

CHAIRMAN’S REPORT

Economy

Oman’s economy recorded steady real GDP growth during the first half of 2025, with the gross domestic product at current prices expanding by 2.27% year-on-year. Despite this growth, the budgetary performance up to August 2025 registered a deficit of RO 384 million. In a notable endorsement of the country’s fiscal and structural reform efforts, Moody’s Investors Service upgraded Oman’s credit rating from *Ba1* to *Baa3*, reclassifying the Sultanate into the investment-grade category. Similarly, S&P Global Ratings reaffirmed Oman’s investment-grade rating at *BBB-* with a stable outlook. S&P also expects the government’s fiscal and economic reform momentum to be sustained through 2025 to 2028, forecasting an average annual growth rate of 2%, underpinned by expansion in both the non-hydrocarbon and energy-related sectors.

Oman’s Vision 2040 continues to serve as a comprehensive roadmap toward economic diversification, public finance sustainability, regulatory improvements, labor market reform, and enhanced competitiveness. Timely and effective implementation of these strategic priorities will send a strong signal to investors and support long-term, sustainable development. According to the Central Bank of Oman, the macroeconomic outlook remains stable and resilient, backed by robust capital buffers and healthy liquidity in the financial system.

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Financial Highlights

For the third quarter ending 30th September 2025, the company earned a total revenue of RO 11,853K against total revenue of RO 12,507K for the comparative period last year. The company’s profit after tax and ECL provision is RO 2,571K for the period as compared to RO 2,509K for the same period last year, showing an increase of 2.5%. The company’s Loan Book as of 30th September 2025 stands at RO 138 million. The total ECL and reserve interest on Instalment Finance receivables and guarantees stands at RO 15.638 million as of 30th September 2025.

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Concerns

The global economy continues to face the ongoing threat of oil price fluctuations, tariff issues, supply chain disruptions, geopolitical tensions, disruptions in global trade, high interest rates and extreme climatic events. Domestic diversification is ongoing but structural shifts will take time as the dependence on hydrocarbons remain high.

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Prognosis

We continue to foresee a challenging period ahead tempered with optimism. The company is well capitalized with a healthy capital adequacy of 32.76% (including the Compulsorily Convertible Bonus Stock Bonds), has robust liquidity buffer in the form of deposits with commercial banks. With a healthy capital structure, strong net worth, clean loan book, robust liquidity, lowest NPLs and high NPA coverage, the company is confident of posting satisfactory numbers.

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Acknowledgement

On behalf of the company and the Board of Directors, I would like to express my deep gratitude to His Majesty Sultan Haitham bin Tarik for his vision and leadership, which is taking the Sultanate on the new path of development and prosperity. We are grateful to the Central Bank of Oman, Financial Services Authority and other regulatory authorities for their guidance and support. We thank our shareholders, bankers, dealers and customers for their continued trust, confidence, and support. We acknowledge the dedication and commitment of the management and staff of the company.

Khalid Said Salim Al Wahaibi

Chairman