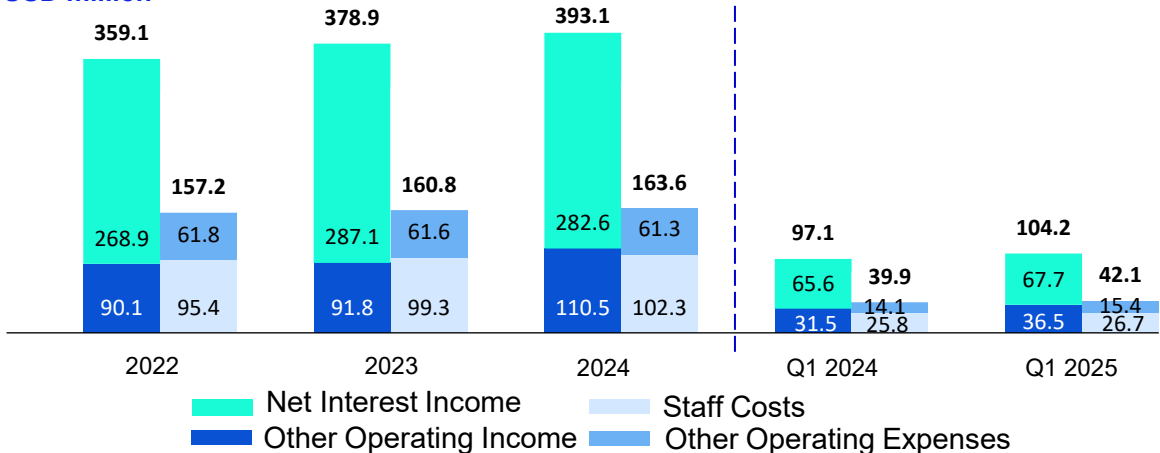
- Net interest income for Q1-25 increased by 3.2% compared to the previous year, owing to healthy growth in interest bearing assets.
- Cost-to-income ratio for Q1-25 improved to 40.4% compared to 41.1% for the corresponding period last year on the back of robust control on operating expenses. However, the bank continues to invest in people and technology.
- Among the return metrics; ROA for Q1-25 was 1.32% - an increase of 10 bps as compared to 1.22% in Q1-24. ROE for the year Q1-25 was 8.99% compared to 9.18% in Q1-24.
- Net impairment for Q1-25 decreased by 1.7% to USD 9.9 mn from USD 10.1 mn in Q1-24. The reduction is on account of improved asset quality and higher recoveries.

KEY PROFITABILITY METRICS



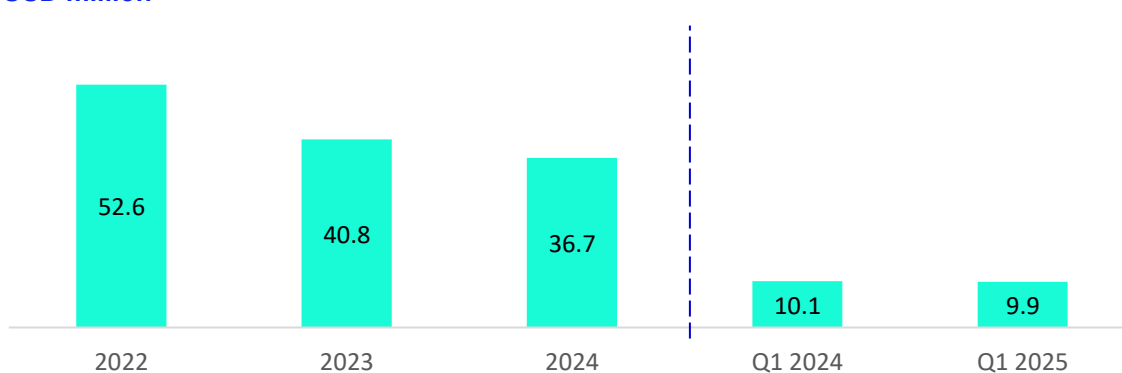
OPERATING INCOME COMPOSITION

USD million



NET IMPAIRMENT

USD million

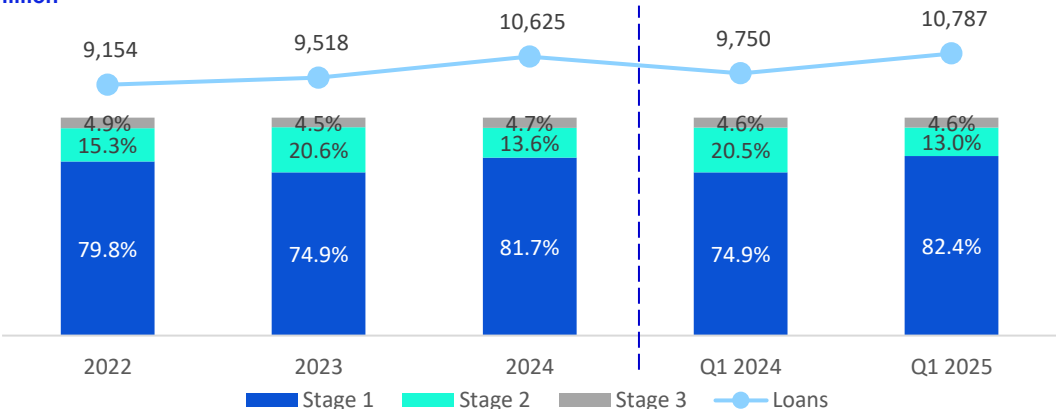


OVERVIEW

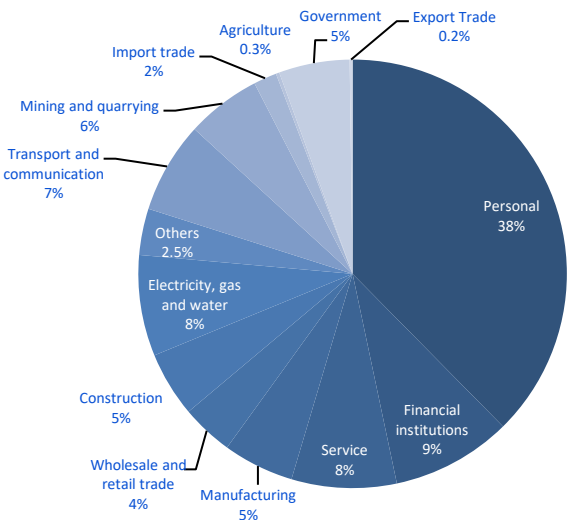
- During first three months of 2025, the loan book grew by 1.5% and on a YOY basis, it has grown by 10.9%.
- The Bank has a diversified portfolio of loans/financing activities across several economic sectors
- With the continuous build-up of Stage 1-2-3 provisions, total provision as a percentage of loans stands at 4.2% in Q1-25.
- NPL ratio for Q1-25 was at 4.6% which remained the same as Q1-24.
- Stage 2 as a percentage of Loans has come down from 20.5% in Q1-24 to 13.0% in Q1-25.

GROSS LOAN EXPOSURE BY STAGES

USD million

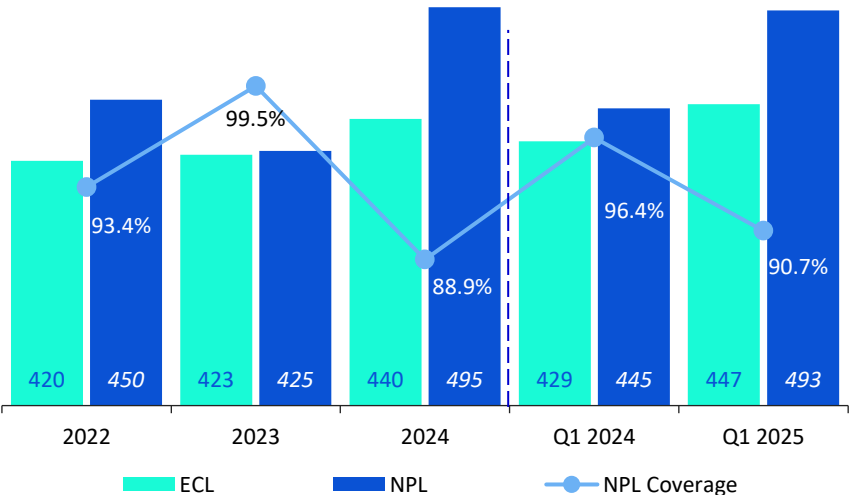


GROSS LOANS – SECTOR BREAKUP (2024)

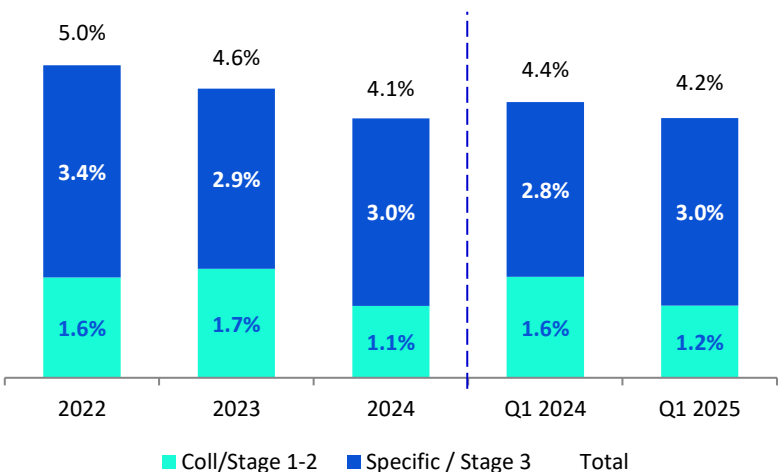


IMPAIRED ASSETS AND PROVISIONING

USD million



PROVISION HELD AS A % OF LOANS

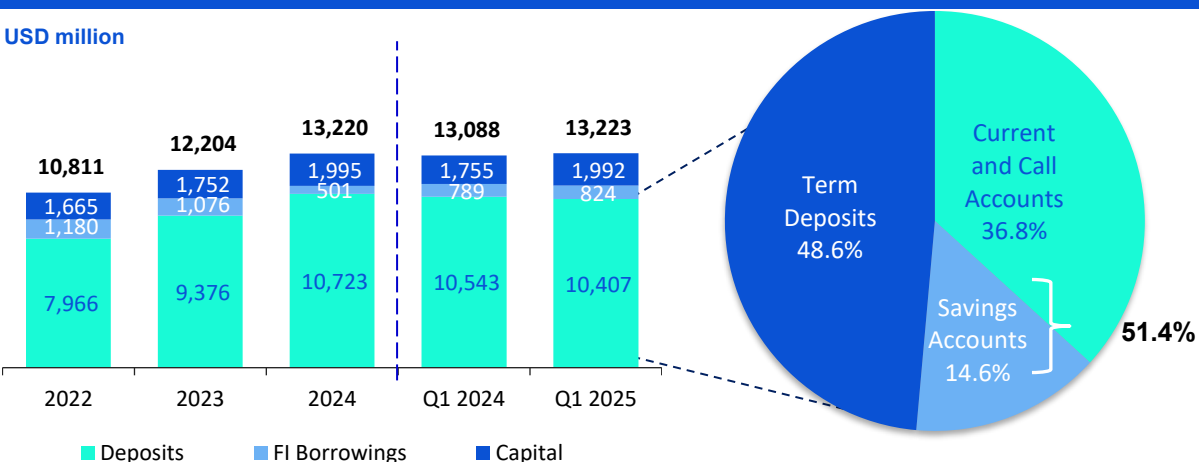


Overview

- Stable funding has complemented the bank's deposit base, resulting in a stronger Net Stable Funding Ratio of 114.5% in Q1-25, mainly attributed by an increase in Bank's CASA ratio to 51.4% as compared to 47.6% in Q1-24.
- Strong liquidity with liquid asset ratio representing 20.7% of total assets and a high liquidity coverage ratio of 189.6% in Q1-25.
- Capitalization levels of 16.8% in Q1-25 (excluding interim profits) vs. minimum total capital adequacy ratio of 13.5% (Central Bank of Oman guidelines) leaves a capital buffer of over 3.3%.
- The Bank's CET1 ratio is 11.3%, which is well above the regulatory minimum of 9.5% with a buffer of 1.8%.

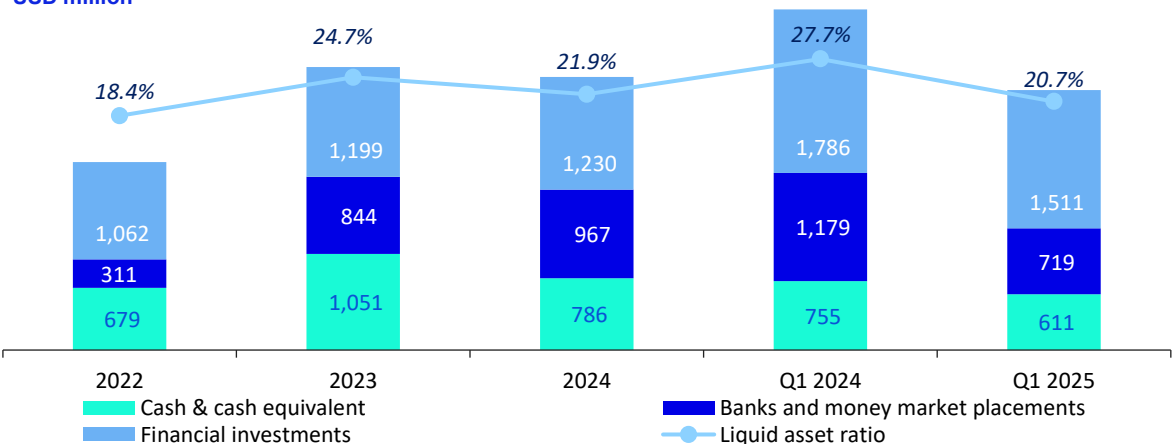
Funding Mix

USD million

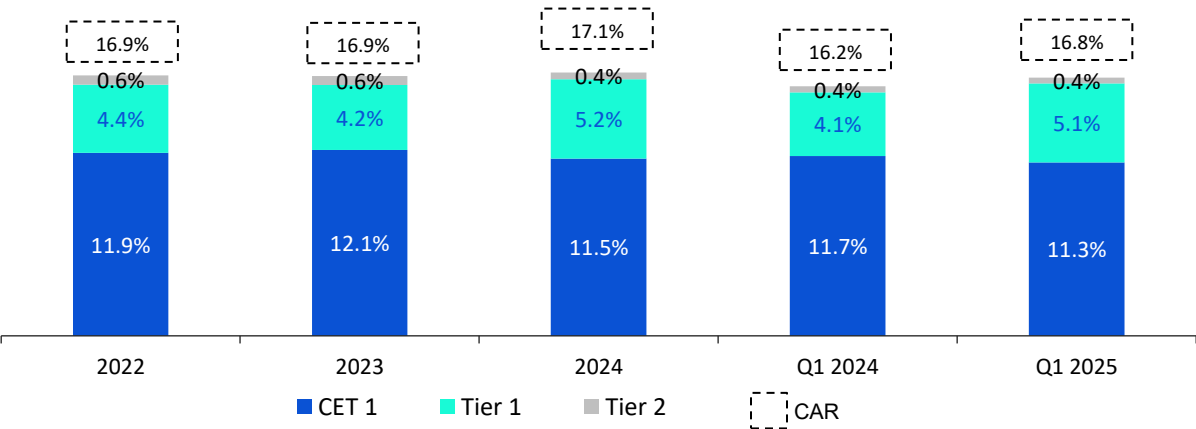


Liquid Assets

USD million



Capitalization

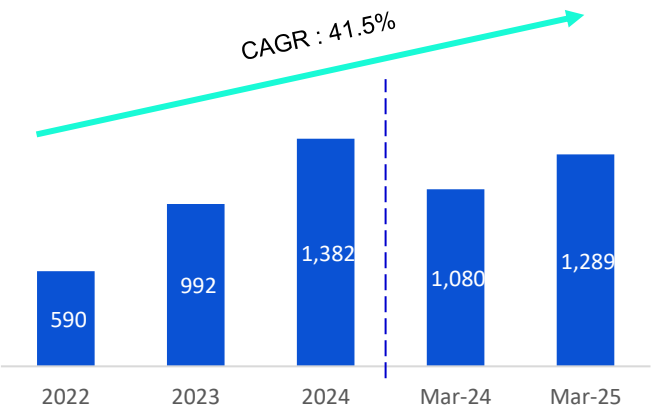


OVERVIEW

- Muzn Islamic Banking is the first licensed Islamic Banking Window operating in Oman since 2013 offering Shari'a compliant financial solutions for both retail and corporate customers.
- As of March 2025, Muzn Islamic Banking operates 8 branches throughout Oman, enhancing accessibility for our growing customer base.
- Muzn assets have demonstrated a remarkable 41.5% CAGR as of March 2025 over the past three years, with net Islamic financing growing at 33.3% and net profit increasing by 68.3%.
- Muzn total operating income increased by 17.2% to USD 11.8 mn in Q1-25 from USD 10.1 in Q1-24.

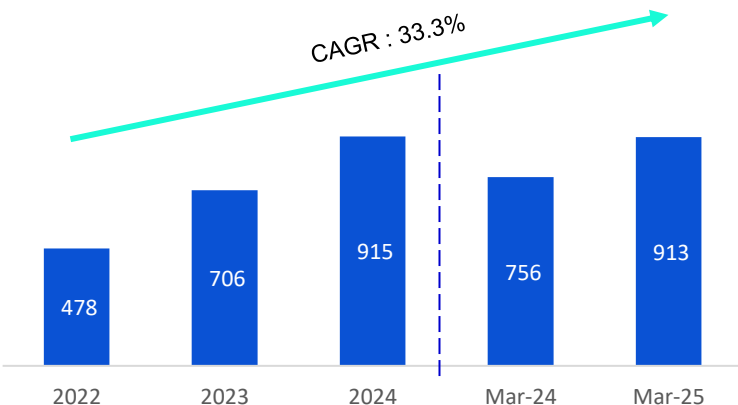
TOTAL ASSETS

USD million



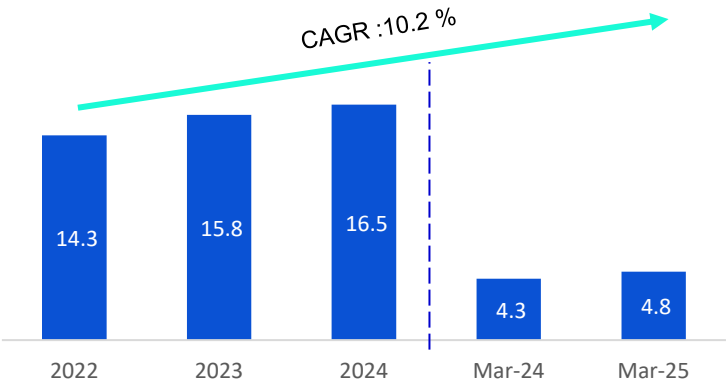
NET ISLAMIC FINANCING EXPOSURE

USD million



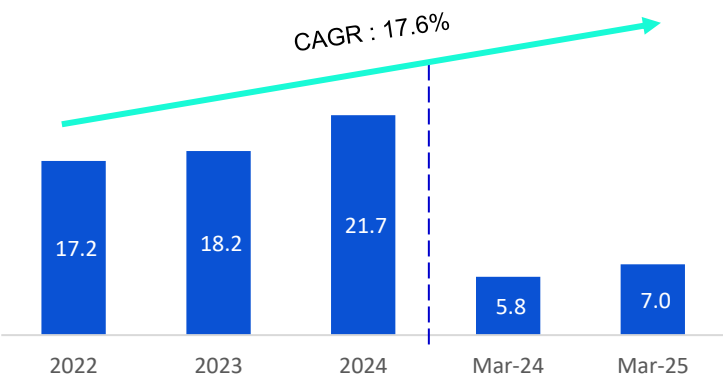
NET INCOME FROM ISLAMIC FINANCING & INVESTMENTS

USD million



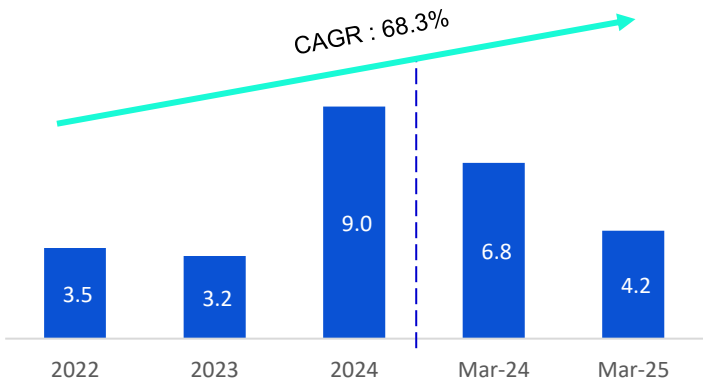
OPERATING INCOME

USD million



NET PROFIT AFTER TAX

USD million



Balance Sheet

Amount in USD Millions	2022	2023	2024	Q1-24	Q1-25
ASSETS					
Cash & Central Bank	679	1,051	786	755	611
Due From Banks	311	844	967	1,179	719
Loans & Advances (Net)	8,742	9,108	10,198	9,334	10,352
Investments	1,062	1,199	1,230	1,786	1,511
Fixed Assets	148	145	282	224	361
Other Assets	211	178	154	156	153
Total Assets	11,153	12,525	13,617	13,434	13,707
LIABILITIES					
Customer Deposits	7,966	9,376	10,723	10,543	10,407
Due To Banks	681	1,076	501	789	824
Euro Medium Term Notes	499	-	-	0	0
Other Liabilities	343	321	397	344	484
Total Liabilities	9,489	10,773	11,621	11,676	11,715
SHAREHOLDERS EQUITY					
Share Capital	422	422	422	422	422
Share Premium Reserve	90	90	90	90	90
Legal and Other Reserves	157	161	170	167	173
Retained Earnings	561	645	729	602	678
Net Worth (A)	1,230	1,318	1,411	1,321	1,407
Tier 1 Capital (B)	434	434	585	434	585
Net Worth (C=A+B)	1,665	1,752	1,996	1,755	1,992
Total Net worth and Liabilities	11,153	12,525	13,617	13,431	13,707

Income Statement

Amounts in USD Millions	For the year ended			For the period ended	
	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Mar 2024	31 Mar 2025
- Interest Income-Conventional	475.7	587.9	651.1	164.4	157.1
- Interest Income-Islamic	28.2	42.0	55.5	14.9	15.1
Total Interest Income	503.9	629.9	706.6	179.3	172.2
- Interest Expenses-Conventional	(221.1)	(316.6)	(385.0)	(103.1)	(94.3)
- Interest Expenses-Islamic	(13.9)	(26.2)	(39.0)	(10.6)	(10.3)
Total Interest Expenses	(235.0)	(342.8)	(424.0)	(113.7)	(104.6)
Net Interest Income	268.9	287.1	282.6	65.6	67.6
Non funded Income	90.1	91.8	110.5	31.5	36.5
Total Income	359.1	378.9	393.1	97.1	104.1
- Staff Costs	(95.4)	(99.3)	(102.3)	(25.8)	(26.7)
- Other Operating Costs	(46.6)	(45.7)	(44.9)	(10.1)	(11.2)
- Depreciation	(15.2)	(15.8)	(16.4)	(4.0)	(4.2)
Total Operating Expenditure	(157.2)	(160.8)	(163.6)	(39.9)	(42.1)
Operating Profit	201.9	218.1	229.5	57.2	62.0
- Gross Provisions	(68.9)	(62.2)	(59.8)	(13.7)	(15.4)
- Recovery	16.3	21.4	23.1	3.6	5.5
Net Loan Impairment	(52.6)	(40.8)	(36.7)	(10.1)	(9.9)
Net Profit Before Tax	149.3	177.3	192.8	47.1	52.1
Taxation	(24.1)	(26.6)	(28.9)	(6.9)	(7.9)
Net Profit for the period	125.2	150.7	163.9	40.2	44.2

Q&A



Thank you

