

Fixed Income Investor Presentation

30th September 2025
nbo.om



Our Purpose

الغيرة

سوياً نفتح آفاقاً جديدة

To unlock

opportunities as one.

Values

قيمـنا

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

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.

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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.

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

- Key Messages and Priorities
- Operating Environment
- National Bank of Oman Introduction
- Financial Performance
- Transaction Summary & Rational
- Appendix

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 across banking, capital market and investor relations.
- 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.

Operating Environment



Oman's Economic Overview

Economic Diversification Strategy With Fiscal Prudence

MACRO ECONOMY



Oman's Nominal GDP

USD 53.7 bn in Q2-25, a growth of 2.4% over Q2-24; 2024 estimated fiscal surplus of USD 1.4 bn.



Oil Price

Average Brent Crude price YTD Sep-25 reached \$65/barrel.



Public Debt

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



Oman's Rating Outlook

Baa3 (Stable) by Moody's, BBB-(Stable) by S&P, and BB+ (Positive) by Fitch

TECHNOLOGICAL



Open Banking API

Open Banking gaining prominence with some banks launching Open Banking APIs



Digital Bank Guidelines

CBO released draft guidelines for the licensing of Digital Banks



RegTech Initiatives

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



Cyber Security

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

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 (Sep 2025), with Omani nationals comprising 3.0 million and expatriates comprising 2.3 million of the overall figure. Population has increased by 2.0% YoY.
- Oman's Real GDP increased by 2.3% YoY in Q2-25.
- Government debt as a percentage of GDP has declined to 34% by the end of 2024, from 70% in 2020.
- Government has recorded an estimated fiscal surplus of USD 1.40 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.

MARKET



New Regulations

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



Innovation

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



Privatization

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



Banking consolidation

Further consolidation in the banking sector is expected in future.

SOCIOLOGICAL



Maternity Insurance

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



Disability & Elder Person

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



Rising CSR Expectations

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



Demographic Profile

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

ENVIRONMENTAL



ESG Disclosures

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



Smart Cities

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



Estidamah

MOFs National program for fiscal sustainability across Banking & Capital Markets



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 (Sep-25, NCSI) |
| Credit Rating | Moody's: Baa3 (Stable); S&P: BBB- (Stable); and Fitch: BB+ (Positive) |
| Nominal GDP | USD 53.7 billion (Q2-25, NCSI) |
| GDP per Capita (annualized) | USD 20,248 (Q2-25, NCSI) |
| Fiscal Surplus | Surplus c. 6.2% of GDP (2024, IMF) |

POSITIVE RATING OUTLOOK BY ALL RATING AGENCIES

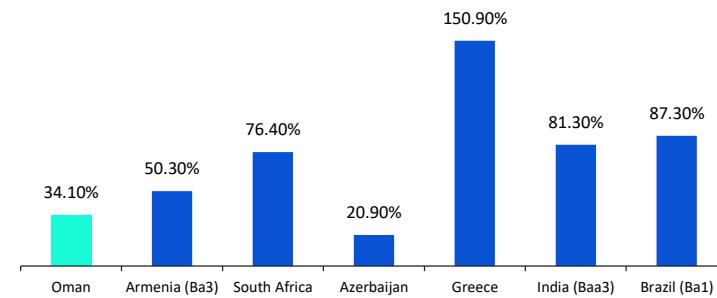
Moody's: Moody's Rating agency (Moody's) has upgraded Oman's long-term issuer and long-term senior unsecured ratings to Baa3 from Ba1 and changed the outlook to stable from positive. The upgrade reflects the group's expectation that Oman's government debt metrics will remain robust even if oil prices moderate below our medium-term assumption of US\$65/barrel in the coming years. The recent years' significant reduction in debt burden together with the cumulative impact of spending restraint increase Oman's resilience to potential future declines in oil demand and prices.

S&P: S&P hails Oman's fiscal discipline, affirms investment-grade rating at BBB- with a stable outlook. The agency attributed the rating to the continued improvement in the sultanate's public finance performance and growing expenditure-side flexibility, along with ongoing government efforts to reduce public debt and enhance the governance of state-owned enterprises (SOEs).

Fitch: Fitch's rating for Oman are BB+ (Positive Outlook). 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 .

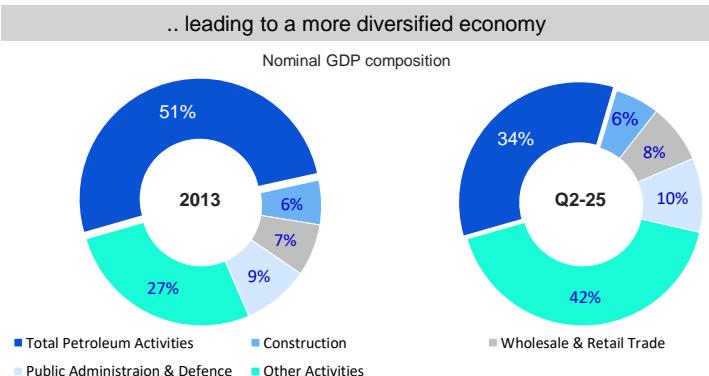
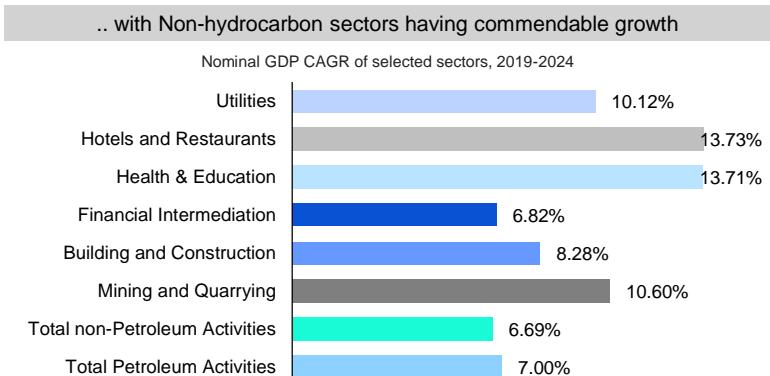
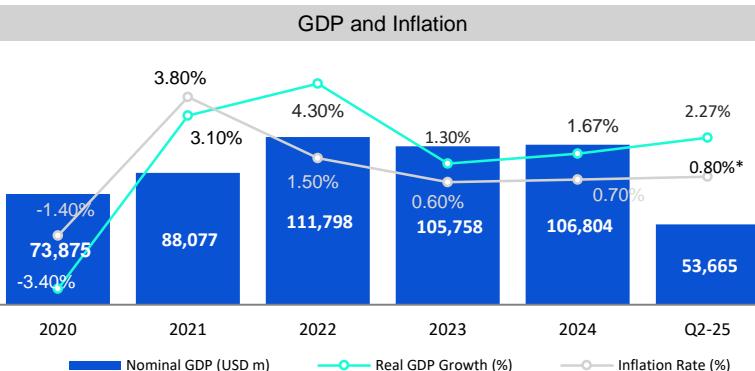
MODERATE DEBT TO GDP LEVELS AS COMPARED TO Ba RATED PEERS

Gross Government debt to GDP (2024 estimates)



Source: Bloomberg & International Monetary Fund (IMF).

CHALLENGING MACROECONOMIC CONDITIONS WITH A WELL-DEFINED ECONOMIC DIVERSIFICATION PLAN



Source: National Center for Statistical Information (NCSI).

*The average inflation in the Sultanate of Oman during January to September 2025

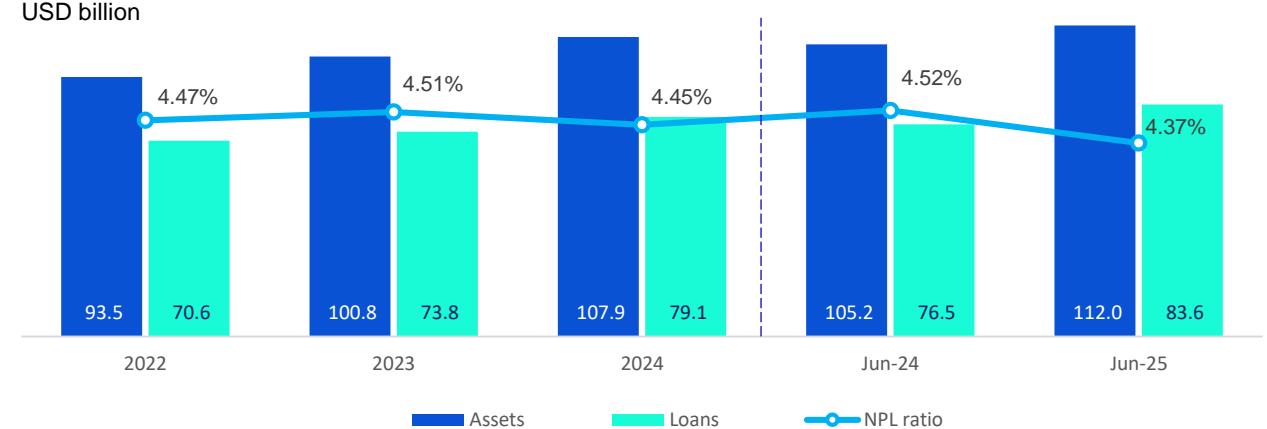
OVERVIEW

- Aggregate deposits for the banking sector as of Jun-25 showed a YoY growth of 8.1% . Loans for the same period grew by 9.3% 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 83% of banking profits.
- Banking assets have shown 5.2% CAGR as of Jun-25 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.
- The non-oil economic sectors are experiencing growth in 2025, driven by strategic diversification efforts. Key sectors like agriculture, fisheries, industry, and services are all showing positive trends, contributing to an overall increase in GDP.
- Growth in revenue from non-oil economic sector is expected to increase to 3.1% in 2025 as against realised 5.7% in 2024. In Q2 of 2025, Oman's non-oil economic sector saw a 3.8% increase in revenue, reaching OMR 6.86 billion compared to OMR 6.61 billion in the same period last year.

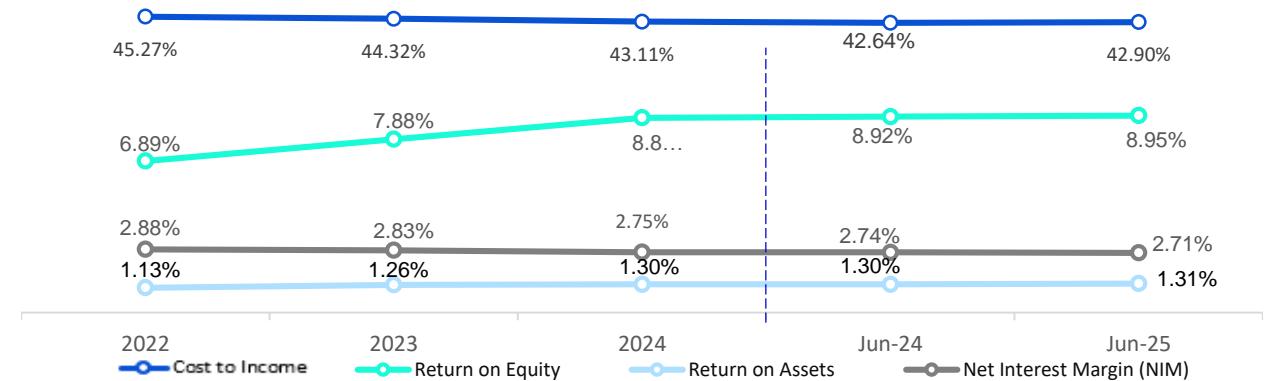
RATING OUTLOOK- BANKING SECTOR

- Moody's lifts Omani banks' outlook to 'stable' citing improvement in operating environment and resilient performance.
- 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.
- Data released by Fitch Ratings indicates that the country's growing economic diversification has strengthened its financial outlook and created new growth opportunities for banks. Fitch Ratings has revised its outlook on five Omani banks – including National Bank of Oman (NBO) to positive.
- Government's capacity to support country's banks has improved, driven by a reduction in Oman's debt burden.
- The report also highlighted that most banks maintain solid capital reserves, primarily strengthened by healthy internal capital generation, while funding and liquidity environments remain steady.

BANKING SECTORS' ASSETS AND LOANS



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 potential 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



وزارة المالية
 Ministry of Finance

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)

National Bank of Oman

Overview



OVERVIEW

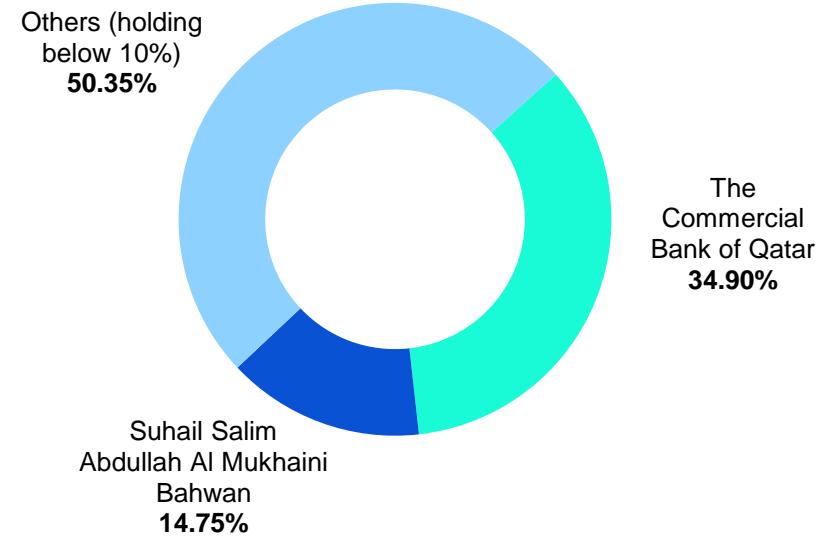
- National Bank of Oman SAOG ("NBO" or the "Bank") was the **first incorporated Bank in the Sultanate of Oman** ("Oman") - established in 1973 as a joint stock company, providing conventional and Islamic banking services.
- The Bank's shares are listed on the Muscat Stock Exchange ("MSX").
- With total assets of USD 14.0 billion as of 30th September 2025, the Bank is considered as one of the largest banks in Oman and employed 1,455 employees.
- As of 30th September 2025, the Bank serves approximately half a million retail customers and 30,000 corporate and SME customers via 68 branches and 241 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 30th June 2025, the Bank's market share was approximately 12.6% of loans and 12.9% of deposits.

KEY FINANCIALS - NBO

| USD Millions | 2022 | 2023 | 2024 | Q3-24 | Q3-25 |
|------------------------|--------|--------|--------|--------|--------|
| Total Assets | 11,153 | 12,525 | 13,617 | 12,958 | 13,969 |
| Net Loans | 8,742 | 9,108 | 10,198 | 9,905 | 10,825 |
| Deposits | 7,966 | 9,376 | 10,723 | 10,322 | 10,583 |
| Operating Income | 359 | 379 | 393 | 291 | 315 |
| Net Profit | 125 | 151 | 164 | 119 | 134 |
| Tier 1 | 16.3% | 16.3% | 16.7% | 15.4% | 15.9% |
| Total CAR | 16.9% | 16.9% | 17.1% | 15.9% | 16.4% |
| Loans to Deposit Ratio | 109.7% | 97.1% | 95.1% | 96.0% | 102.3% |
| NPL Ratio | 4.9% | 4.5% | 4.7% | 4.4% | 4.5% |
| Cost/Income | 43.8% | 42.4% | 41.6% | 41.1% | 40.6% |

1 USD = 0.385 OMR.

OWNERSHIP (as of 30th Sep 2025)



CREDIT RATING

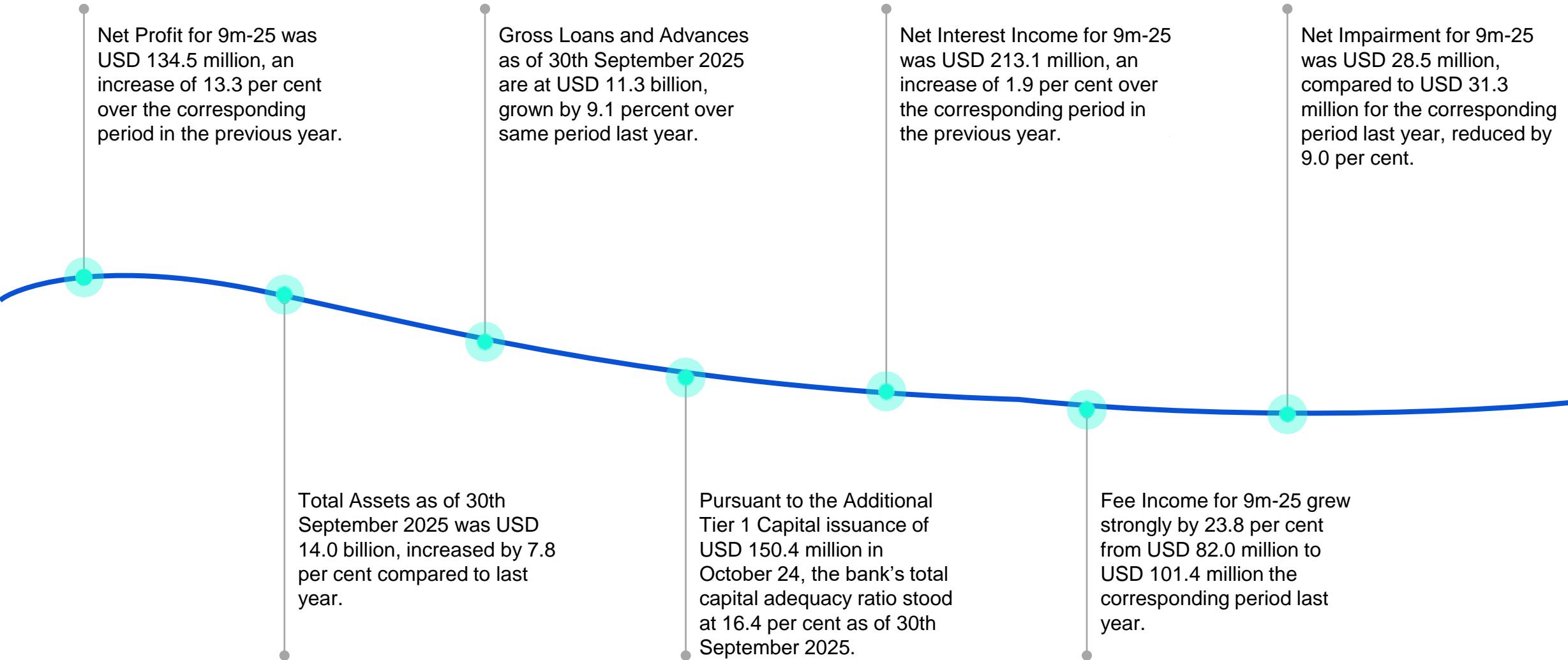
| Rating Agency | Period | Long-term Rating | Outlook |
|---------------|-----------|------------------|----------|
| Moody's | July 2025 | Baa3 | Stable |
| Fitch Ratings | June 2025 | BB | Positive |



Financial Performance



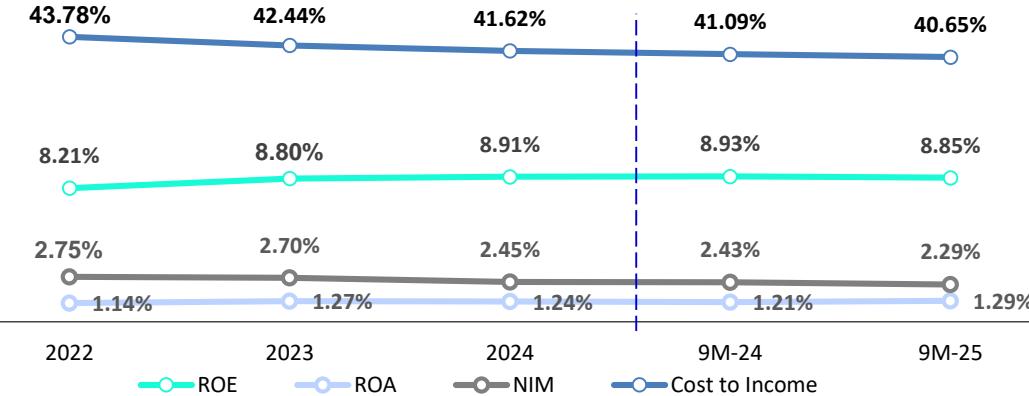
Key Financial Highlights



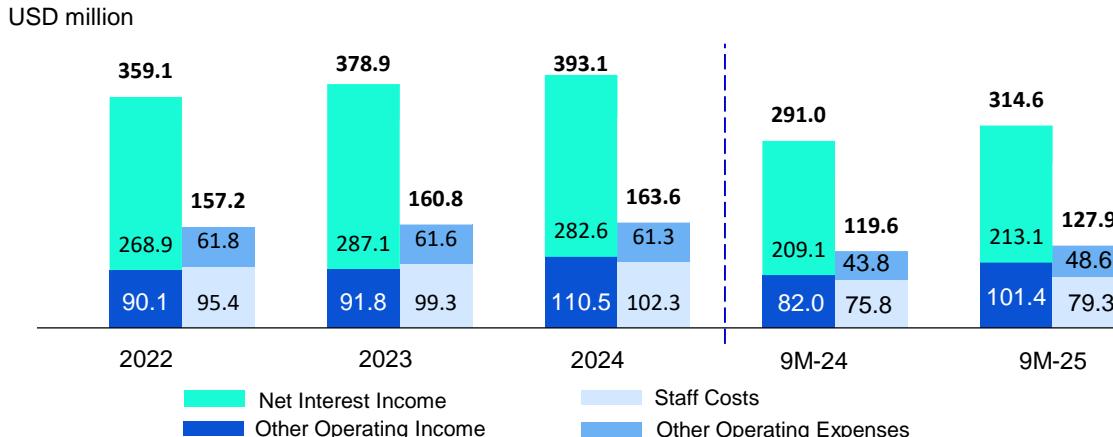
OVERVIEW

- Net interest income for 9M-25 increased by 1.9% YOY, supported by healthy growth in interest-bearing assets.
- Cost-to-income ratio for 9M-25 improved to 40.6% from 41.1% in 9M-24, reflecting robust control over operating expenses while the bank continues to invest in people and technology.
- Among the return metrics; ROA for 9M-25 stood at 1.29%, up by 8 bps YOY from 1.21% in 9M-24. ROE for 9M-25 stood at 8.85% compared to 8.93% in 9M-24.
- Net impairment for 9M-25 declined by 9.0% to USD 28.5 mn from USD 31.3 mn in 9M-24. The reduction is on account of improved asset quality and higher recoveries.

KEY PROFITABILITY METRICS

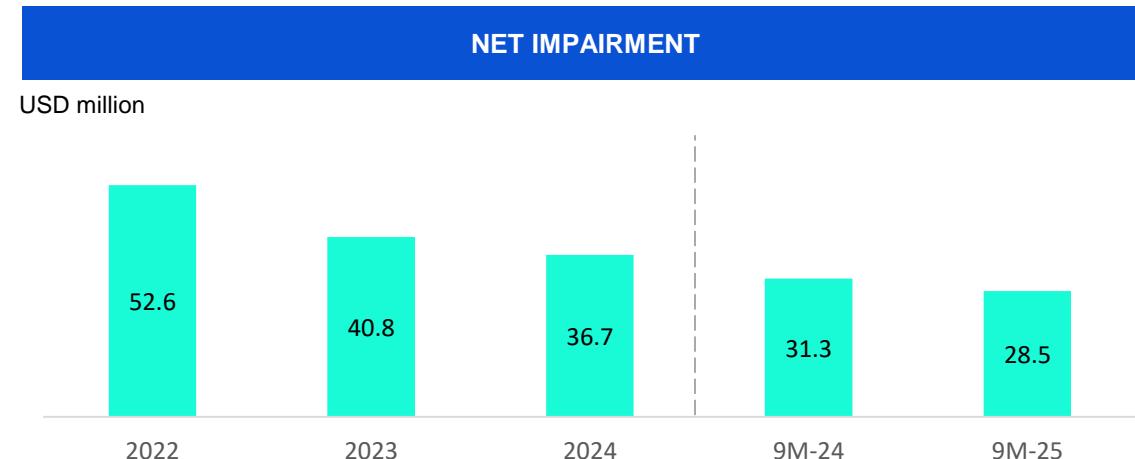


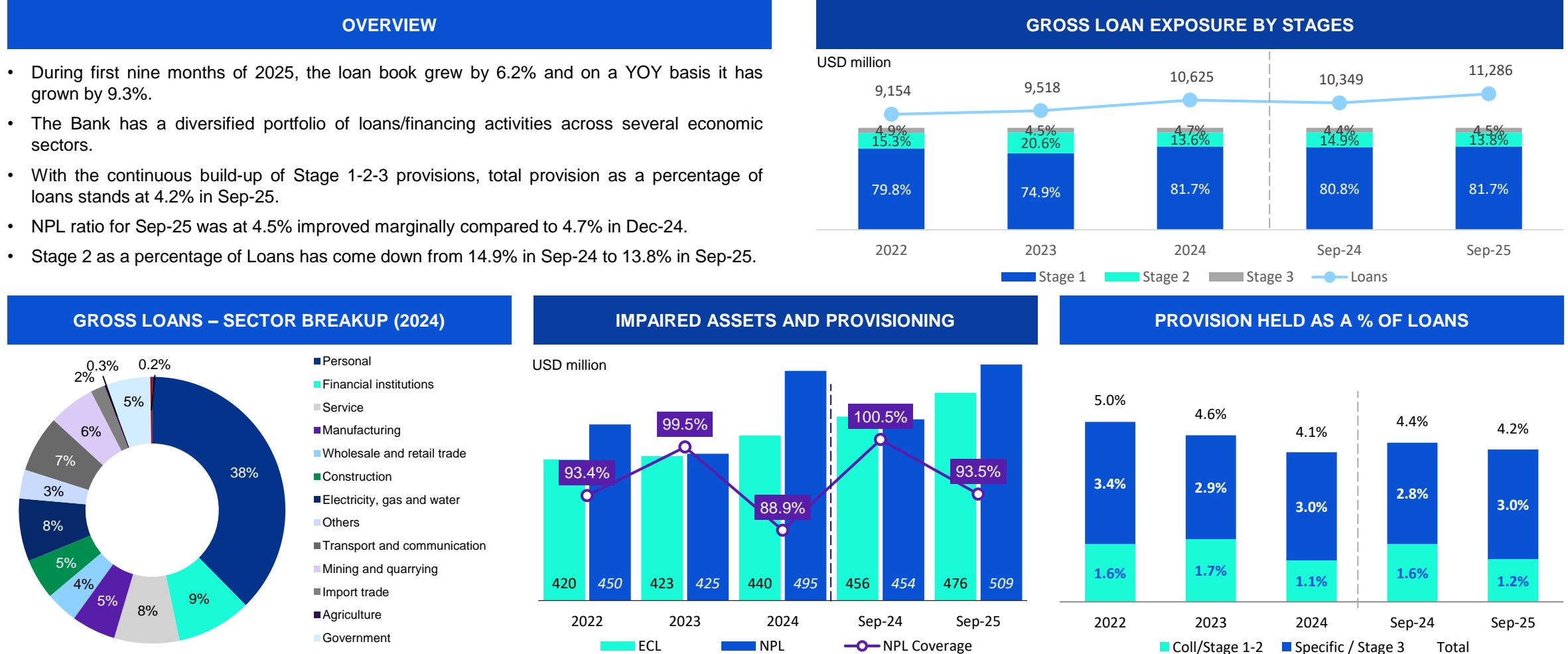
OPERATING INCOME COMPOSITION



1 USD = 0.385 OMR.

NET IMPAIRMENT



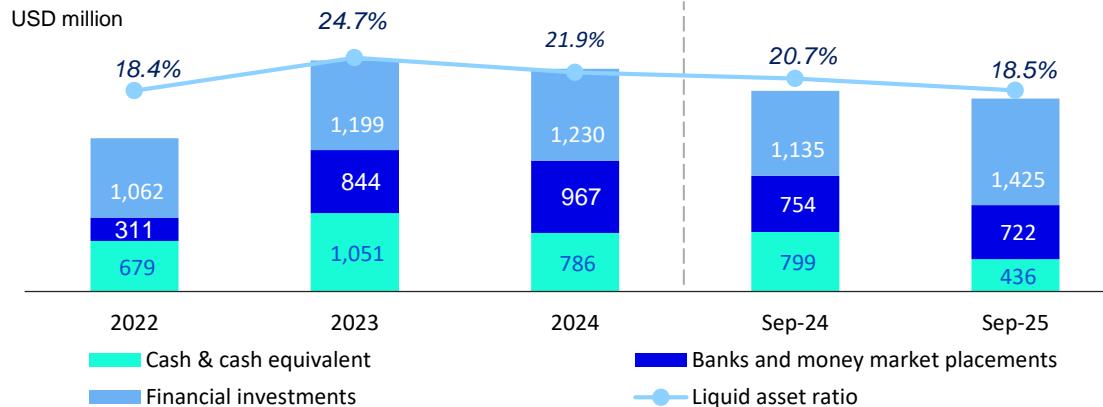


Capitalization, Funding and Liquidity

OVERVIEW

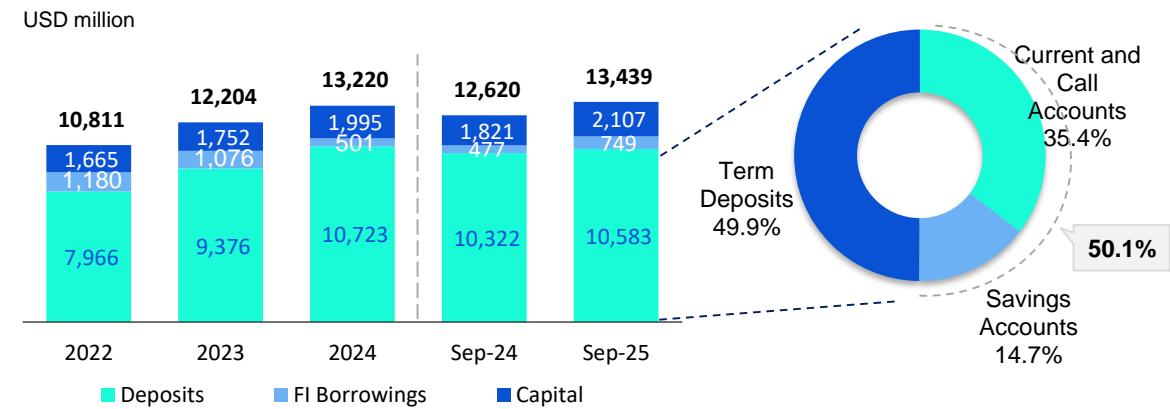
- Stable funding has complemented the bank's deposit base, resulting in a stronger Net Stable Funding Ratio of 113.1% in Sep-25, mainly attributed by an increase in Bank's CASA ratio to 50.1% as compared to 50.0% in Sep-24.
- Strong liquidity with liquid asset ratio representing 18.5% of total assets and a high liquidity coverage ratio of 135.9% in Sep-25.
- Capitalization levels of 16.4% in Sep-25 (excluding interim profits) vs. minimum total capital adequacy ratio of 13.5% (Central Bank of Oman guidelines) leaves a capital buffer of over 2.9%.
- The Bank's CET1 ratio is 11.0%, which is well above the regulatory minimum of 9.5% with a buffer of 1.5%.

LIQUID ASSETS

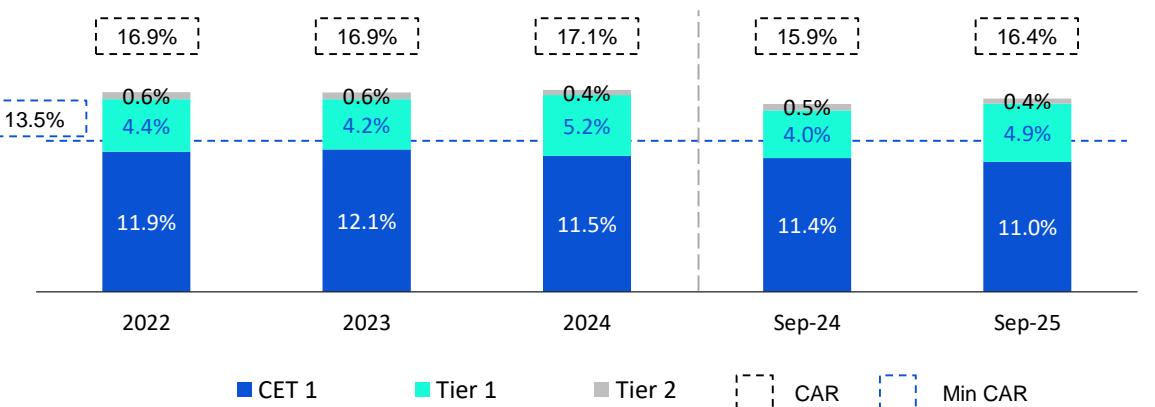


1 USD = 0.385 OMR.

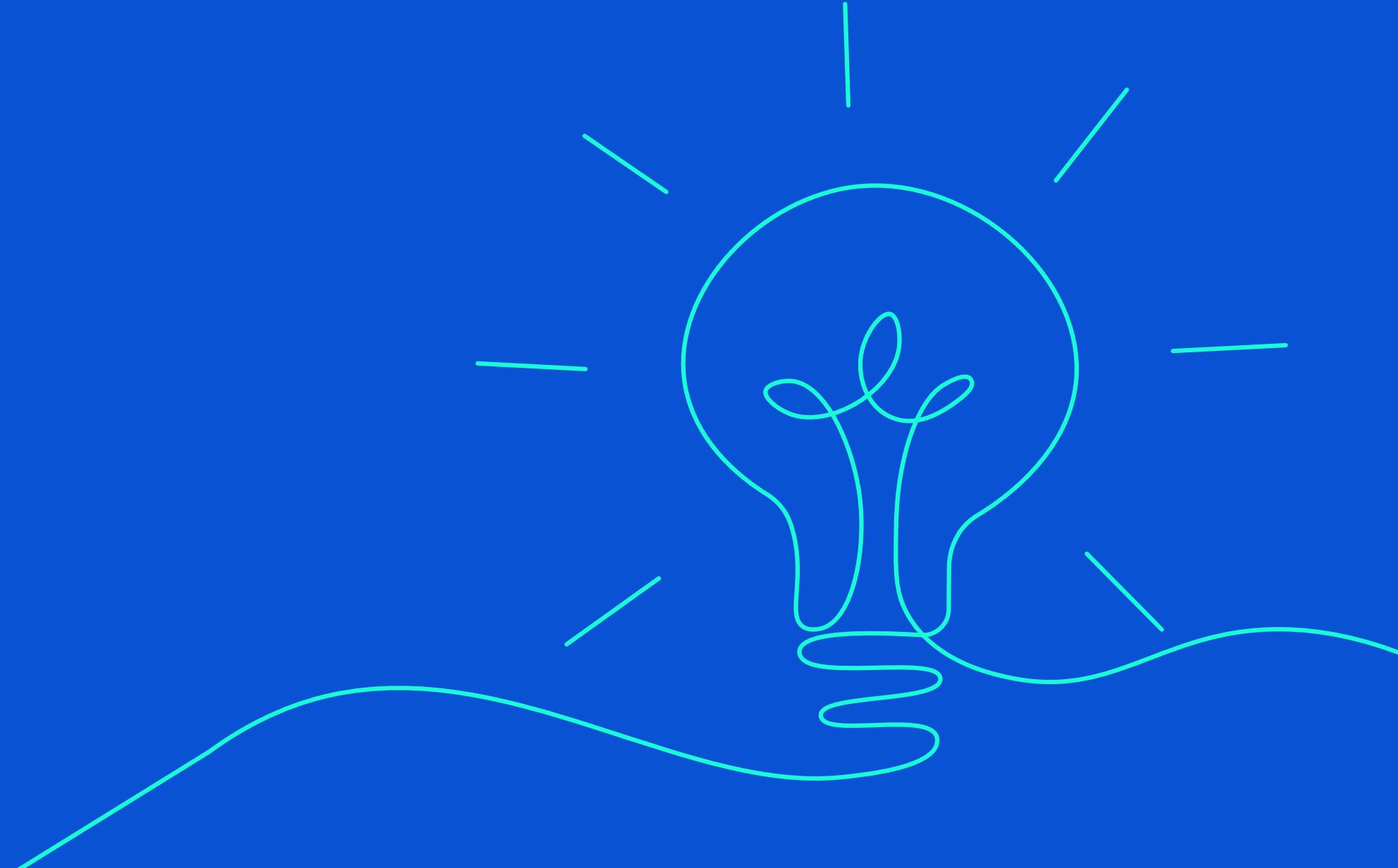
FUNDING MIX



CAPITALIZATION



Appendix



Balance Sheet

| | Amount in USD Millions | 2022 | 2023 | 2024 | Sep-24 | Sep-25 |
|---------------------|--|---------------|---------------|---------------|---------------|---------------|
| ASSETS | Cash & Central Bank | 679 | 1,051 | 786 | 799 | 436 |
| | Due From Banks | 311 | 844 | 967 | 754 | 722 |
| | Loans & Advances (Net) | 8,742 | 9,108 | 10,198 | 9,905 | 10,825 |
| | Investments | 1,062 | 1,199 | 1,230 | 1,135 | 1,425 |
| | Fixed Assets | 148 | 145 | 282 | 209 | 404 |
| | Other Assets | 211 | 178 | 154 | 156 | 157 |
| | Total Assets | 11,153 | 12,525 | 13,617 | 12,958 | 13,969 |
| LIABILITIES | Customer Deposits | 7,966 | 9,376 | 10,723 | 10,322 | 10,583 |
| | Due To Banks | 681 | 1,076 | 501 | 477 | 749 |
| | Euro Medium Term Notes | 499 | - | - | - | - |
| | Other Liabilities | 343 | 321 | 397 | 338 | 529 |
| | Total Liabilities | 9,489 | 10,773 | 11,621 | 11,137 | 11,861 |
| SHAREHOLDERS EQUITY | Share Capital | 422 | 422 | 422 | 422 | 422 |
| | Share Premium Reserve | 90 | 90 | 90 | 90 | 90 |
| | Legal and Other Reserves | 157 | 161 | 170 | 164 | 200 |
| | Retained Earnings | 561 | 645 | 729 | 711 | 811 |
| | Net Worth (A) | 1,230 | 1,318 | 1,411 | 1,387 | 1,523 |
| | Tier 1 Capital (B) | 434 | 434 | 585 | 434 | 585 |
| | Net Worth (C=A+B) | 1,665 | 1,752 | 1,996 | 1,821 | 2,108 |
| | Total Net worth and Liabilities | 11,153 | 12,525 | 13,617 | 12,958 | 13,969 |

Income Statement

| Amounts in USD Millions | For the year ended | | | For the period ended | |
|------------------------------------|--------------------|----------------|----------------|----------------------|----------------|
| | 31 Dec 2022 | 31 Dec 2023 | 31 Dec 2024 | 30 Sep 2024 | 30 Sep 2025 |
| Details | | | | | |
| - Interest Income-Conventional | 475.7 | 587.9 | 651.1 | 487.1 | 476.8 |
| - Interest Income-Islamic | 28.2 | 42.0 | 55.5 | 45.6 | 50.0 |
| Total Interest Income | 503.9 | 629.9 | 706.6 | 532.7 | 526.8 |
| - Interest Expenses-Conventional | (221.1) | (316.6) | (385.0) | (291.5) | (279.1) |
| - Interest Expenses-Islamic | (13.9) | (26.2) | (39.0) | (32.2) | (34.6) |
| Total Interest Expenses | (235.0) | (342.8) | (424.0) | (323.7) | (313.7) |
| Net Interest Income | 268.9 | 287.1 | 282.6 | 209.0 | 213.1 |
| Non funded Income | 90.1 | 91.8 | 110.5 | 82.0 | 101.4 |
| Total Income | 359.1 | 378.9 | 393.1 | 291.0 | 314.5 |
| - Staff Costs | (95.4) | (99.3) | (102.3) | (75.8) | (79.3) |
| - Other Operating Costs | (46.6) | (45.7) | (44.9) | (31.7) | (36.0) |
| - Depreciation | (15.2) | (15.8) | (16.4) | (12.1) | (12.6) |
| Total Operating Expenditure | (157.2) | (160.8) | (163.6) | (119.6) | (127.9) |
| Operating Profit | 201.9 | 218.1 | 229.5 | 171.4 | 186.6 |
| - Gross Provisions | (68.9) | (62.2) | (59.8) | (46.5) | (45.4) |
| - Recovery | 16.3 | 21.4 | 23.1 | 15.2 | 16.9 |
| Net Loan Impairment | (52.6) | (40.8) | (36.7) | (31.3) | (28.5) |
| Net Profit Before Tax | 149.3 | 177.3 | 192.8 | 140.1 | 158.1 |
| Taxation | (24.1) | (26.6) | (28.9) | (21.4) | (23.7) |
| Net Profit for the period | 125.2 | 150.7 | 163.9 | 118.7 | 134.4 |

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

Integrating ESG into Our Strategic Priorities

BRAND / PEOPLE



- 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 financed:

- Desalination plants with reverse osmosis technology.
- Oman-UAE railway network for enhanced energy efficiency.
- Projects supporting sustainable housing



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

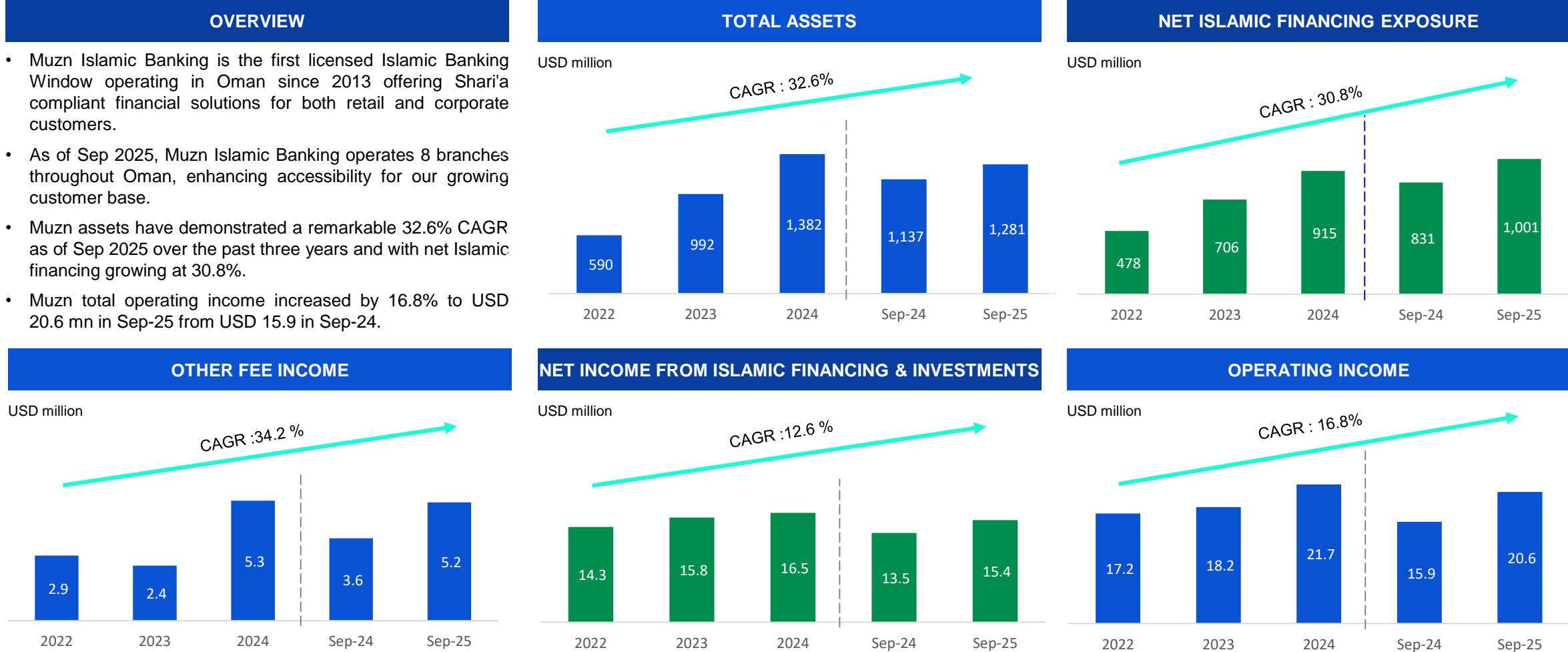
- Diversity & Inclusion:** Achieved a 93% Omanisation rate; committed to gender balance and opportunities for individuals with disabilities.
- Community Impact:** Invested OMR 200,000 in CSR initiatives, including support for health, education, and fintech innovation through the NBO Fintech Accelerator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





Thank you

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