

# Investor Presentation

1H2023 Results



بنك عُمان العربي  
OMAN ARAB BANK

50

عاماً  
معاً  
YEARS  
TOGETHER

# Agenda



OPERATING  
ENVIRONMENT



OMAN ARAB BANK  
OVERVIEW



FINANCIAL  
PERFORMANCE

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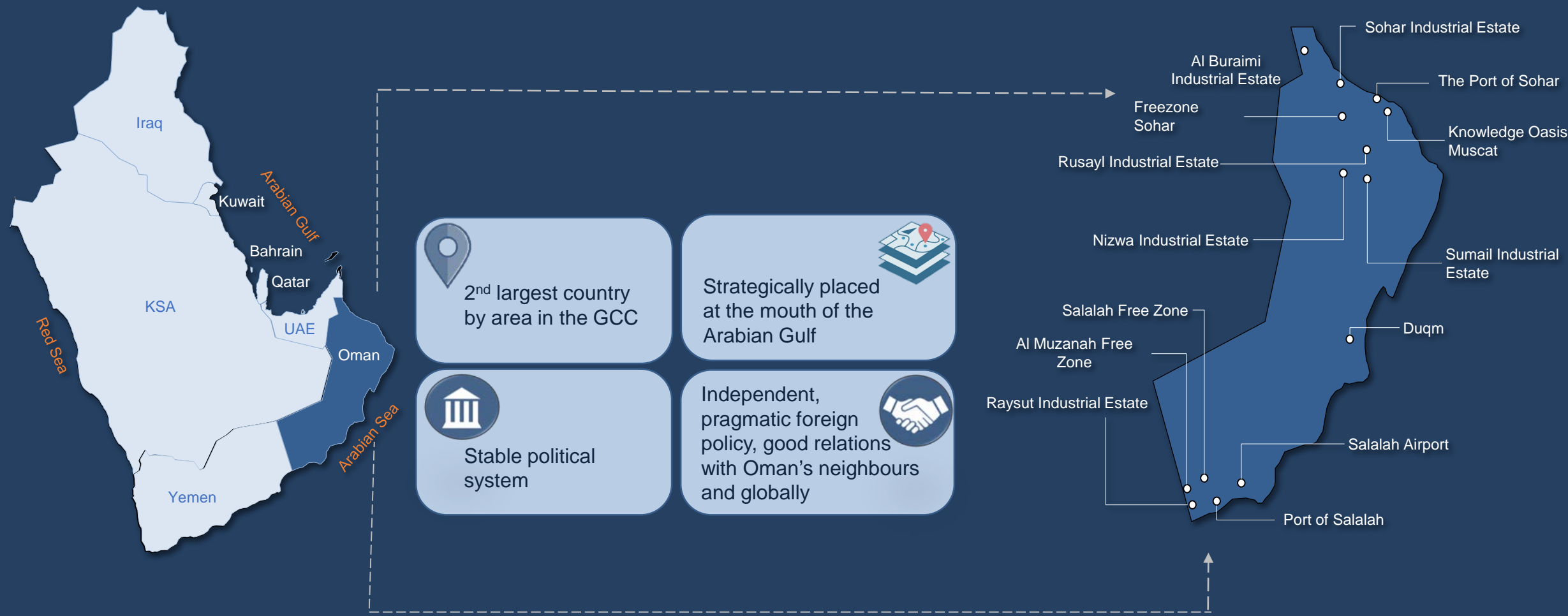
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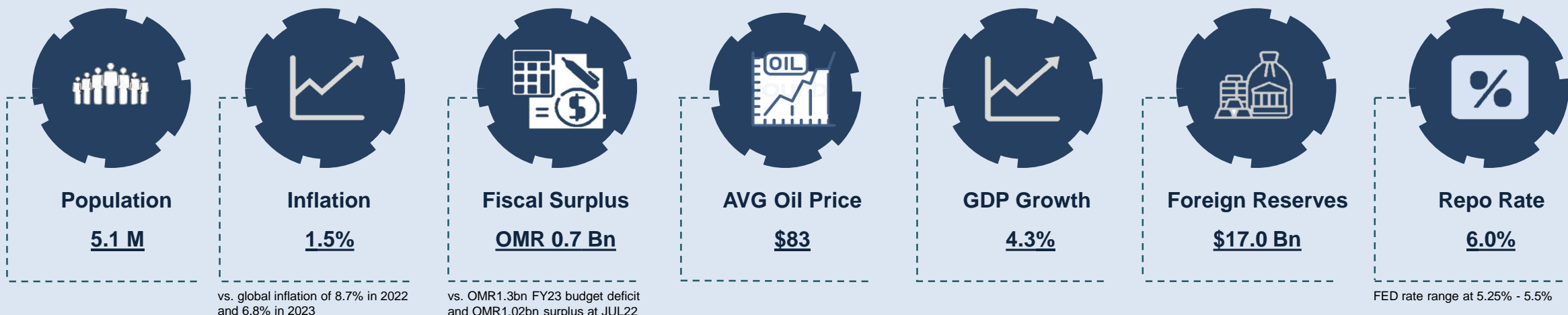
# Operating Environment



# Sultanate of Oman - Overview

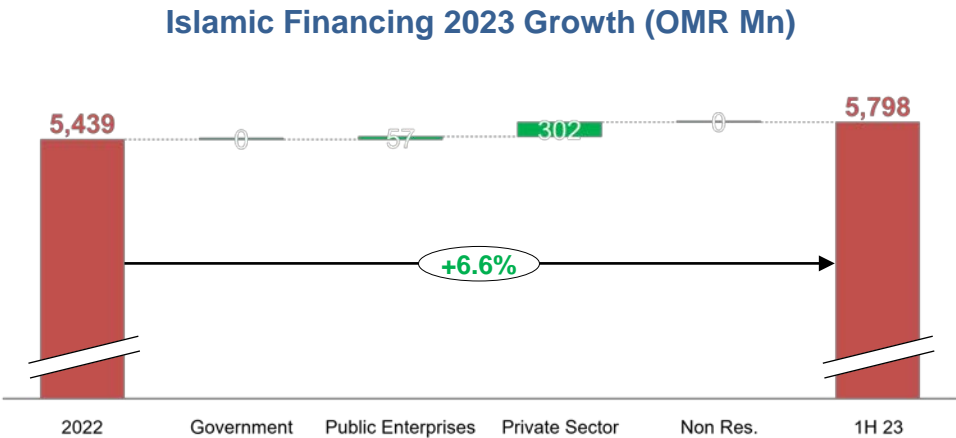
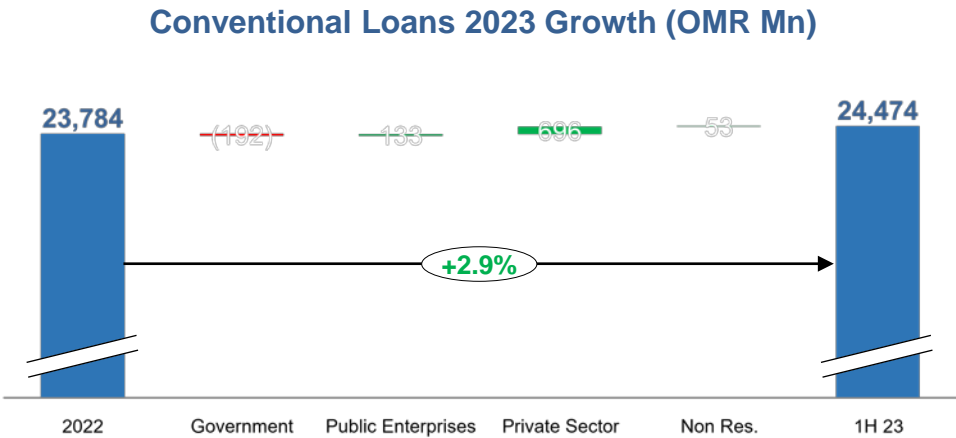
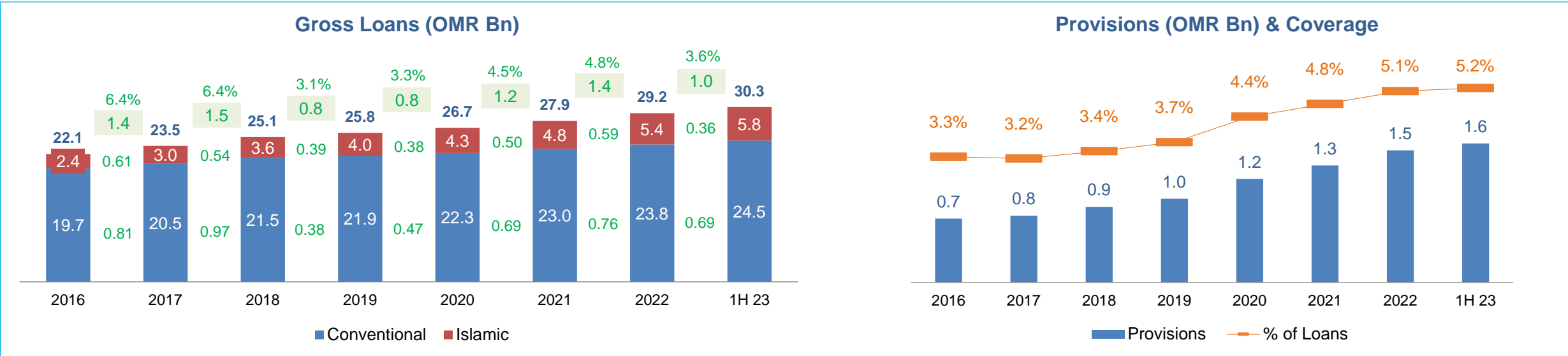


# Oman Economy

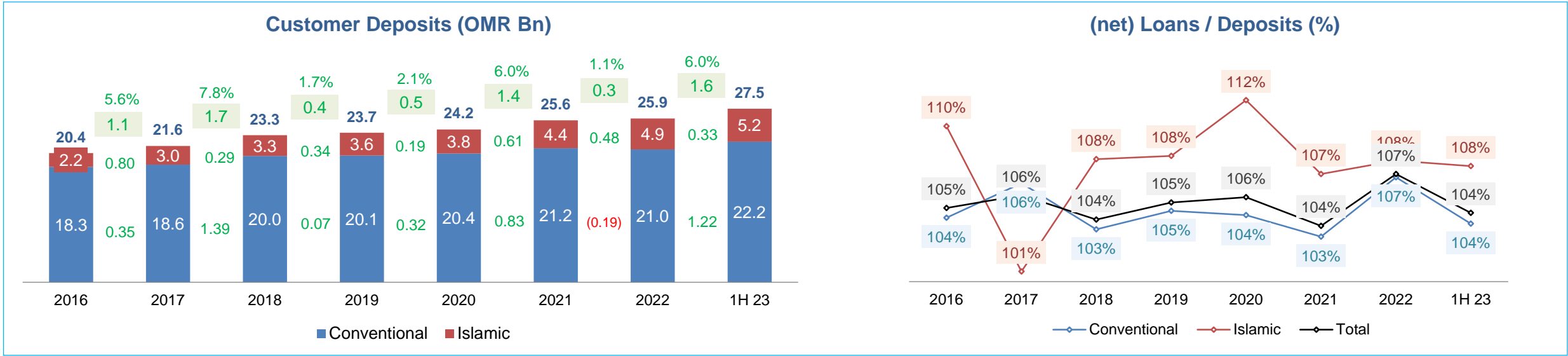


S&P	Fitch	Moody's
<ul style="list-style-type: none"><li>BB</li><li>Positive</li></ul>	<ul style="list-style-type: none"><li>BB</li><li>Positive</li></ul>	<ul style="list-style-type: none"><li>Ba2</li><li>Positive</li></ul>

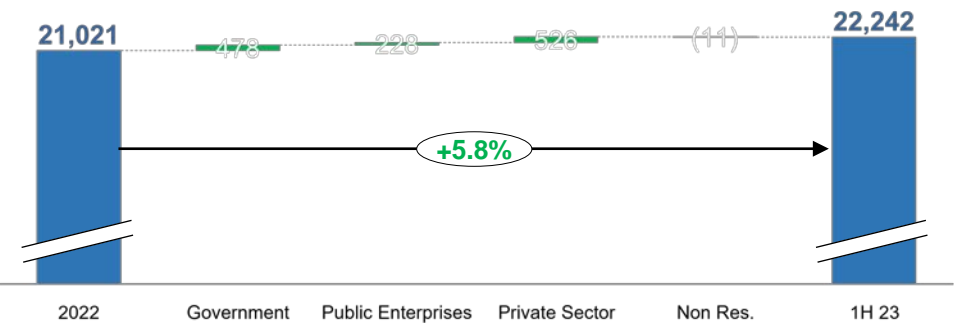
# Banking Sector – Credit and Lending



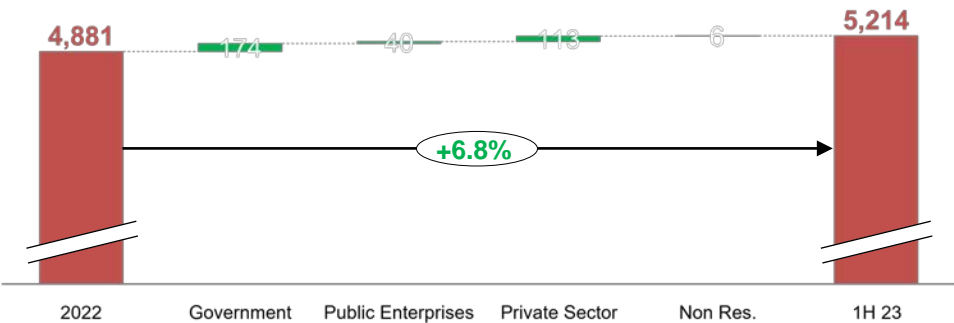
# Banking Sector – Customer Deposits



Conventional Loans 2023 Growth (OMR Mn)



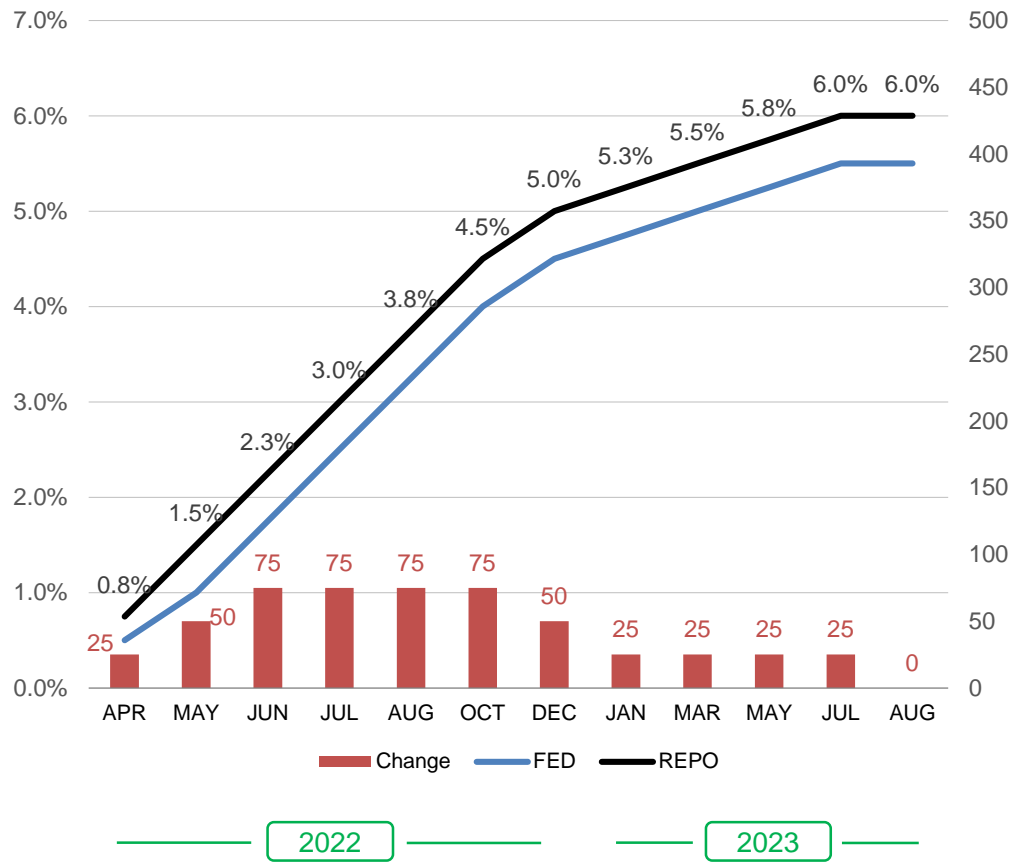
Islamic Financing 2023 Growth (OMR Mn)



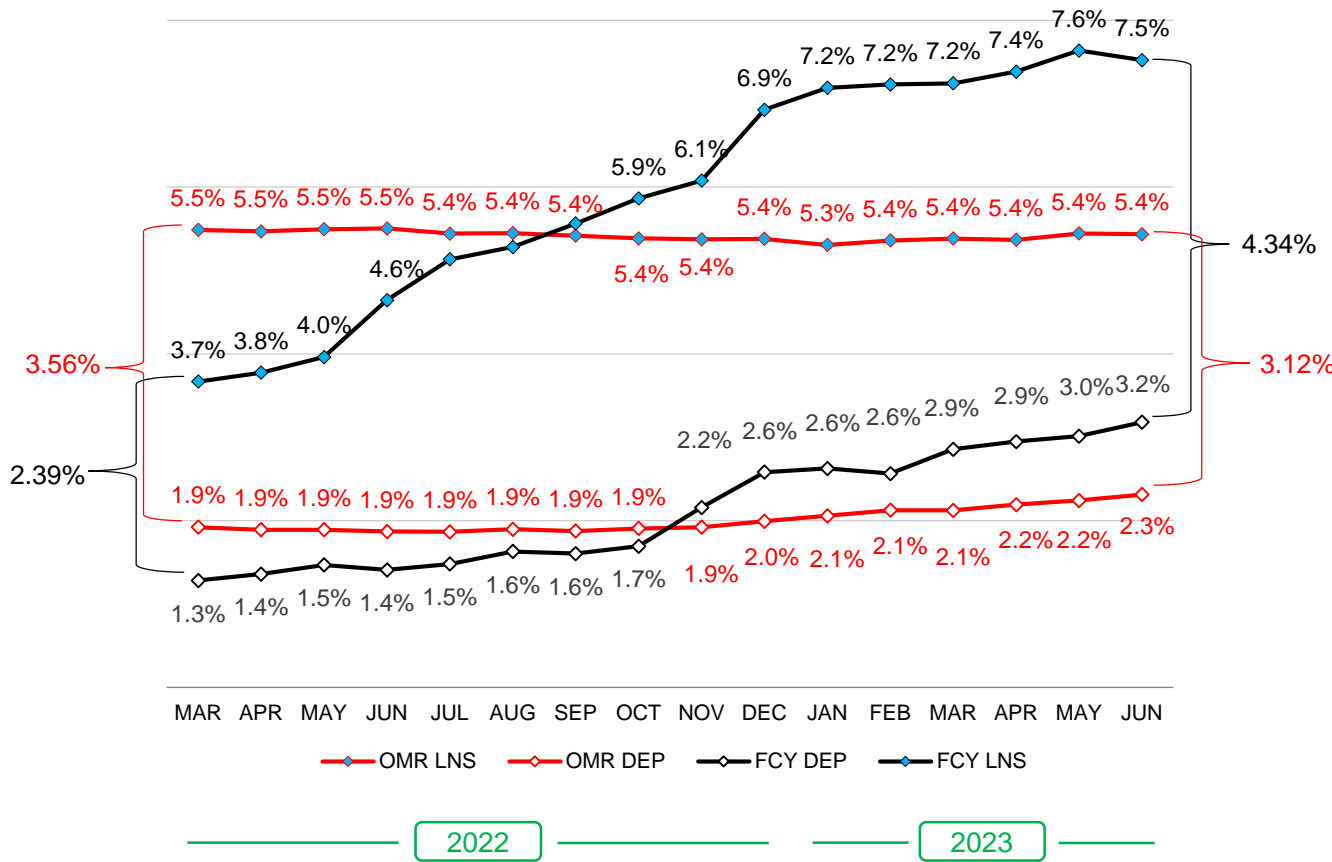


# Elevated increases in policy rates impacting the banks' margins

FED and CBO policy rate evolution



Local loans and deposits rate (industry average)

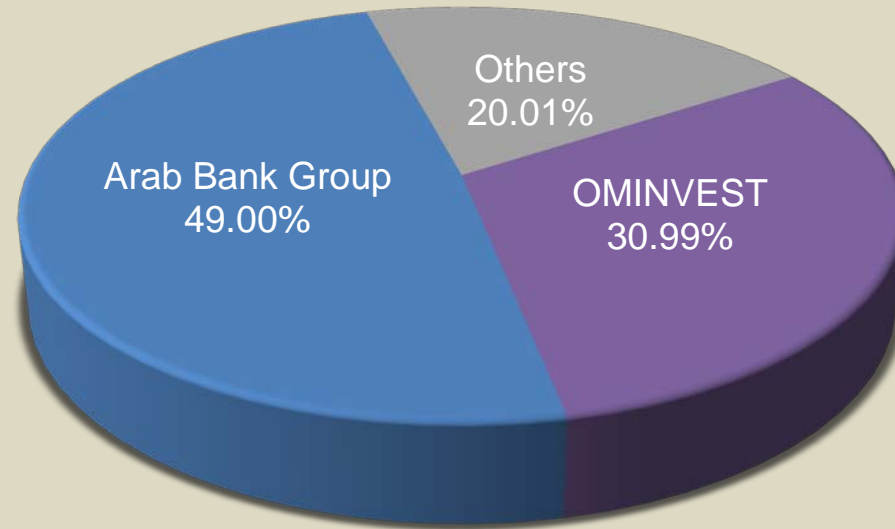


# Oman Arab Bank Overview



# We are supported by strong shareholders

- One of the largest financial institutions in the Middle East
- +600 branches across five continents and 28 countries
- Covering key financial markets including London, Dubai, Singapore, Geneva, Paris, Frankfurt, Sydney and Bahrain
- **USD3.9Bn** market cap
- **USD10.6Bn** total equity



- One of the largest publicly listed investment companies in the MENA region
- Diversified portfolio into Banking, Insurance, Leasing, Real Estate, Education, Private Equity and Investment Banking
- **USD0.7Bn** market cap

# and experienced and business acumen Board members



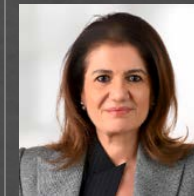
**Mr. Rashad Al Zubair**  
**Chairman**

Chairman - Zubair Corporation, Chairman - Oasis Water Co, Vice Chairman - Barr Al Jissah Resort Co, Vice Chairman and Founder Member of Muscat University.



**Mr. Wahbe Tamari**  
**Deputy Chairman**

Chairman - Arab Bank Switzerland, Chairman - Arabia Insurance Company, Board Member in Arab Bank Plc, Sucafina SA, Solidere International, Tamari Foundation. Member of Young Presidents' Organization (YPO).



**Ms. Randa Sadik**  
**Director**

Chief Executive Officer - Arab Bank, Chairwoman - Arab Tunisian Bank, Vice Chairman - Arab Bank Australia, Chairwoman - Al Arabi Finance Holdings Lebanon, Chairwoman - Al Arabi Investment Group Jordan.



**Mr. Abdulaziz Al Balushi**  
**Director**

Chief Executive Officer - OMINVEST, Deputy Chairman - Jabreen Capital, Board Member in Liva (NLGIC), National Finance, Member of Oman American Business Center. "Second Best CEO in Arab Banking World" - Forbes Magazine, November 2012.



**Mr. Imad Sultan**  
**Director**

Vice Chairman & Managing Director - W. J. Towell LLC, Board Member in Savannah Resources PLC, Member of the Executive Committee of Muscat Stock Exchange. Member of Young Presidents' Organization (YPO).



**Mr. Walid Samhouri**  
**Director**

Executive Vice President, Jordan Country Head, Arab Bank, Chairman - Arab Sudanese Bank, Board Member in Arab Tunisian Bank, Jordan Loan Guarantee Corporation.



**Mr. Nasri Malhame**  
**Director**

Board member in Arab Bank Switzerland (Lebanon), AB Fund Managers-Guernsey, Ubhar Capital, Oman, and Chambre de commerce Arabo-Suisse, Geneva.



**Mr. Mohammed Al Ghanma**  
**Director**

Executive Vice President and Head of Credit Division - Arab Bank, Deputy Chairman - Islamic International Arab Bank, Board Member in Arab National Bank, Arab Bank Syria, T-Bank Turkey.



**Mr. Yasir Aqil Badri**  
**Director**

Senior Principal, Financial Services at Mubadala Investment Company.



# We were one of the earliest banks in Oman, a prominent player today

The journey

Today

Conventional

Islamic

Group

2021

Issuance of USD250M AT1 securities

Branches

47

16

63

2020

Acquisition of Alizz Islamic Bank and becoming a public joint stock company and a subsidiary of Arab Bank

Market Share

Loans

10.1%

9.4%

9.7%

17.0%

17.0%

17.4%

11.4%

10.8%

11.1%

1992

In-organic Expansion through acquiring retail branches of Omani European Bank

Deposits

10.1%

9.3%

9.9%

JUN22

DEC22

18.2%

18.6%

18.5%

11.7%

11.0%

11.6%

1984

OAB was established following the acquisition of Arab Bank's branches in Oman

ASIAN BANKING & FINANCE

Best Domestic Retail Bank

Best SME Payment Solutions

MEA Business Awards

Best Online Banking Platform

1973

Arab Bank commences operations in Oman



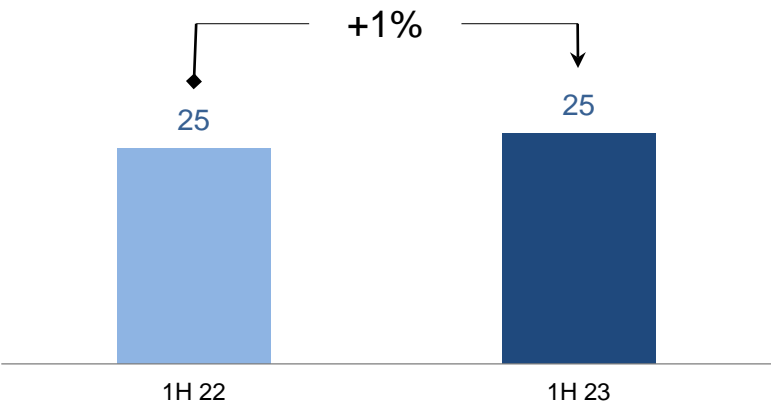


# Financial Performance

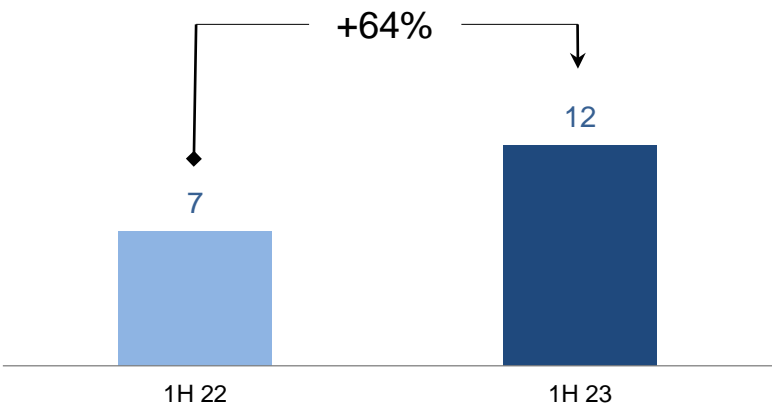


# We were the fastest growing bank YoY in profits, loans and deposits

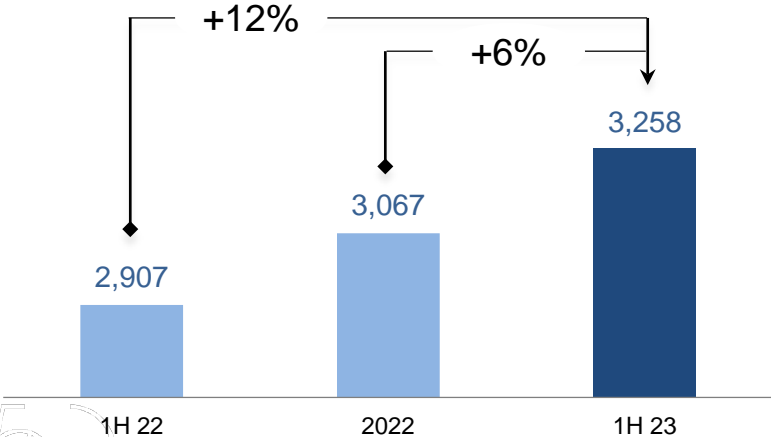
Operating Profit (OMR Mn)



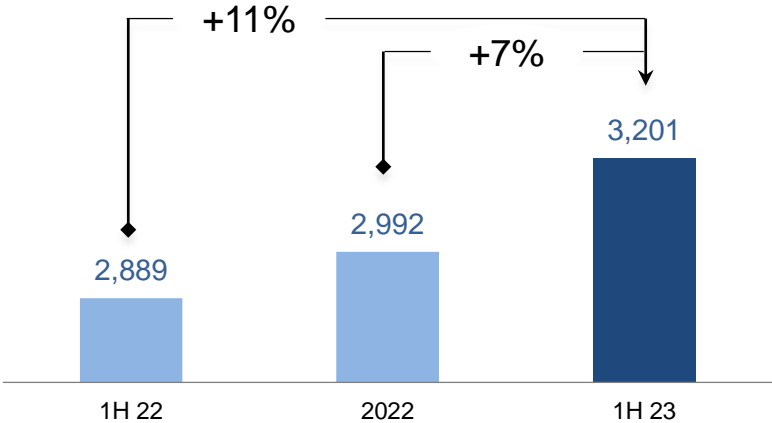
Net Profit (OMR Mn)



Loans & Advances (OMR Mn)

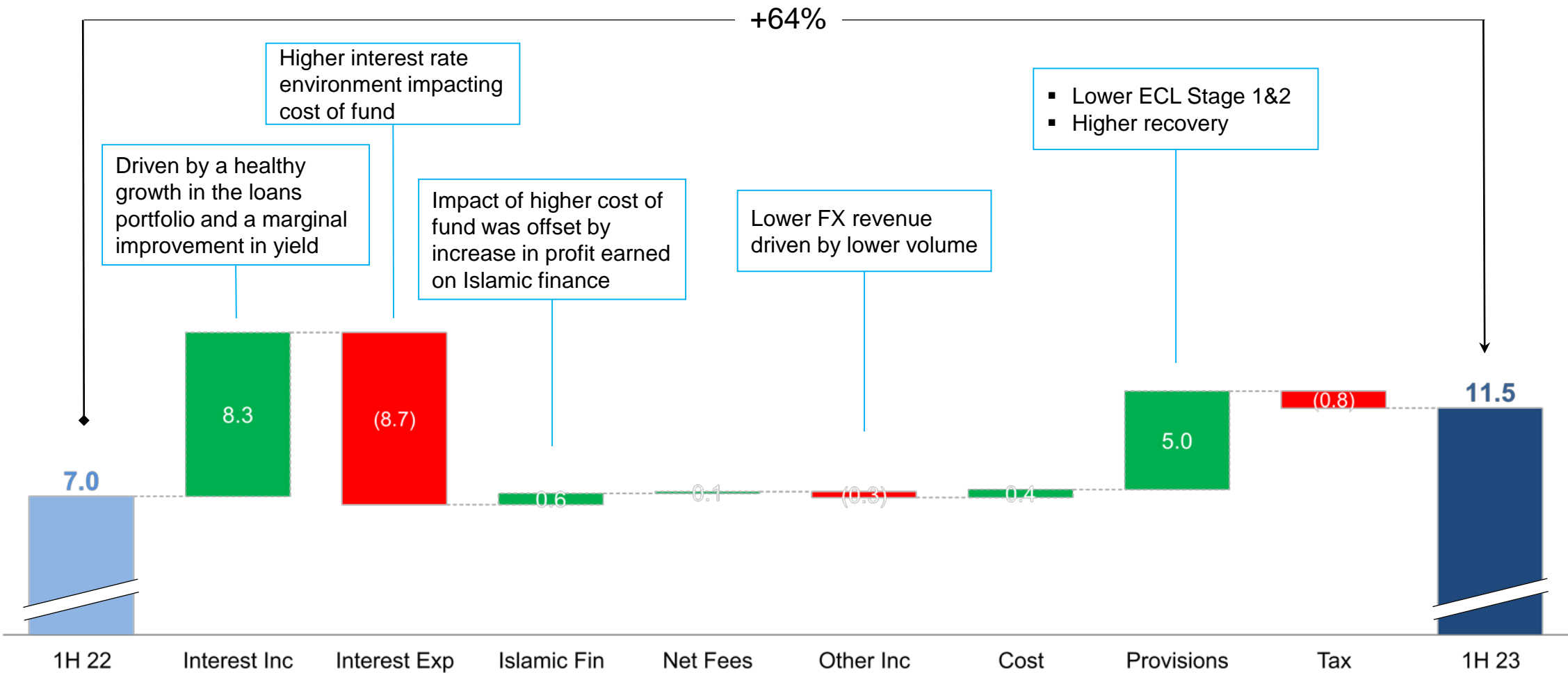


Customer Deposits (OMR Mn)



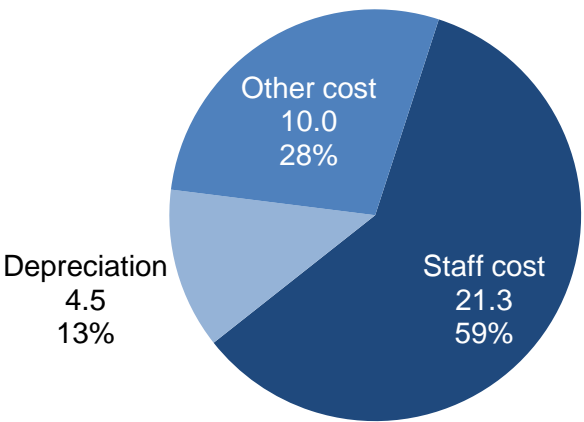
# Cost discipline and higher recoveries led the way to offset the margin squeeze driven by the higher interest rate environment

Profits Walk (OMR Mn)

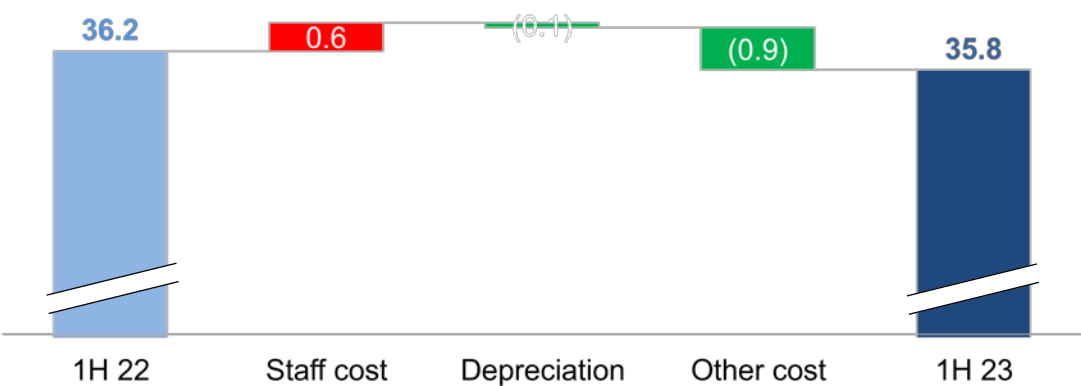


# Leading to an improvement in return on equity

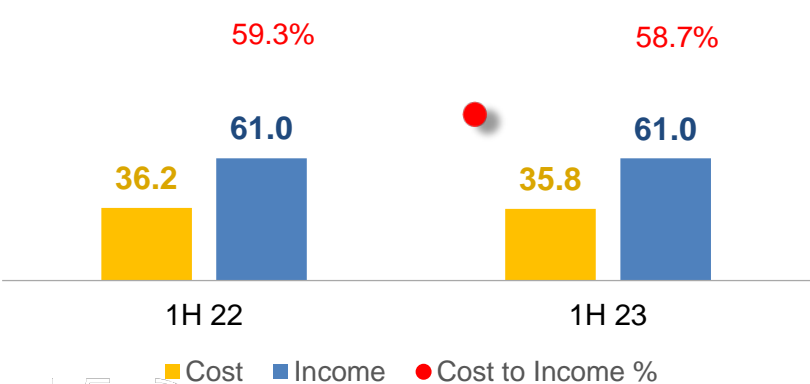
Cost Base (OMR Mn)



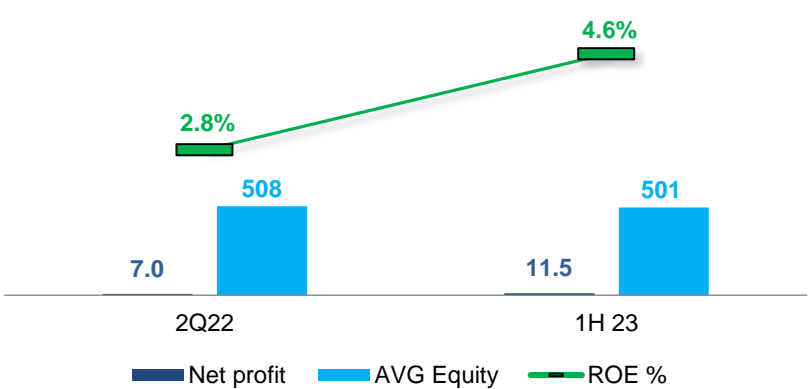
Cost Movement (OMR Mn)



Cost / Income (%)

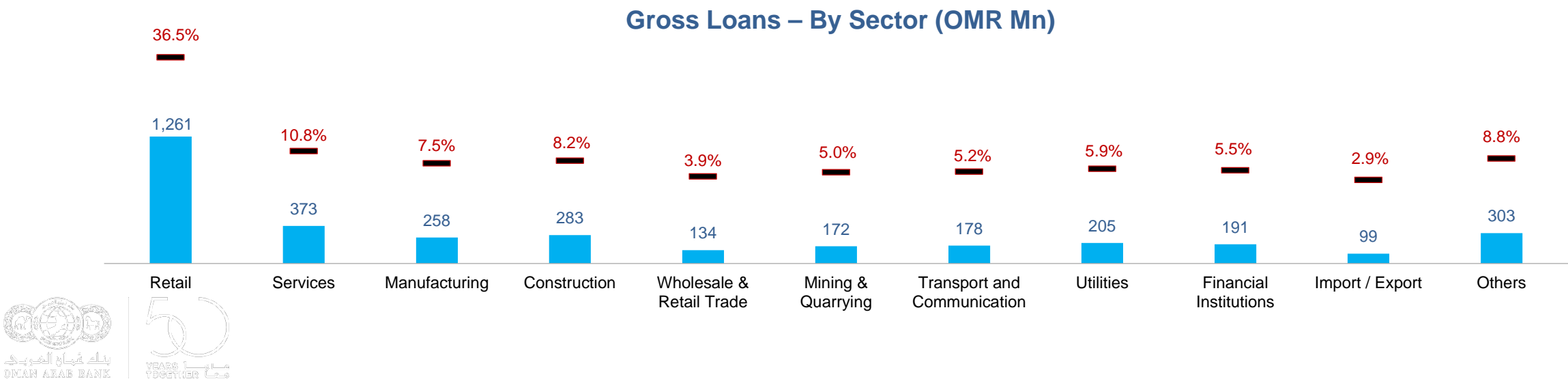
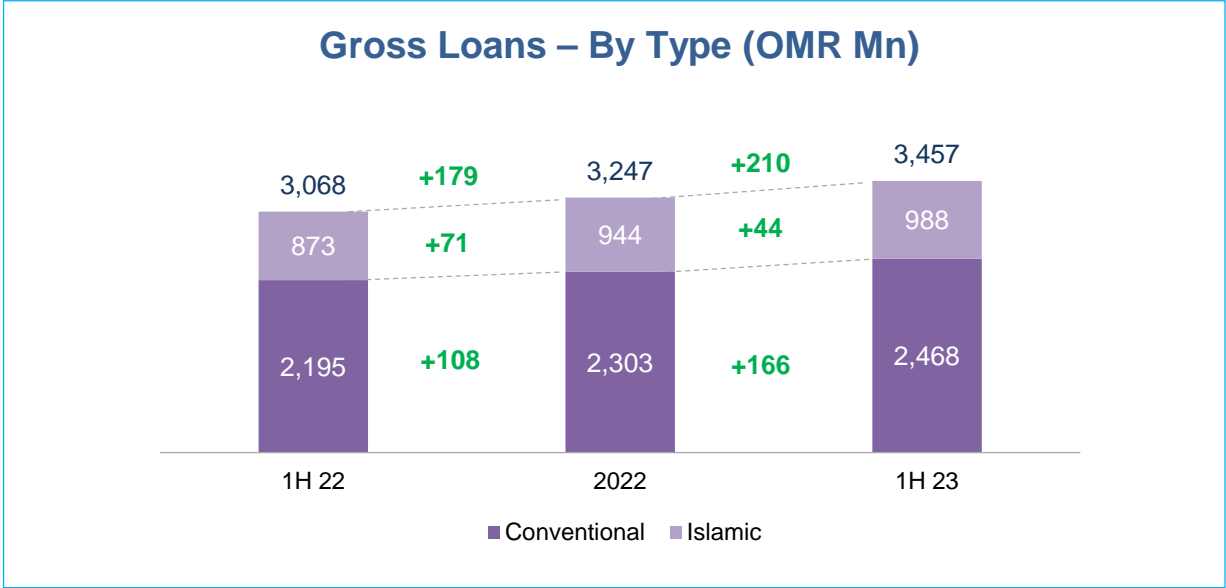
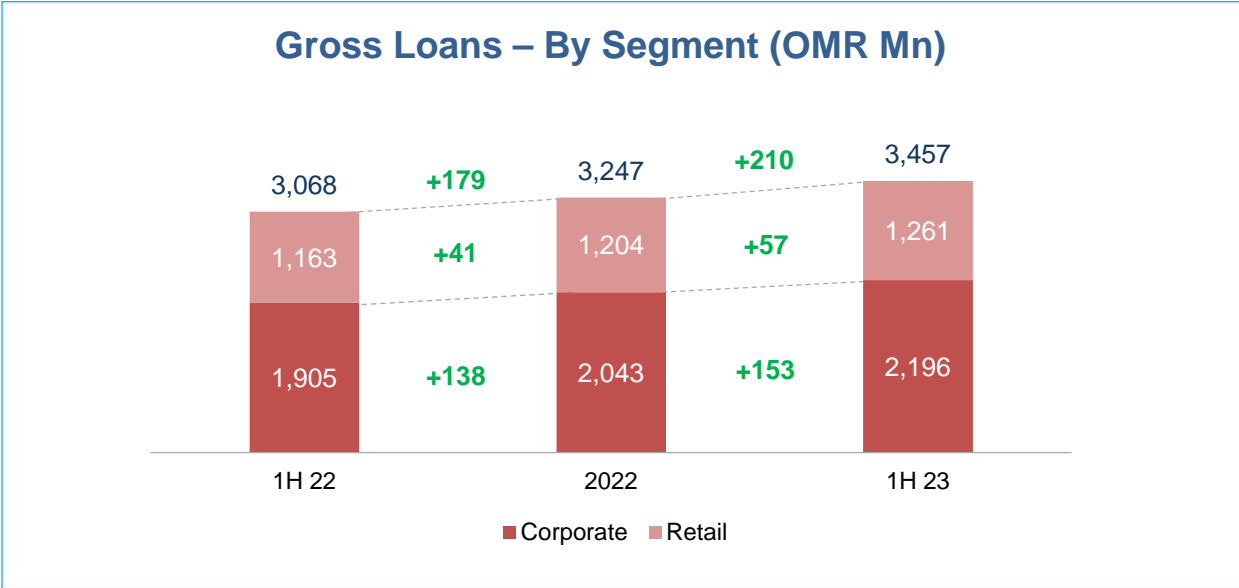


Return on Equity (%)<sup>1</sup>



1. Annualized net profit / average equity. On an adjusted basis (including the impact of perpetual bonds), ROE would have been 3.4% in 1H23 vs. 0.9% in 1H22.

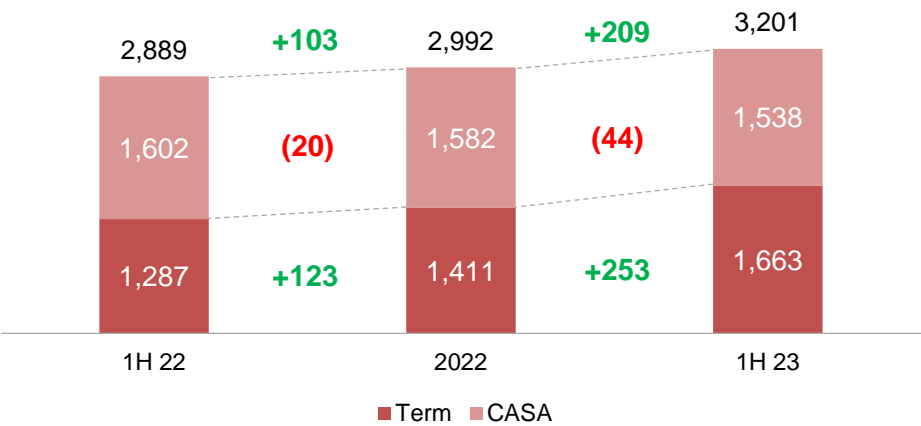
# We acquired ≈ 20% of new credit in Oman YoY and vs. end of 2022



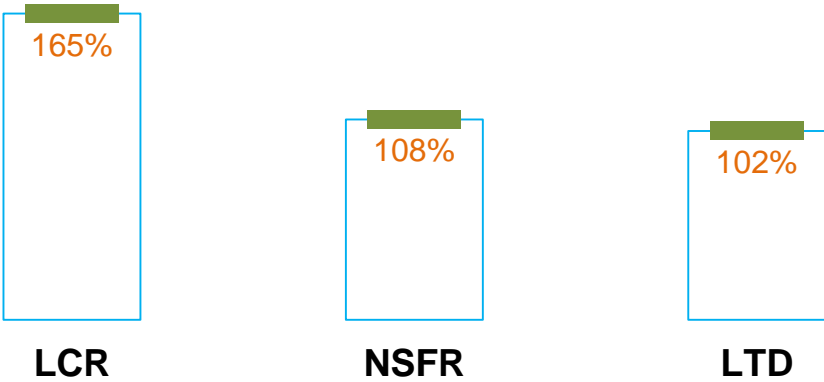
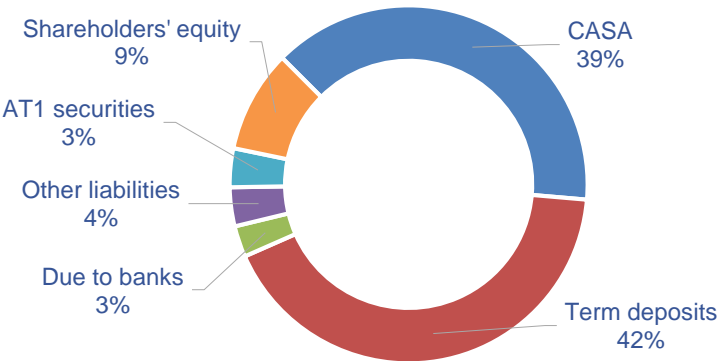
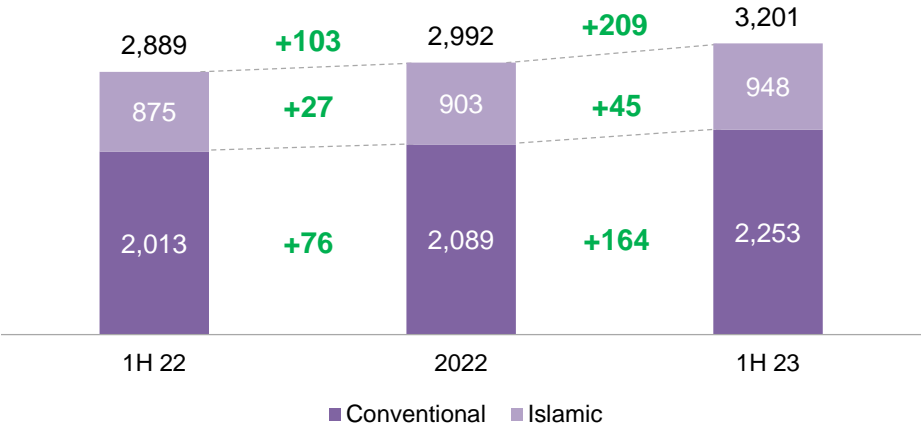


and ≈ 27% of new deposits YoY leading to a healthy liquidity position

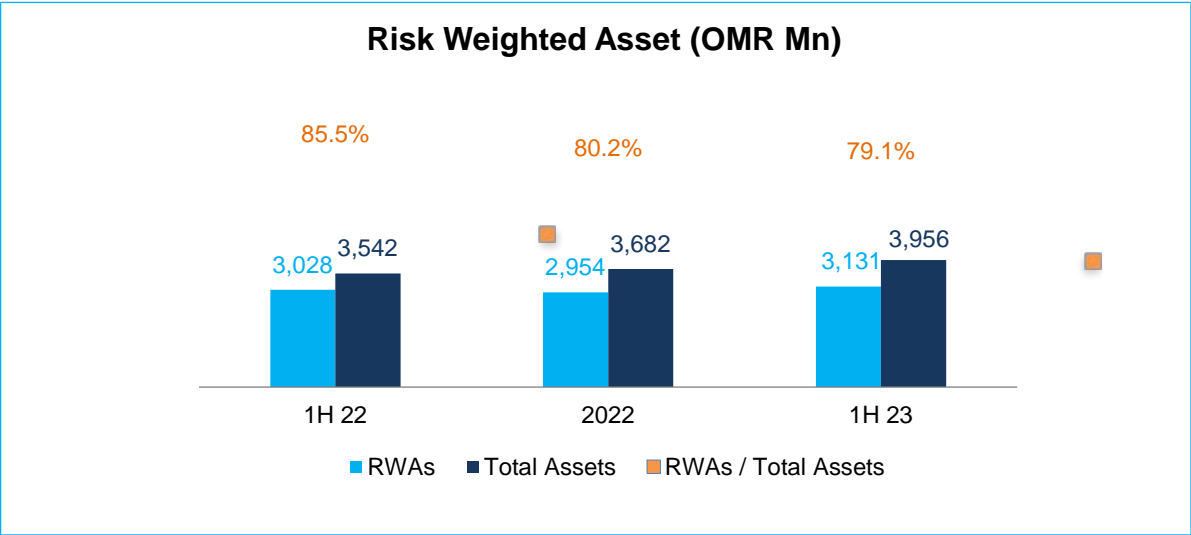
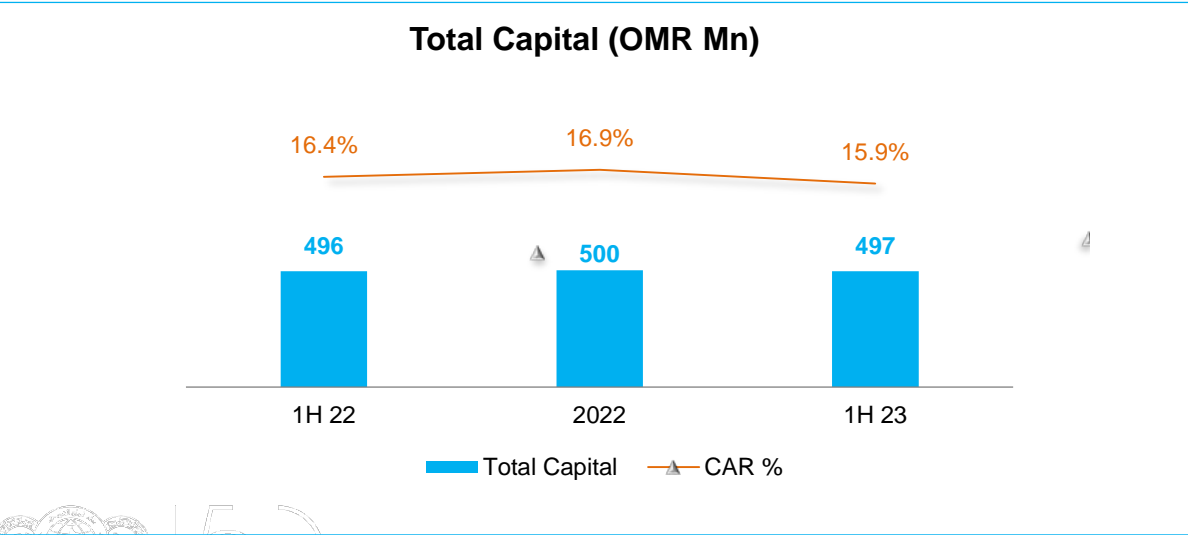
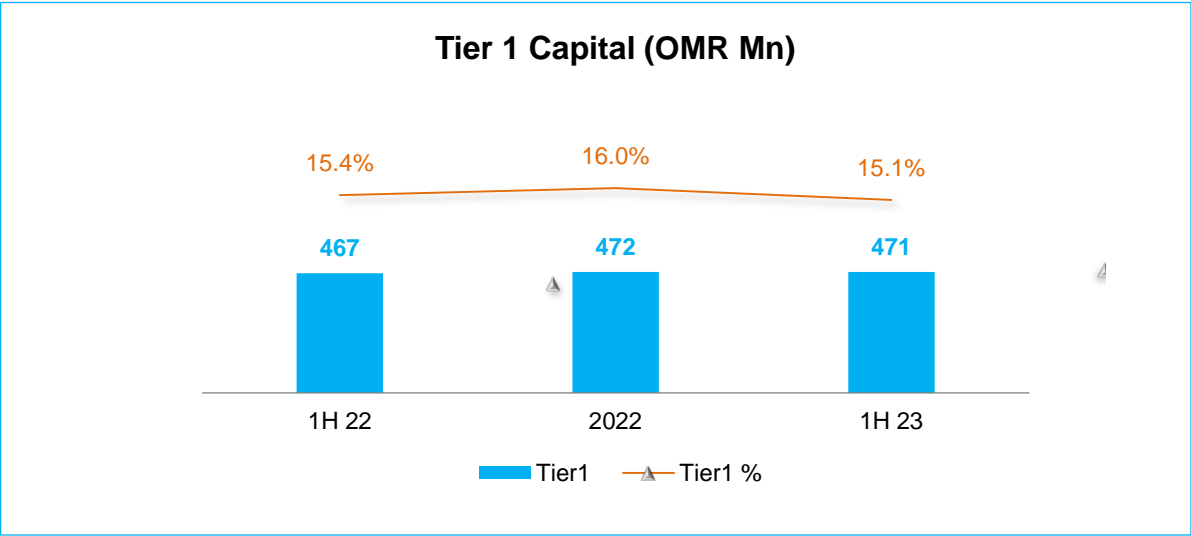
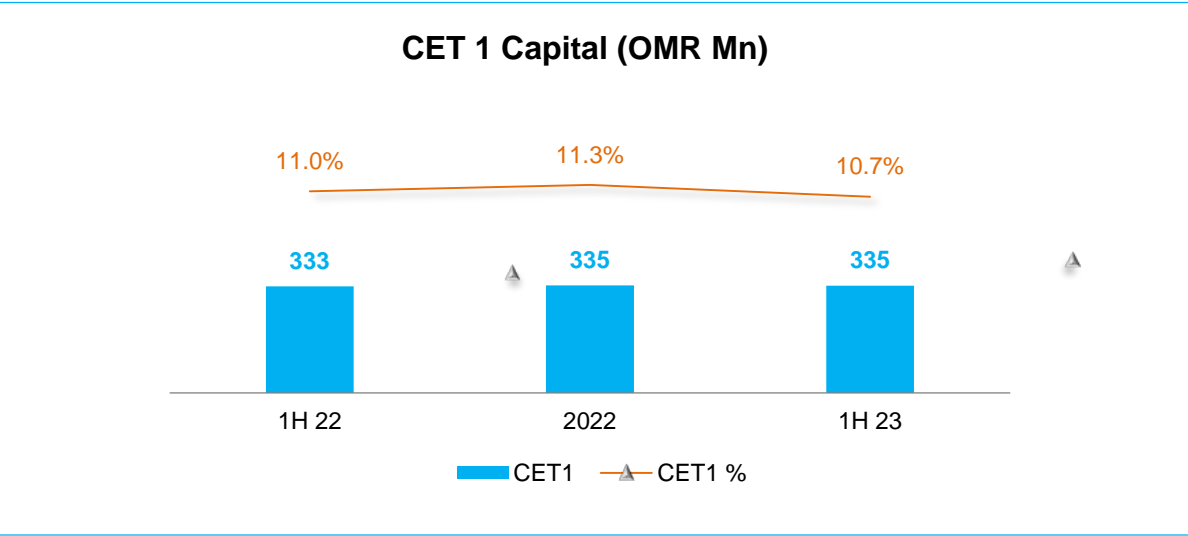
Customer Deposits – By Product (OMR M)



Customer Deposits – By Type (OMR M)



# With an efficient utilization of our capital



# Appendices



# Balance Sheet Summary

OMR Mn	Parent				Consolidated			
	1H 23	2022	VAR	Growth	1H 23	2022	VAR	Growth
ASSETS								
Cash and balances with Central Bank	98	31	67	215%	170	100	70	70%
Due from banks	47	48	(1)	-3%	64	54	10	19%
Loans, advances and financing to customers - net	2,314	2,165	149	7%	3,258	3,067	191	6%
Investment on subsidiary	107	107	-	-	-	-	-	-
Investment securities	256	268	(13)	-5%	321	332	(10)	-3%
Intangibles	-	-	-	-	7	7	(0)	-2%
Property and equipment	37	36	1	3%	39	38	1	3%
Other assets	66	55	10	19%	97	84	13	15%
TOTAL ASSETS	2,924	2,711	213	8%	3,956	3,682	275	7%
LIABILITIES								
Due to banks	66	59	7	12%	111	94	17	18%
Customer deposits	2,253	2,089	164	8%	3,201	2,992	209	7%
Other liabilities	113	75	38	51%	139	98	41	42%
TOTAL LIABILITIES	2,432	2,223	209	9%	3,452	3,184	267	8%
EQUITY								
Total Shareholders' Equity	353	349	4	1%	366	359	7	2%
Perpetual Tier 1 capital securities	139	139	0	0%	139	139	0	0%
TOTAL EQUITY	492	488	4	1%	505	498	7	1%
TOAL EQUITY AND LIABILITIES	2,924	2,711	213	8%	3,956	3,682	275	7%

# Profit and Loss Summary

OMR Mn	Parent				Consolidated			
	1H 23	1H 22	VAR	Growth	1H 23	1H 22	VAR	Growth
Interest income	69.5	61.1	8.5	14%	69.4	61.1	8.3	14%
Interest expense	(33.6)	(24.8)	(8.7)	-35%	(33.6)	(24.8)	(8.7)	-35%
Net interest income	36.0	36.3	(0.3)	-1%	35.8	36.3	(0.4)	-1%
Net income from Islamic financing	0.0	0.0	0.0	-	13.2	12.6	0.6	4%
Net fee & commission income	7.5	8.0	(0.5)	-7%	9.9	9.8	0.1	1%
Net income from investment securities	0.2	0.1	0.0	2%	0.2	0.1	0.0	30%
Other operating income	1.6	2.0	(0.4)	-21%	1.9	2.2	(0.3)	-15%
OPERATING INCOME	45.2	46.4	(1.2)	-3%	61.0	61.0	(0.1)	0%
OPERATING EXPENSES	(26.5)	(26.6)	0.2	1%	(35.8)	(36.2)	0.4	1%
OPERATING PROFIT	18.7	19.8	(1.1)	-5%	25.2	24.8	0.3	1%
Net allowance for credit losses	(9.3)	(14.7)	5.4	37%	(11.4)	(16.4)	5.0	30%
PROFIT BEFORE TAX	9.4	5.1	4.3	85%	13.8	8.4	5.3	63%
Income tax expense	(1.5)	(0.9)	(0.6)	-75%	(2.2)	(1.4)	(0.8)	-61%
NET PROFIT	7.9	4.2	3.7	87%	11.5	7.0	4.5	64%



# Thank You