
CHAIRPERSON’S REPORT Q3 2025

On behalf of the Board of Directors of National Bank of Oman SAOG (NBO), I am pleased to present the third quarter 2025 report for the period ended 30 September 2025.

Oman’s Economy

Oman’s economy continued to show resilience in 2025, supported by prudent fiscal policies, rising non-oil revenues, and stronger investor confidence. Year-to-date results reflect steady macroeconomic management and progress toward diversification in line with the objectives of Oman Vision 2040.

By mid-year, total public revenues reached OMR 5.839 billion, with oil and gas revenues amounting to OMR 3.902 billion, while non-oil revenues rose to OMR 1.928 billion.

Oman’s debt profile also improved during the period. Public debt declined to OMR 14.1 billion, compared to OMR 14.4 billion in the same period last year. This reduction is in line with the government’s commitment to sustainable debt management.

Confidence in Oman’s fiscal path strengthened further when Moody’s upgraded the Sultanate’s rating to Baa3 with a stable outlook, restoring investment-grade status. Earlier, Standard & Poor’s reaffirmed its BBB rating.

These indicators highlight Oman’s strong fiscal framework and continued progress toward a more diversified and resilient economy.

NBO’s Financial Performance

Given this backdrop, Net Interest Income for YTD September 2025 was OMR 82.1 million, an increase of 2.0 per cent compared with the same period last year.

Fee Income for the same period was OMR 39.0 million compared to OMR 31.6 million, an increase of 23.4 per cent compared with the same period last year.

Total Income, as a result, was OMR 121.1 million for YTD September 2025, reporting a growth of 8.0 per cent year on year.

Operating Expenses for the nine months ended 30 September 2025 was OMR 49.2 million, compared to OMR 46.0 million for the corresponding period in 2024, an increase of 7.0 per cent.

Operating Profit as a result was at OMR 71.9 million and grew strongly by 8.8 per cent year on year.

Net Impairment for the first nine months was at OMR 11.0 million, compared to OMR 12.1 million for the corresponding period last year, a decrease of 9.1 per cent.

Net Profit, as a result, was OMR 51.8 million, a growth of 13.3 per cent over the corresponding period last year.

Gross loans and advances as of 30 September 2025 are at OMR 4.35 billion, showing growth of 9.1 per cent over last year. Customer deposits correspondingly are at OMR 4.07 billion, with the Bank continuing to maintain a healthy CASA mix.

The Bank’s Core Equity and Total Capital Adequacy Ratio stood at 11.0 per cent and 16.4 per cent, respectively.

Key Achievements and Partnerships

Throughout Q3 2025, NBO continued to enhance its offerings and deliver innovative solutions that complement the Sultanate’s financial landscape, ensuring a rewarding banking experience for customers. These efforts were reflected across multiple initiatives focused on innovation, digital transformation, investment growth, and customer engagement.

During COMEX 2025, NBO showcased its latest digital innovations and signed several strategic agreements to strengthen collaboration and expand its digital services. A key highlight was the partnership with Omantel to deliver integrated digital and cybersecurity solutions and develop an AI platform for enterprise knowledge management. Another major agreement with Al Jabr paved the way for the launch of the second edition of the NBO Fintech Accelerator Program.

Further reinforcing its digital partnerships, NBO signed agreements with the Public Prosecution to integrate its Payment Gateway, deploy POS machines, and enable seamless payments through the NBO app. Additional partnerships included Taageer to incorporate financial products into NBO’s open banking framework, The American International School of Muscat (TAISM) to implement API integration for payments and direct debit mandates, and Abraj Bousher Real Estate to deliver tailored corporate banking solutions that enhance operational efficiency and customer experience.

At COMEX, visitors experienced NBO’s innovative digital capabilities first-hand, including instant account opening through Self Service Kiosks, on-the-spot debit card printing, and SIP applications. New kiosk services such as cheque leaf printing, KYC updates, digital signatures, and customer feedback were also introduced. NBO further presented its new mPOS and Full Function Machine (FFM), offering remittances and accessibility features such as voice guided transactions.

Furthermore, the bank signed a Memorandum of Understanding with Al Bandar Development to streamline real estate solutions and financial processes for property owners and developers.

Marking another milestone, NBO officially launched its Application Programming Interface (API) Gateway, a secure platform that enables seamless integration between customer systems and the bank’s channels. The gateway provides real-time access to a wide range of banking services, setting new standards in digital connectivity.

Continuing its drive for convenience, NBO also unveiled its first Drive-Thru ATMs in Al Mussanah and Salalah, offering customers a contactless, car-based transaction experience tailored to today’s fast paced lifestyle.

To strengthen personalized banking experiences and build closer relationships with high-net-worth customers, NBO hosted an exclusive networking dinner in Salalah for Sadara Priority Banking customers. The event provided an opportunity for meaningful connections and insightful discussions.

The bank also celebrated Customer Experience Day at its Head Office, emphasizing the importance of putting customers at the center of every interaction. The event highlighted NBO’s commitment to service excellence and innovation, featuring a panel discussion titled “Customer Experience as a Core Differentiator in Today’s Business Environment,” which explored how customer-focused strategies are shaping business growth. NBO also recognized employees who excelled in delivering outstanding service, reinforcing the belief that exceptional experiences start with empowered and motivated teams.

On the investment front, NBO launched its fourth open-ended mutual fund, the NBO Global Fixed Income Fund, through private placement to key investors. It is designed to generate income and capital growth through investments in bonds, sukuks, and other fixed-income instruments across global, GCC, and local markets.

NBO also acted as Sole Issue Manager for Energy Development Oman’s OMR 50 million Series 1 Sukuk, the first domestic issuance by a government-related entity listed on the Muscat Stock Exchange (MSX). Structured by NBO Muzn Islamic Banking with a 4.40 per cent profit rate, the Sukuk attracted over OMR 80 million in demand, reinforcing investor confidence and NBO’s leadership in innovative, Shari’ah-compliant financing solutions.

During the period, Corporate Banking successfully concluded a bilateral refinancing arrangement for an investment company, complemented by an interest rate hedge covering the full tenor of the loan, while extending additional financial support to its group entities. NBO also completed USD 132 million syndicated financing for the expansion of a manufacturing company in the UAE, acting as Underwriter, Mandated Lead Arranger, and holding key agency roles. Furthermore, NBO played a pivotal role as Facility Agent Bank for a landmark USD 1 billion Term Loan Syndicated Facility, underscoring its expertise in managing complex, large-scale transactions and enhancing its fee-based revenue. Additionally, Trade Finance achieved solid year-on-year volume growth across its core product lines, and NBO has been providing financing for major infrastructure and energy projects. In addition, the Escrow Services business facilitated a share purchase agreement in the energy sector.

On the corporate digital front, the bank maintained strong momentum with a 6.4 per cent increase in payment volumes, continued expansion of direct debit electronic mandates, and wider adoption of Remote Deposit Capture (RDC). Six new strategic business-to-business agreements were finalized.

NBO Muzn Islamic Banking

Muzn Islamic Banking continues to perform well with total income for YTD September 2025 growing by 29.4 percent YoY. Gross Financing grew by 20.7 percent YoY to reach OMR 394 million as at 30th September 2025 and customer deposits grew by 5.3 percent YoY to reach OMR 354 million as at 30th September 2025.

During the third quarter, NBO Muzn Islamic Banking announced several strategic initiatives and partnerships aimed at expanding access to Shari’a-compliant financial solutions and enhancing customer benefits across the Sultanate.

As part of these efforts, Muzn Islamic Banking signed a Memorandum of Understanding with Sarooj Development Company to provide Shari’a-compliant home financing solutions for eligible customers purchasing properties within the Sarooj Oasis Project, an integrated mixed-use development in Sultan Haitham City.

Expanding its home financing portfolio, Muzn also launched new solutions tailored for self-employed customers, small business owners, and freelancers. Offering a competitive profit rate and a financing tenure of up to 25 years, this initiative promotes greater financial inclusion for diverse customer segments across the Sultanate.

Building on its focus to strengthen digital services, Muzn Islamic Banking introduced a Shari’a-compliant Direct Debit E-Mandate service designed to streamline recurring payments for both retail and corporate customers. Available through Muzn’s Corporate Internet Banking platform and mobile app, the solution supports Oman’s digital transformation efforts by enabling reliable, efficient, and delay-free management of high transaction volumes.

Recognizing the seasonal needs of families, Muzn further introduced tailored financial solutions to support back-to-school expenses, including tuition fees, transportation, and essential supplies. This step reflects Muzn Islamic Banking’s ongoing commitment to providing practical and supportive Shari’a-compliant products that cater to the evolving needs of the customers.

Community Values

During the third quarter, NBO carried out a series of initiatives that underscored its commitment to talent development, financial literacy, and community engagement.

Building on last year’s success, NBO concluded its flagship Hackathon, as part of its Fintech Accelerator Programme, after a 48-hour challenge to discover and develop the next generation of fintech talent in Oman. The event brought together 19 teams, including participants from the Ministry of Higher Education, Research and Innovation’s Upgrade Program, emphasizing strong cross-sector collaboration. The Hackathon reaffirmed the bank’s commitment to advancing a vibrant fintech ecosystem. The top three teams received cash prizes and entry into the Accelerator for mentorship, funding, and market exposure.

Reaffirming its dedication to nurturing future leaders, the Bank welcomed 35 promising graduates into its flagship NBO Tomorrow’s Leaders Programme, designed to build a resilient, future-ready workforce for the Sultanate. The Bank also successfully completed its annual Internship Programme, offering final-year students and recent graduates’ placements across its divisions. Through these initiatives, NBO continues to provide practical experience and exposure to banking operations while strengthening the pipeline of skilled Omani professionals.

Continuing its support for national innovation, NBO sponsored the Mulhim Hackathon held at the Bank’s Head Office. Organized by the Academy of Strategic and Defense Studies in collaboration with public and private sector partners, the competition runs until October 29 and features a training camp designed to equip and mentor participants. The initiative aims to inspire young minds to develop innovative digital solutions in areas such as cybersecurity, education, and customer service.

By supporting this national initiative, NBO reinforces its role as a key enabler of innovation and talent development, contributing to the growth of Oman’s digital economy.

In celebration of World Cleanup Day, the Environmental Society of Oman (ESO) organized a charity run that united participants from all walks of life in their shared commitment to protecting Oman’s natural environment. NBO’s sponsorship of the event reflects its dedication to promoting environmental awareness and sustainability, and to supporting community initiatives that contribute to a greener, cleaner Oman.

Extending its educational outreach, and in collaboration with the North Al Batinah Governor’s Office, NBO organized workshops at the University of Technology and Applied Sciences in Sohar and Shinas, as well as the Vocational College of Al Khabourah. Covering topics such as smart saving, budgeting, and investment fundamentals, the sessions included interactive activities that allowed students to apply their learning in practical settings, supporting the Bank’s ongoing efforts to enhance financial literacy among youth.

On the community front, NBO also hosted its Annual Kids Carnival at its Head Office in Muscat, bringing together employees and their families for a vibrant day of celebration and connection. The event highlights the Bank’s commitment to fostering a workplace culture that values wellbeing, belonging, and togetherness.

Global Recognition

In recognition of its leadership in innovation, NBO received the Gold Award in the AI-Driven Creative Excellence category at the MMA Smarties Middle East and North Africa (MENA) Awards 2025. The accolade honoured the bank’s pioneering marketing campaign featuring Abu Salim’s AI-Driven Family, the first initiative of its kind in Oman.

As a testament to its outstanding performance, NBO was recognised at the AIWA Awards 2025, receiving the Best Performing Company Award in the Large

Capital category at a gala ceremony in Muscat. This recognition further reaffirms the Bank’s leadership and commitment to excellence within Oman’s financial services sector.

Appreciation

On behalf of the Board of Directors, I would like to thank our customers, shareholders, executive management, and the entire team of NBO for their support and efforts in implementing the Bank’s strategy and achieving its goals and objectives.

We would also like to sincerely thank our regulators, the Central Bank of Oman, the Central Bank of the United Arab Emirates and the Financial Services Authority, for their constant support and dedicated efforts to develop Oman’s financial industry, especially the banking sector.

We pay tribute to His Majesty Sultan Haitham bin Tarik, under whose visionary leadership and wise guidance Oman continues its steadfast march towards sustainable economic growth and social development.

Amal Suhail Bahwan

Chairperson