

# OMAN ARAB BANK SAOG

## Investor Presentation

2022 Results



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# Agenda

- 1 Operating Environment
- 2 Oman Arab Bank Overview
- 3 Financial Performance
- 4 Appendix

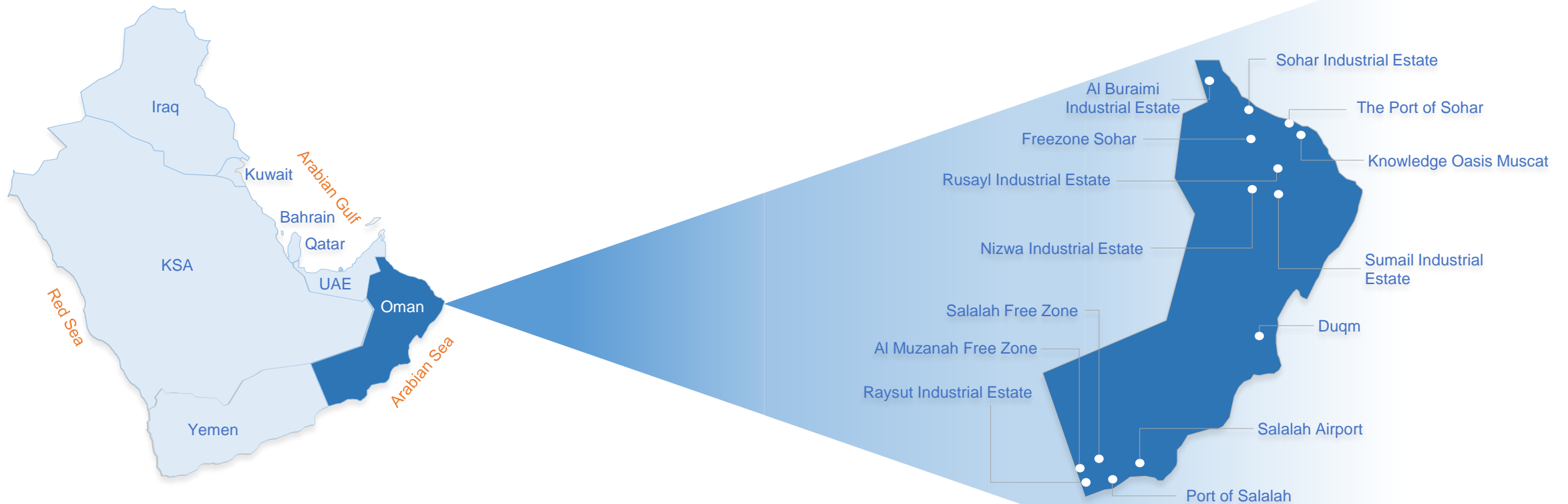


# Agenda

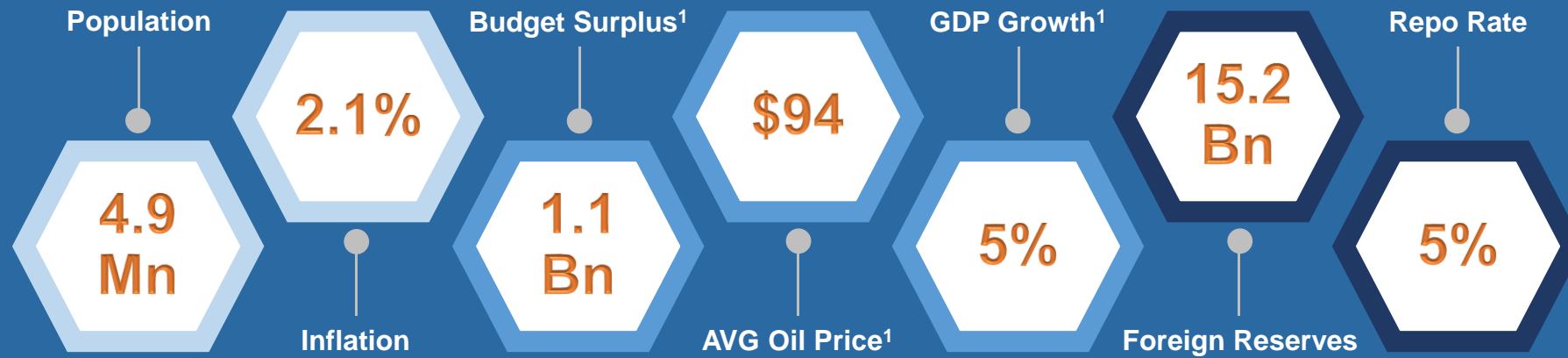
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# Sultanate of Oman - Overview



- ❑ 2<sup>nd</sup> largest country by area in the GCC.
- ❑ Strategically placed at the mouth of the Arabian Gulf
- ❑ Stable political system
- ❑ Independent, pragmatic foreign policy, good relations with Oman's neighbours and globally



Source: National Centre for Statistics & Information, Central Bank of Oman, IMF, World Bank  
1. For 2022 fiscal year

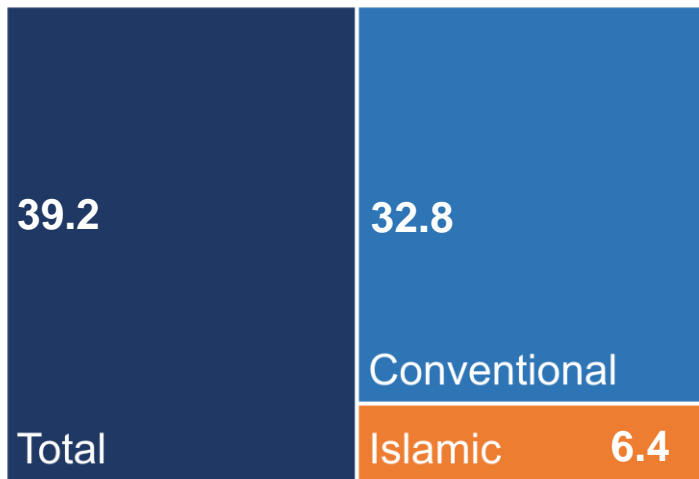
S&P
<ul style="list-style-type: none"><li>• BB</li><li>• Stable</li></ul>

Fitch
<ul style="list-style-type: none"><li>• BB</li><li>• Stable</li></ul>

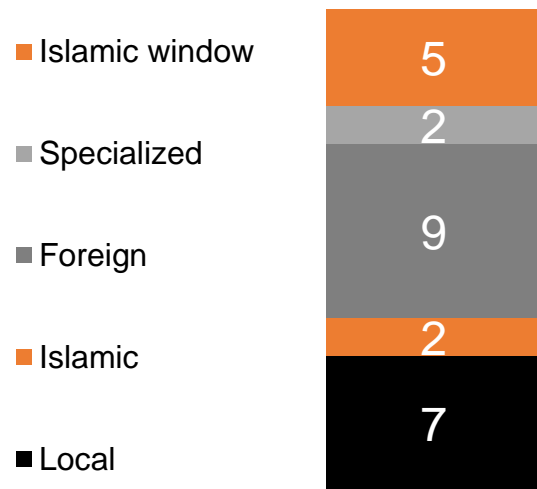
Moody's
<ul style="list-style-type: none"><li>• Ba3</li><li>• Positive</li></ul>

# Oman Banking Sector

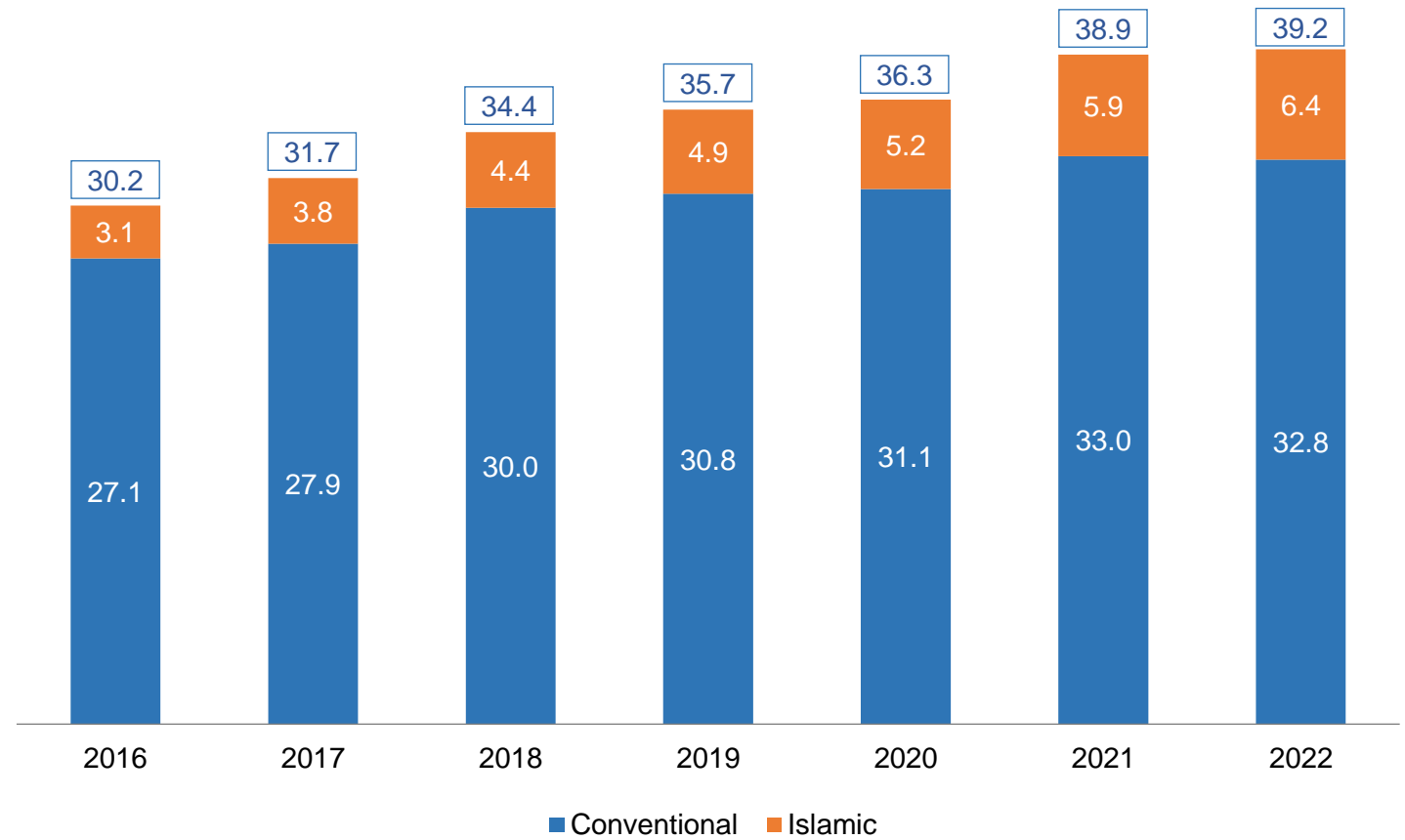
Assets (OMR Bn)



No. of Banks



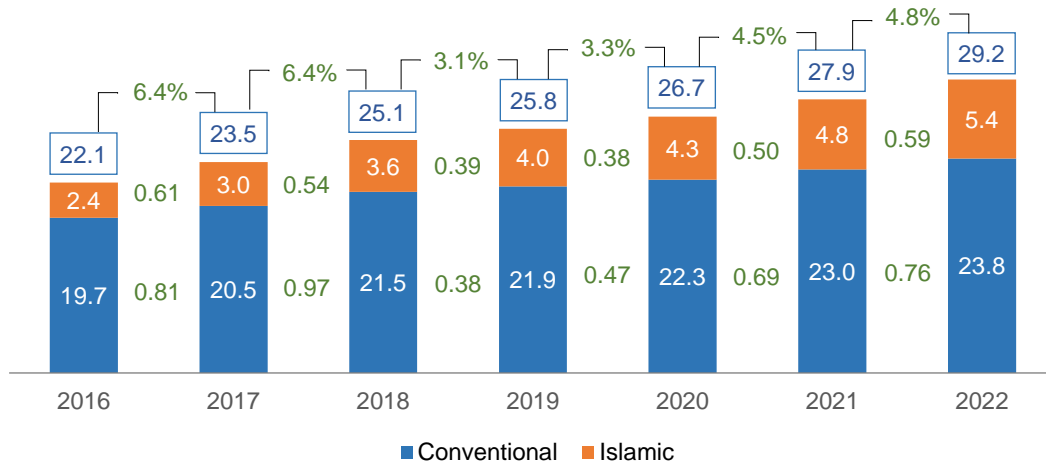
Assets Growth (OMR Bn)



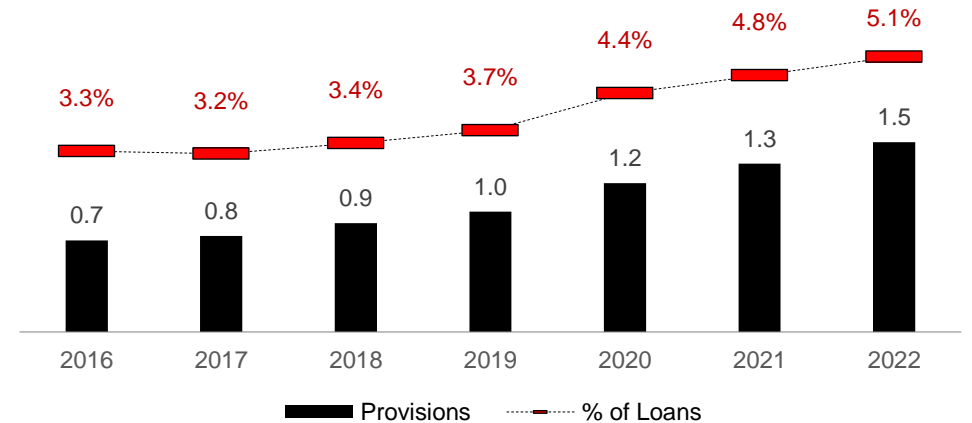
N.B. Pre consolidation eliminations

# Oman Banking Sector

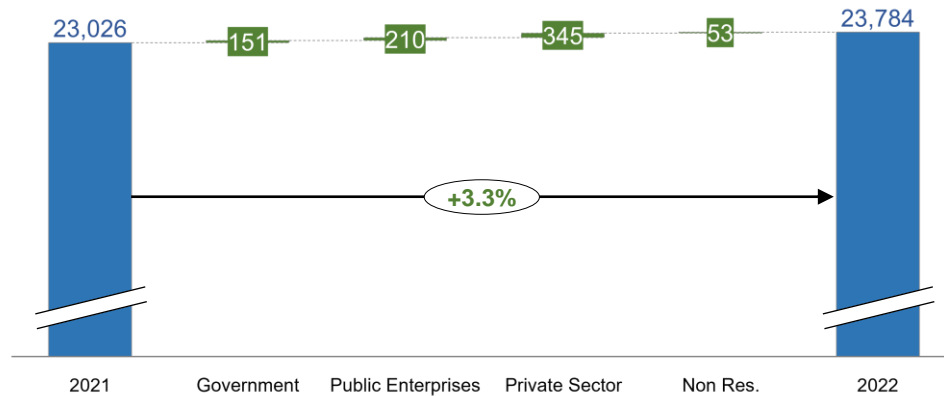
## Gross Loans (OMR Bn)



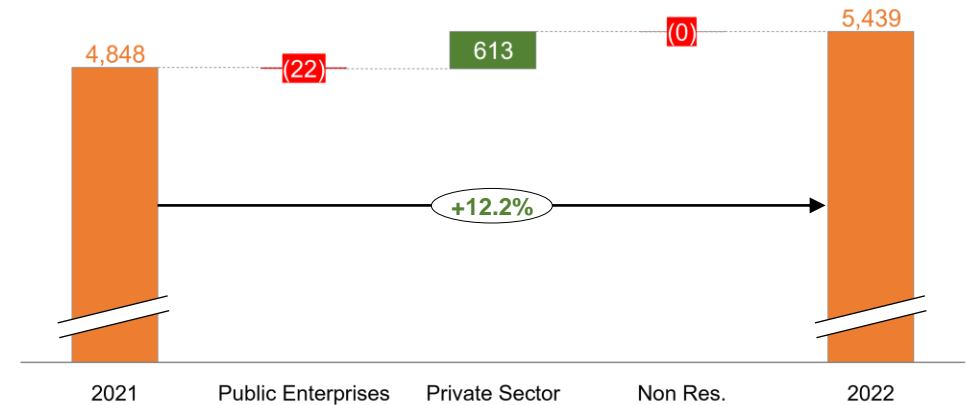
## Provisions (OMR Bn) & Coverage



## Conventional Loans 2022 Growth (OMR Mn)



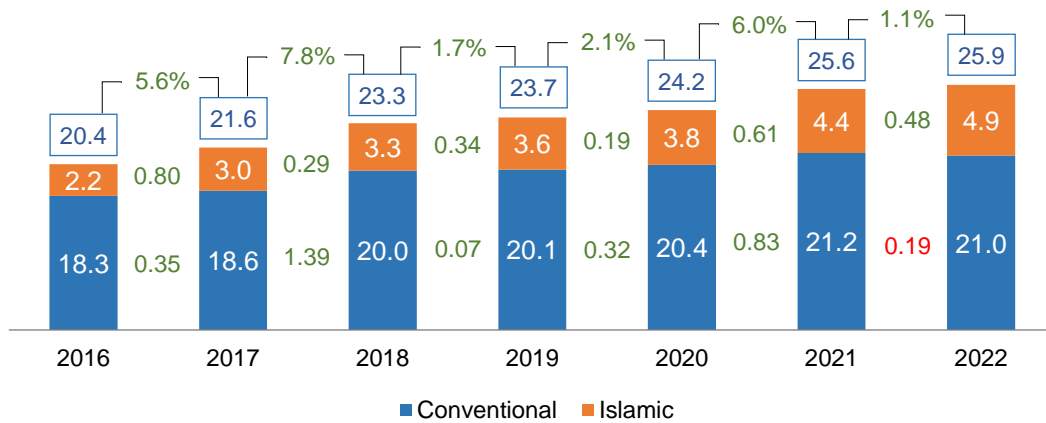
## Islamic Financing 2022 Growth (OMR Mn)



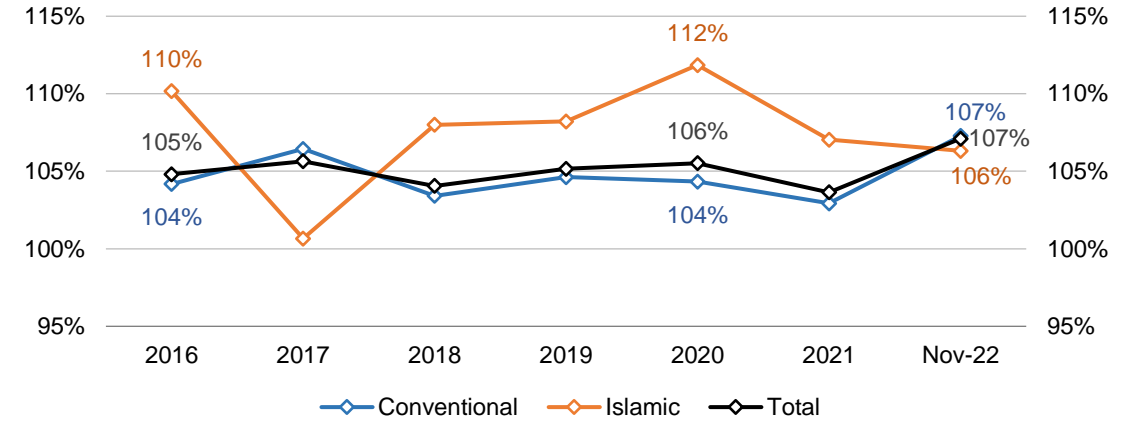


# Oman Banking Sector

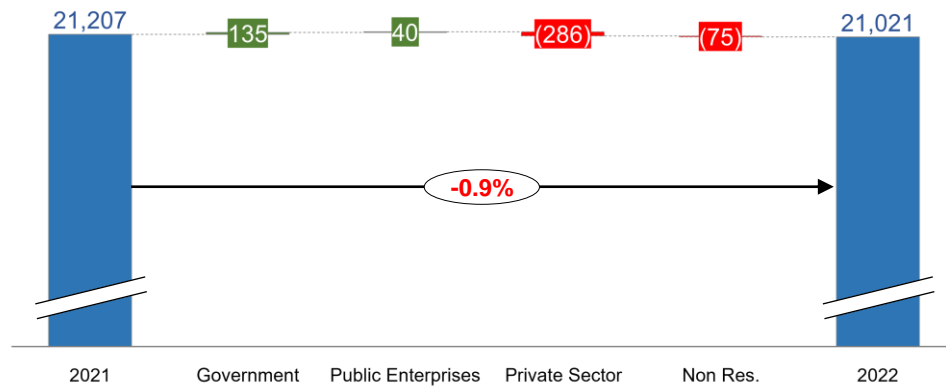
## Gross Deposits (OMR Bn)



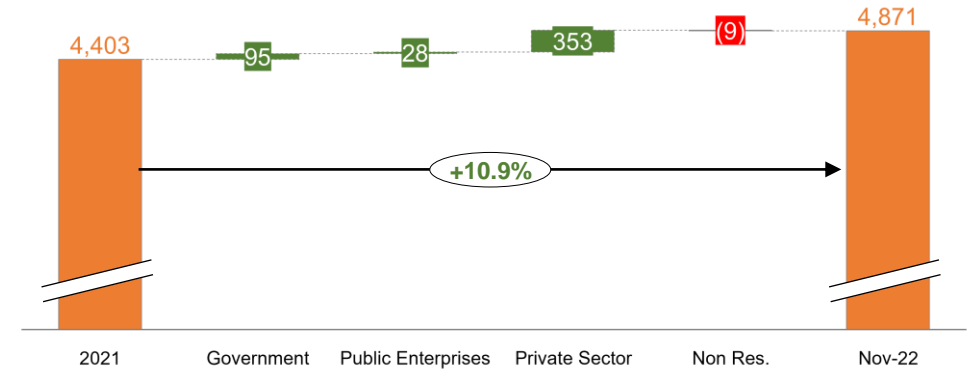
## (net) Loans / Deposits (%)



## Conventional Deposits 2022 Growth (OMR Mn)



## Islamic Deposits 2022 Growth (OMR Mn)

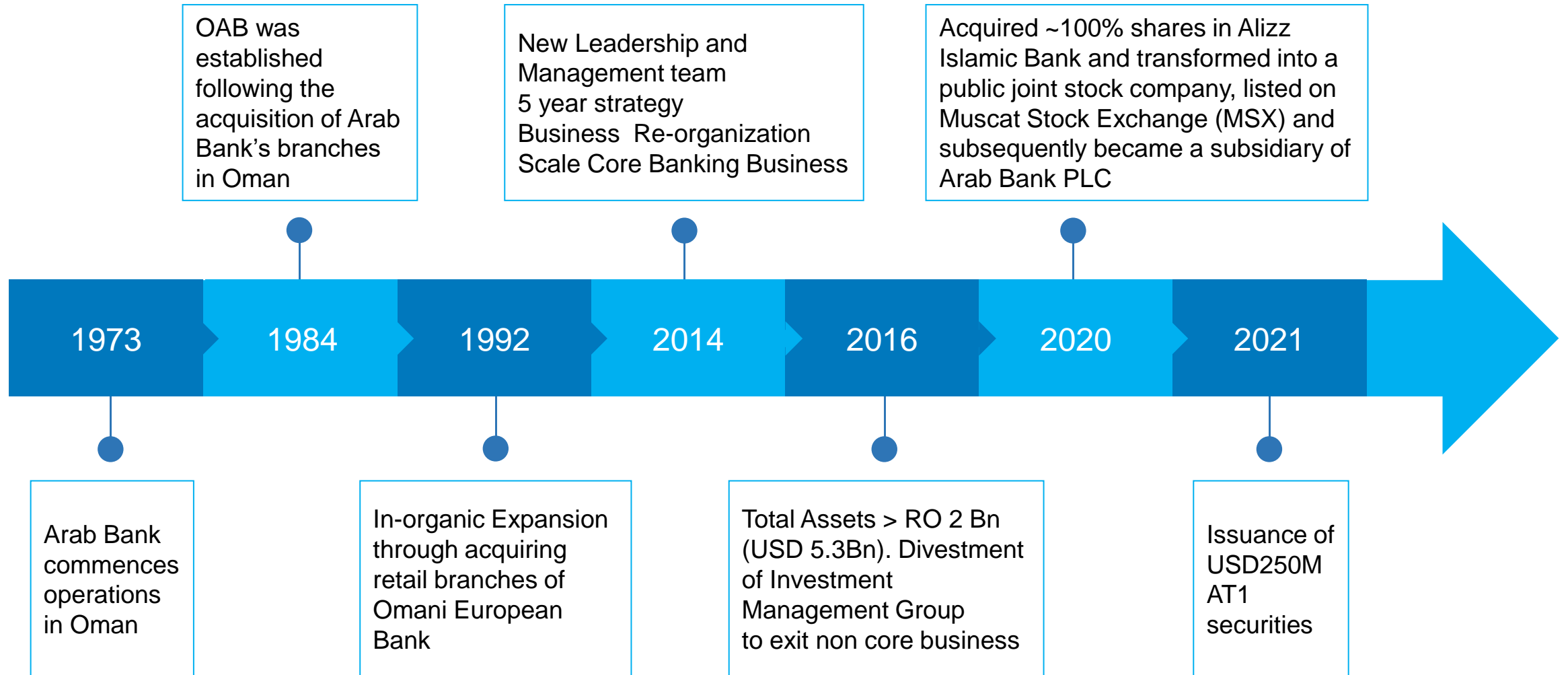


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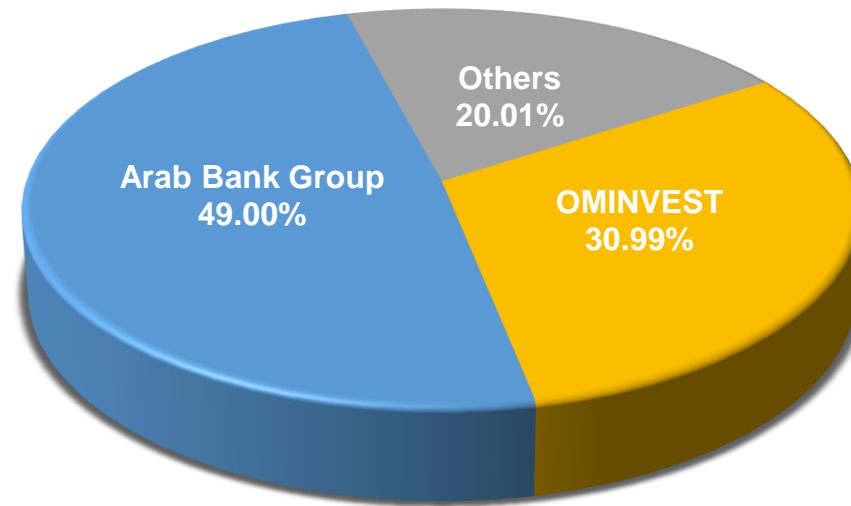


# Evolution Footsteps



# Ownership Structure

- 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.
- **USD4.4Bn** market cap
- **USD10.4Bn** 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

# The Board of Directors



**Mr. Rashad Al Zubair - Chairman**

*Current:*

Chairman - Zubair Corporation, Deputy Chairman - Barr Al Jissah Resorts Co, Deputy Chairman and Founder Member of Muscat University, Member - Oman Centre for Governance and Sustainability

*Previous:*

President, Zubair Automotive Group, Deputy Chairman - Oman Business Council, Chairman - Oman German Friendship Association, Director - Capital Market Authority



**Mr. Abdulaziz Al Balushi – Director**

*Current:*

Chief Executive Officer – OMINVEST, Chairman - Oman Electricity Transmission Company

*Previous:*

CEO, Ahli bank SAOG, Deputy CEO - National Bank of Oman  
Board Member in ONIC Holding and Al Ahlia Insurance Company  
“Second Best CEO in the Arab Banking World” - Forbes Magazine, November 2012  
“Chief Executive Office of the Year” - Oman Economic Review, 2019



**Mr. Nasri Malhame – Director**

*Current:*

Board member in Banque Du Crédit National-Lebanon, Arab Tunisian Bank, AB Fund Managers-Guernsey, Ubhar Capital SAOC, Oman, and Chambre de commerce Arabo-Suisse, Geneva.

*Previous:*

Chief Executive Officer, Arab Bank (Switzerland) and Executive Director - Private Banking and Trade Finance, BNP Paribas-Geneva



**Mr. Wahbe Tamari - Deputy Chairman**

*Current:*

Chairman - Arab Bank Switzerland, Chairman - Arabia Insurance Company  
Chairman - Watmar & Partners SA., Board Member in Arab Bank Plc, Sucafina SA, Solidere International, LIFE (Lebanese International Finance Executives and Tamari Foundation



**Mr. Imad Sultan - Director**

*Current:*

Vice Chairman & Deputy Managing Director - W. J. Towell & Co. LLC, Chairman - Towell Engineering Services Co. LLC, Chairman - Enhance Operating Company, Board Member in Towell Auto Centre LLC, General Electric & Trading Company LLC, Nestle Oman LLC and Towell Properties

*Previous:*

Board Member in National Bank of Oman, OMINVEST and Oman Tennis Association



**Mr. Yasir Aqil Badri - Director**

*Current:*

Vice President, Financial Services Unit, Mubadala Investment Company

*Previous:*

Corporate M&A - Mubadala Investment Company and Financial Risk Management, Corporate Treasury - Mubadala Investment Company



**Ms. Randa Sadik - Director**

*Current:*

Chief Executive Officer - Arab Bank, Chairperson - Arab Tunisian Bank  
Vice Chairman - Arab Bank Australia, Board Member - Arab Investment Bank S.A.L.-Lebanon, Chairman - Al Arabi for Finance Holding co. S.A.L.-Lebanon, Chairman of the Management Committee - Al-Arabi Investment Group

*Previous:*

Group General Manager, National Bank of Kuwait



**Mr. Walid Samhuri – Director**

*Current:*

Executive Vice President, Jordan Country Head, Arab Bank, Chairman - Arab Sudanese Bank, Board Member - Arab Tunisian Bank

*Previous:*

SVP, Credit Group – Gulf, Egypt, Subsidiaries & Associates, Arab Bank, Board Member, Arab Bank Syria and Al Wehda Bank Libya



**Mr. Mohammed Al Ghanma - Director**

*Current:*

Executive Vice President and Head of Credit Division – Arab Bank

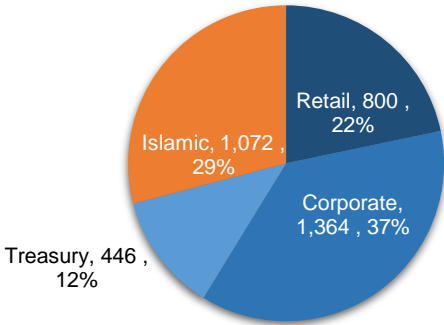
*Previous:*

Global Head of Corporate and Investment Banking – Arab Bank, various roles in Saudi American Bank, United Saudi Bank, Banque Saudi Fransi, Gulf International Bank and Cairo Amman Bank

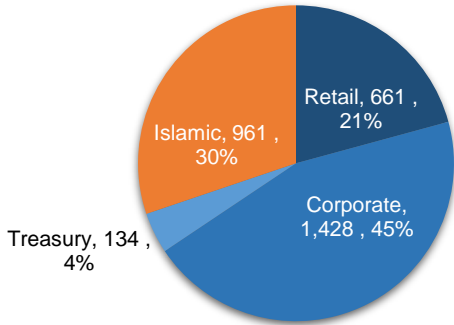
# Business Segments

Retail Banking	Corporate Banking	Treasury & FIs	Islamic Banking
<ul style="list-style-type: none"> <li>Primarily positioned as the bank of choice for retail customers with a strong customer centric approach through physical and digital channels</li> <li>Wide range of products and services including deposits, credit cards, bancassurance, various types of loans</li> <li>Focused on developing a consolidated market position; imparting quality service to “ELITE” high net worth clients and affluent segment “Advantage” providing exclusive and unique value and services</li> <li>Significant investments in technology with 92% of transactions are executed through digital channels</li> </ul>	<ul style="list-style-type: none"> <li>Seeks to deliver financial solutions and corporate credit facilities tailored to meet the needs of every type of business and industry</li> <li>Highly experienced account relationship managers serve the Bank's corporate customers</li> <li>Offers a wide range of diversified products including but not limited to Project Finance, Small and Medium Enterprises Loans, Working Capital Facilities, Term Loans, Contracts and Equipment Finance, Import and Export Finance, Cash Management</li> </ul>	<ul style="list-style-type: none"> <li>Manages the Bank's liquidity, market, FX and interest rates risk. Custodian of the cash/liquid assets and manages its investments in securities and market instruments</li> <li>Has an experienced sales team which structures and sells Treasury, foreign exchange and interest rate hedging instruments to cater to the evolving needs of the Bank's customers.</li> <li>Financial Institutions division manages the correspondent relationships with local and international banks.</li> </ul>	<ul style="list-style-type: none"> <li>Offer a full suite of Islamic Products and services through Alizz Islamic Bank (AIB), a full fledge Islamic bank, following the acquisition in 2020.</li> <li>AIB aims to be the leader in Islamic financing solutions in Oman, providing corporate and retail banking solutions to its customer base.</li> <li>AIB has its own Board of Directors, independent Sharia Supervisory Board, separate business infrastructure, employees and systems.</li> </ul>

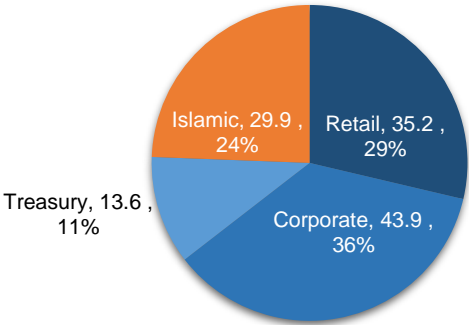
Assets (OMR M)

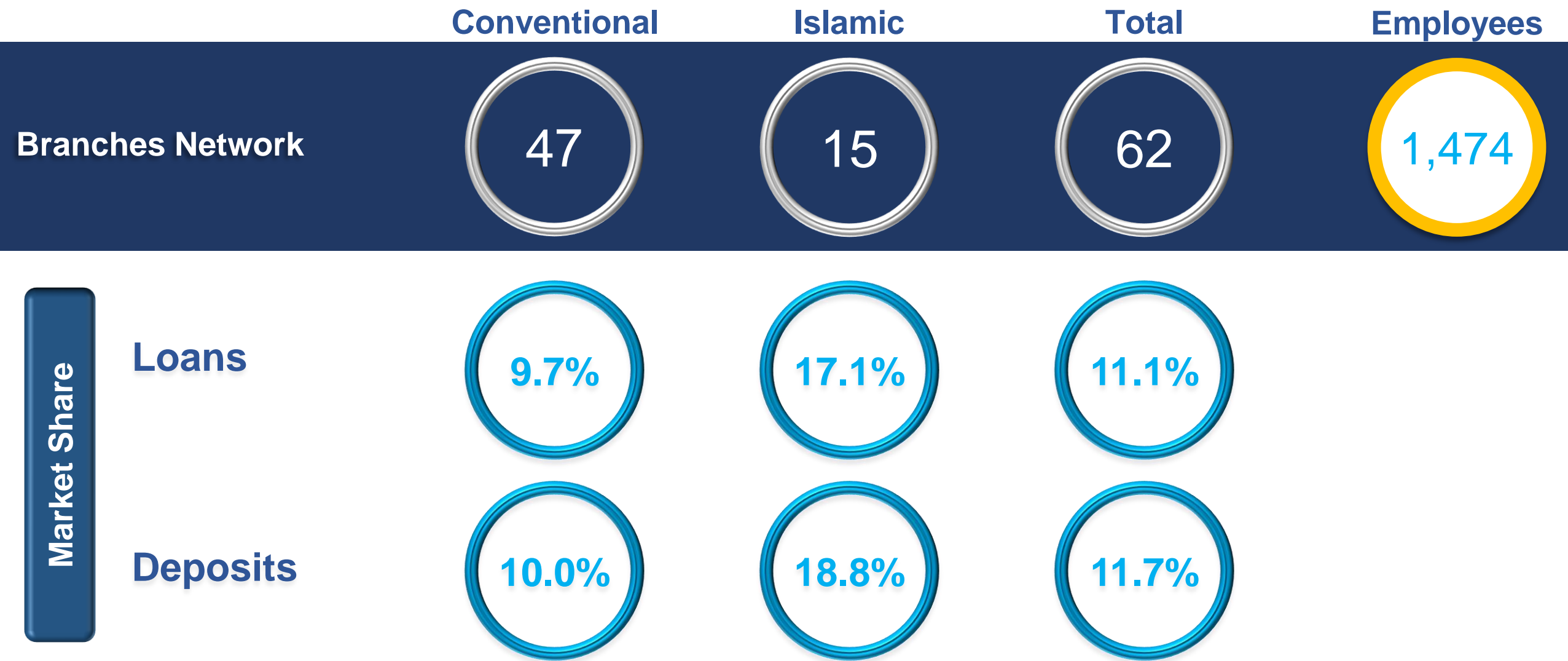


Liabilities (OMR M)



Income (OMR M)





Market share is based on Nov 2022 figures.

# Agenda

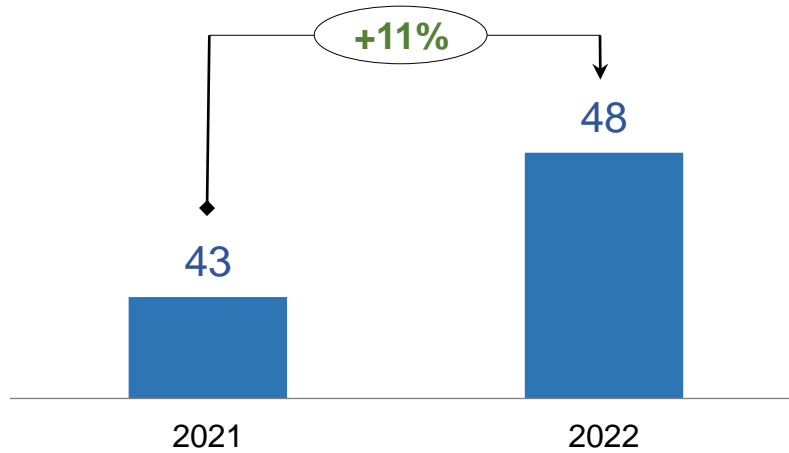
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- 2 Oman Arab Bank Overview
- 3 Financial Performance**
- 4 Appendix



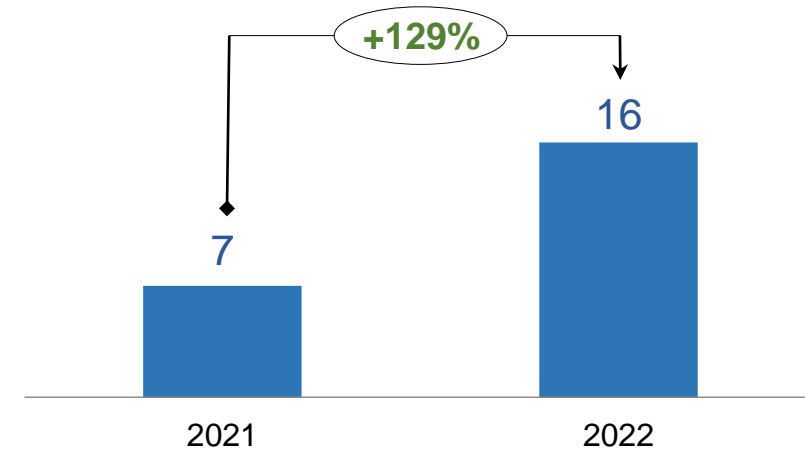


# Financial Highlights

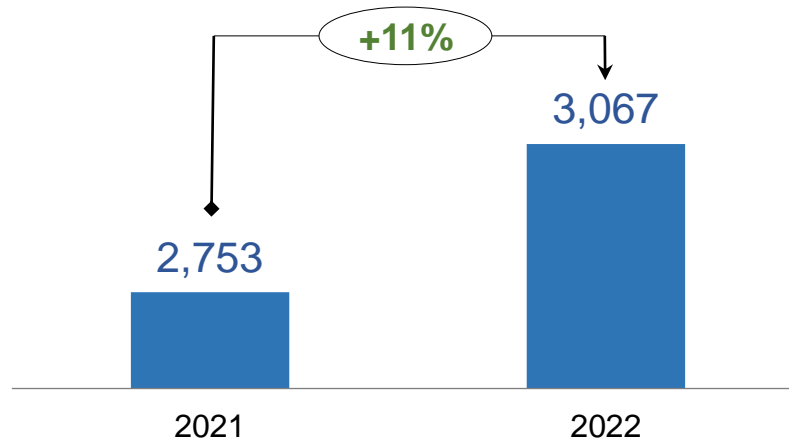
## Operating Profit (OMR Mn)



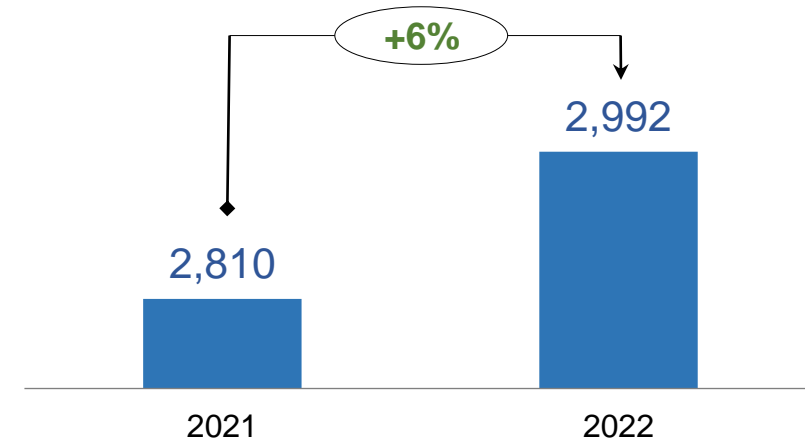
## Net Profit (OMR Mn)



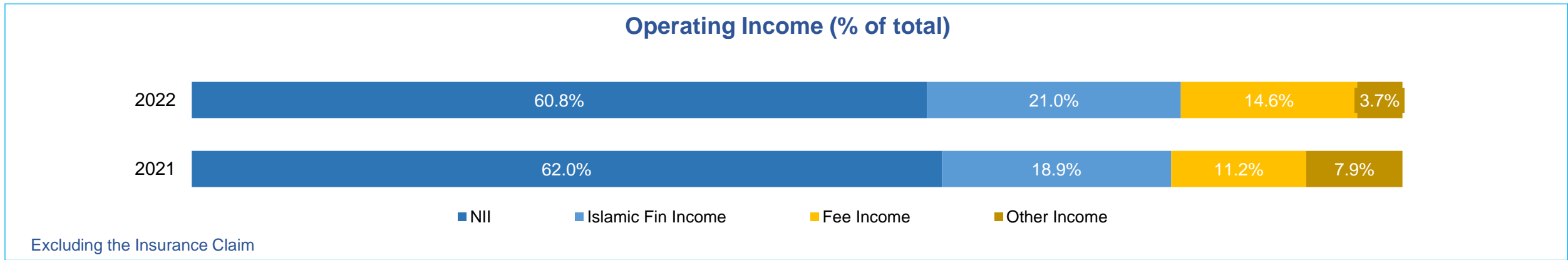
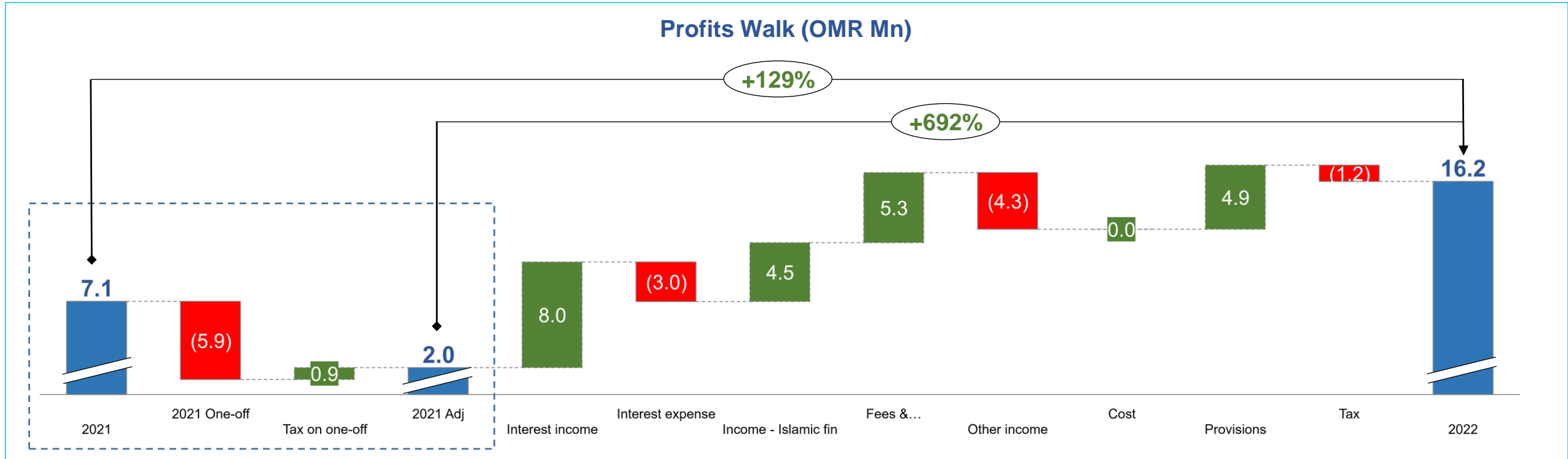
## Loans & Advances (OMR Mn)



## Customer Deposits (OMR Mn)

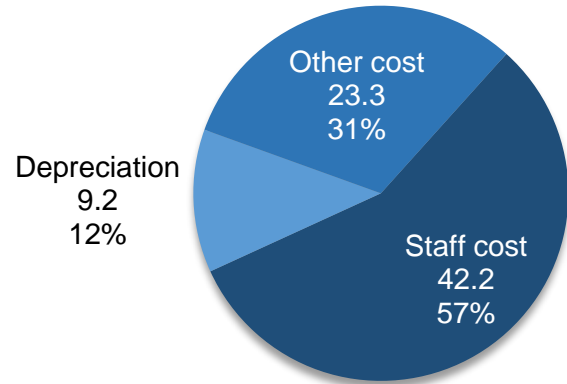


# Earning and Profitability

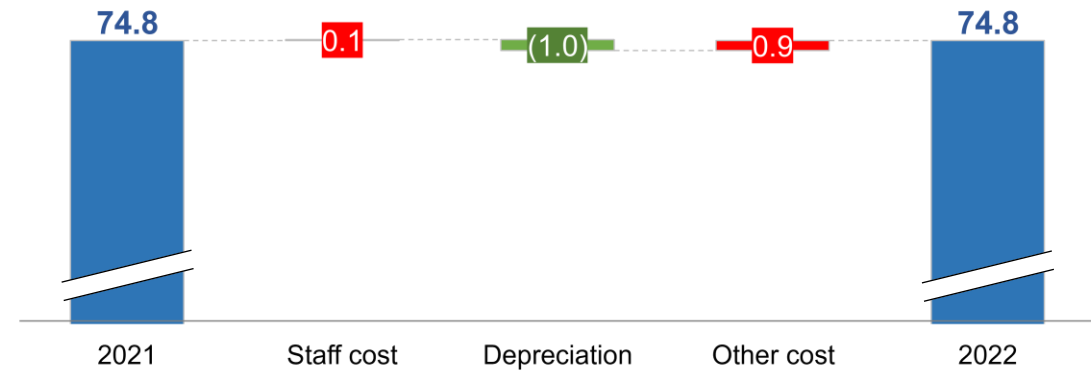


# Earning and Profitability

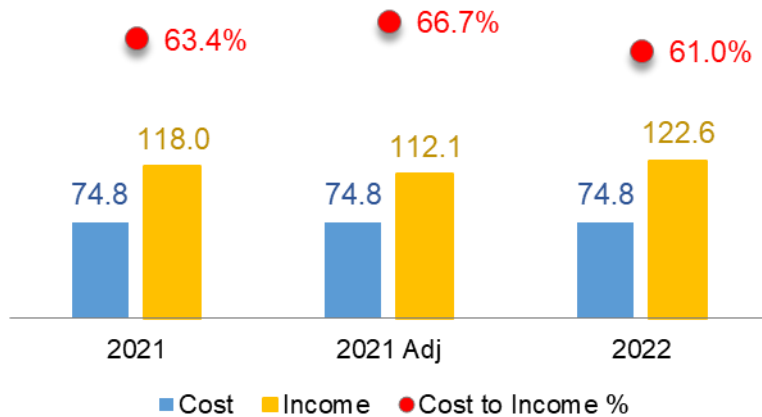
### Cost Base (OMR Mn)



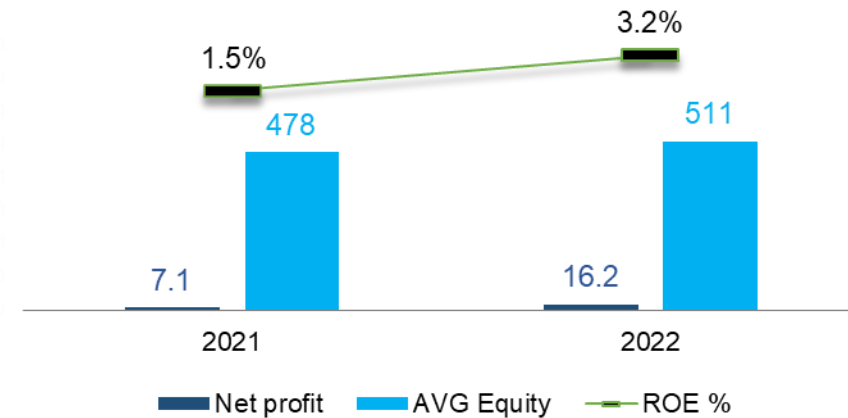
### Cost Movement (OMR Mn)



### Cost / Income (%)

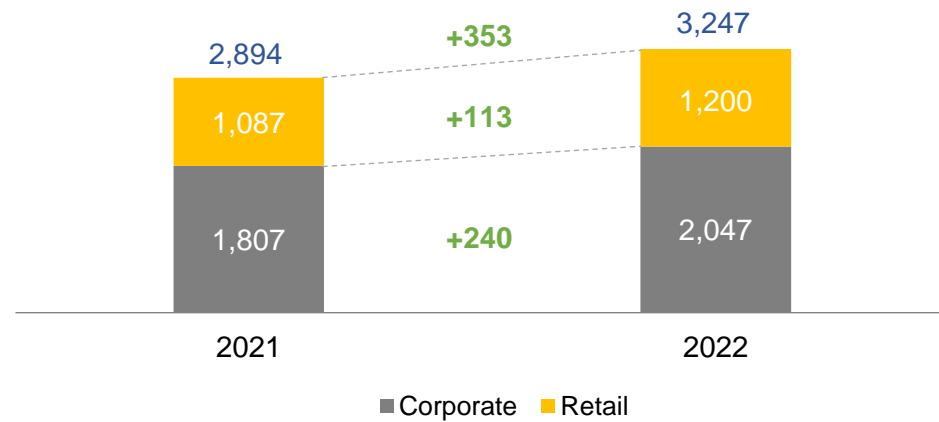


### Return on Equity (%)

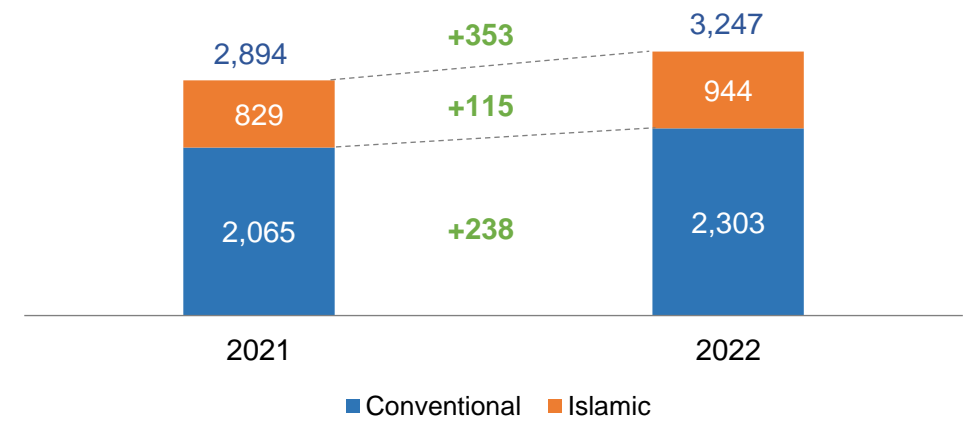


# Loans and Advances

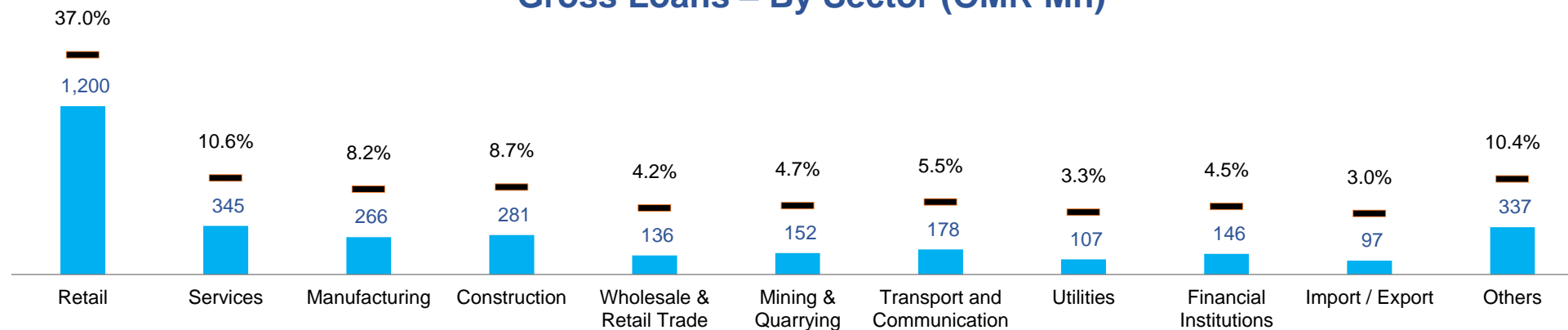
## Gross Loans – By Segment (OMR Mn)



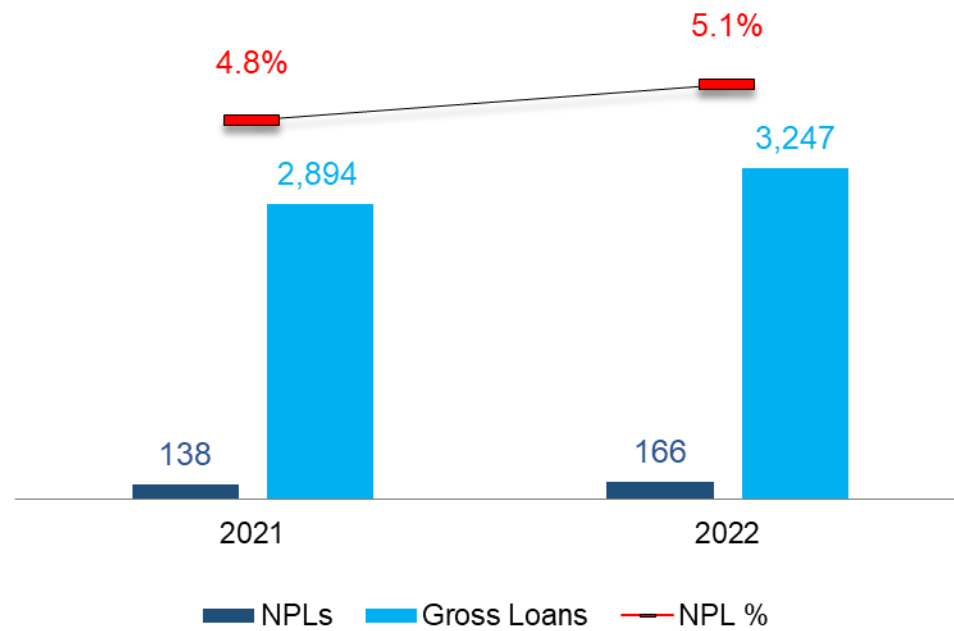
## Gross Loans – By Type (OMR Mn)



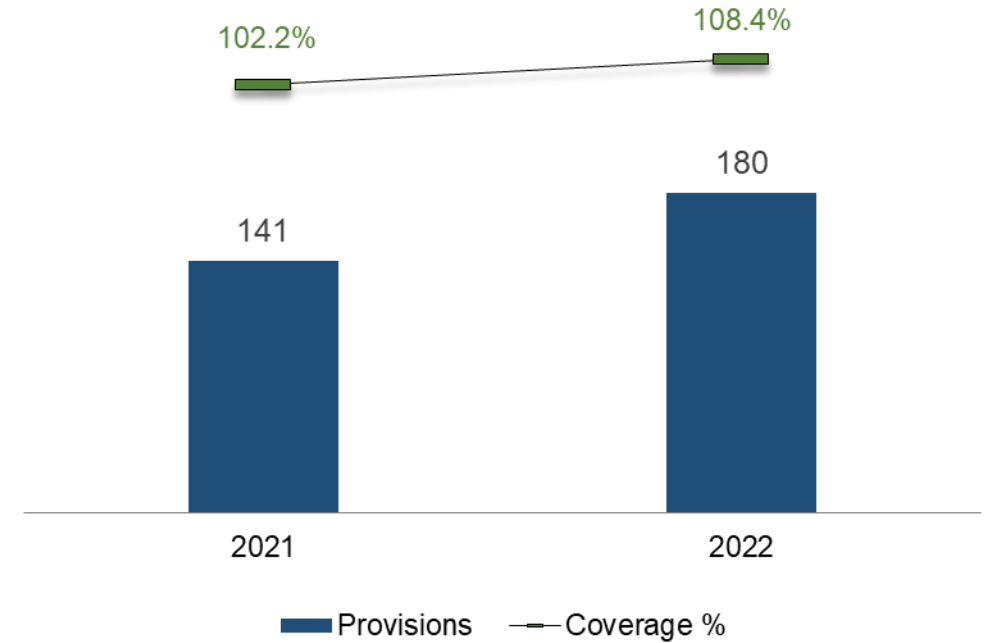
## Gross Loans – By Sector (OMR Mn)



## Non-Performing Loans (OMR Mn)

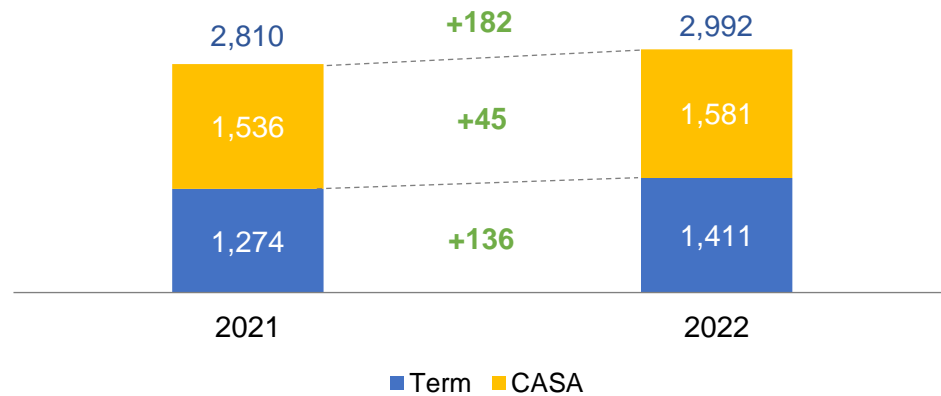


## Provisions (OMR Mn) & Coverage Ratio (%)

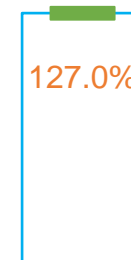
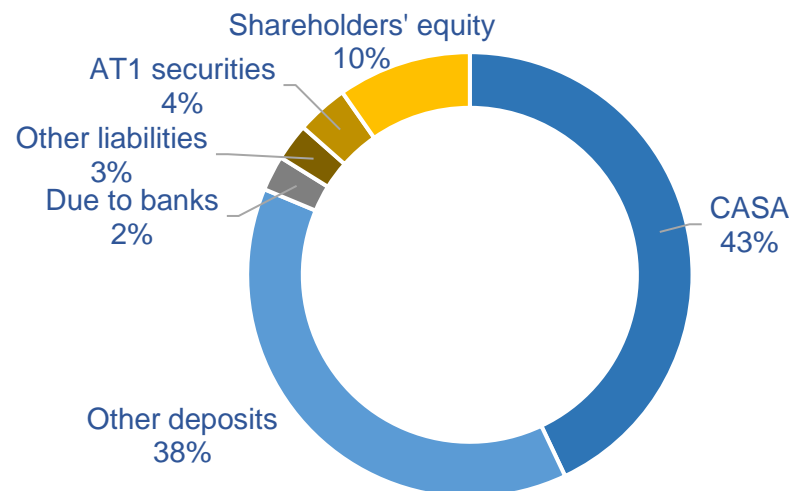
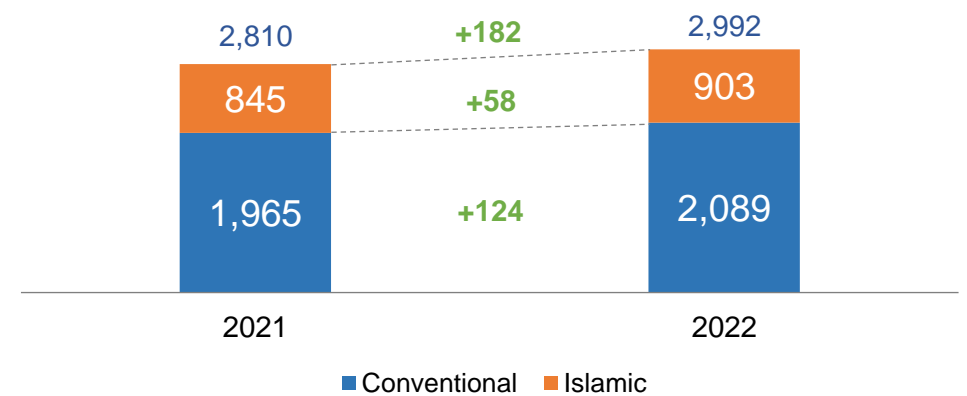


# Funding and Liquidity

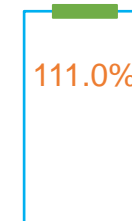
## Customer Deposits – By Product (OMR M)



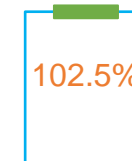
## Customer Deposits – By Type (OMR M)



LCR



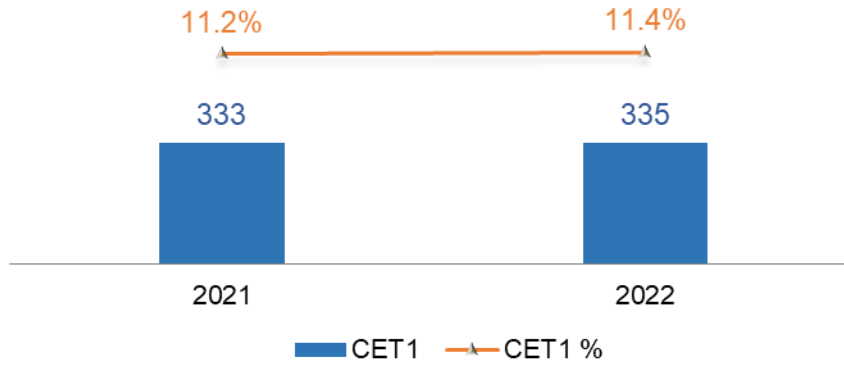
NSFR



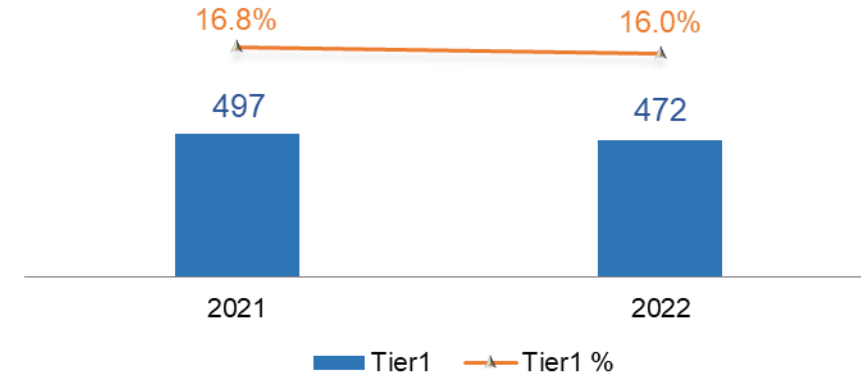
LTD

# Capitalization

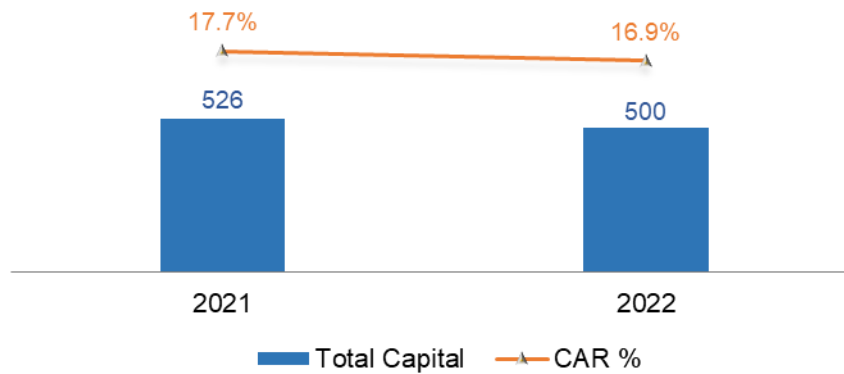
## CET1 Capital (OMR Mn)



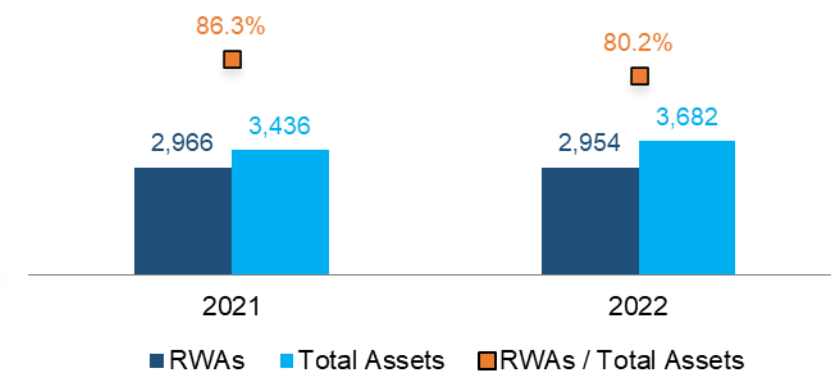
## Tier1 Capital (OMR Mn)



## Total Capital (OMR Mn)



## Risk Weighted Assets (OMR Mn)



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# Profit and Loss Summary

	Parent				Consolidated			
	FY22	FY21	VAR	Growth	FY22	FY21	VAR	Growth
Interest income	127.1	119.1	8.0	7%	127.1	119.1	8.0	7%
Interest expense	(52.6)	(49.6)	(3.0)	-6%	(52.6)	(49.6)	(3.0)	-6%
Net interest income	74.5	69.4	5.0	7%	74.5	69.4	5.0	7%
Net income from Islamic financing	-	-	-	-	25.7	21.2	4.5	21%
Net fee & commission income	14.2	9.4	4.8	52%	17.8	12.5	5.3	43%
Net income from investment securities	0.2	3.3	(3.1)	-93%	0.2	3.3	(3.1)	-93%
Other operating income	3.8	9.9	(6.1)	-62%	4.4	11.5	(7.1)	-62%
<b>OPERATING INCOME</b>	<b>92.7</b>	<b>92.1</b>	<b>0.6</b>	<b>1%</b>	<b>122.6</b>	<b>118.0</b>	<b>4.6</b>	<b>4%</b>
<b>OPERATING EXPENSES</b>	<b>(55.2)</b>	<b>(56.9)</b>	<b>1.7</b>	<b>3%</b>	<b>(74.8)</b>	<b>(74.8)</b>	<b>0.0</b>	<b>0%</b>
<b>OPERATING PROFIT</b>	<b>37.5</b>	<b>35.2</b>	<b>2.3</b>	<b>7%</b>	<b>47.8</b>	<b>43.2</b>	<b>4.6</b>	<b>11%</b>
Net allowance for credit losses	(26.9)	(31.2)	4.3	14%	(30.3)	(35.2)	4.9	14%
<b>PROFIT BEFORE TAX</b>	<b>10.6</b>	<b>4.0</b>	<b>6.6</b>	<b>164%</b>	<b>17.5</b>	<b>8.0</b>	<b>9.5</b>	<b>118%</b>
Income tax expense	(0.4)	(1.0)	0.6	60%	(1.3)	(0.9)	(0.4)	-39%
<b>NET PROFIT</b>	<b>10.2</b>	<b>3.0</b>	<b>7.2</b>	<b>236%</b>	<b>16.2</b>	<b>7.1</b>	<b>9.1</b>	<b>129%</b>

# Balance Sheet Summary

	Parent				Consolidated			
	2022	2021	VAR	Growth	2022	2021	VAR	Growth
<b>ASSETS</b>								
Cash and balances with Central Bank	31.0	106.0	(74.9)	-71%	99.9	188.9	(89.0)	-47%
Due from banks	48.2	54.5	(6.3)	-12%	53.7	51.0	2.7	5%
Loans, advances and financing to customers - net	2,165.0	1,961.0	204.0	10%	3,067.1	2,753.4	313.6	11%
Investment on subsidiary	107.1	107.1	0.0	0%	-	-	-	-
Investment securities	268.4	240.0	28.4	12%	331.7	302.5	29.2	10%
Intangibles	-	-	-	-	6.9	7.2	(0.3)	-4%
Property and equipment	35.7	40.3	(4.7)	-12%	38.5	43.3	(4.8)	-11%
Other assets	55.5	59.4	(3.9)	-7%	84.1	89.3	(5.2)	-6%
<b>TOTAL ASSETS</b>	<b>2,710.9</b>	<b>2,568.3</b>	<b>142.5</b>	<b>6%</b>	<b>3,681.8</b>	<b>3,435.7</b>	<b>246.2</b>	<b>7%</b>
<b>LIABILITIES</b>								
Due to banks	59.1	13.4	45.7	342%	94.1	13.4	80.8	605%
Customer deposits	2,089.3	1,965.2	124.1	6%	2,992.2	2,810.4	181.8	6%
Other liabilities	74.5	69.1	5.4	8%	97.9	87.5	10.4	12%
<b>TOTAL LIABILITIES</b>	<b>2,222.9</b>	<b>2,047.7</b>	<b>175.2</b>	<b>9%</b>	<b>3,184.2</b>	<b>2,911.3</b>	<b>272.9</b>	<b>9%</b>
<b>EQUITY</b>								
Total Shareholders' Equity	349.1	351.8	(2.7)	-1%	358.8	355.5	3.3	1%
Perpetual Tier 1 capital securities	138.8	168.8	(30.0)	-18%	138.8	168.8	(30.0)	-18%
<b>TOTAL EQUITY</b>	<b>488.0</b>	<b>520.6</b>	<b>(32.7)</b>	<b>-6%</b>	<b>497.6</b>	<b>524.3</b>	<b>(26.7)</b>	<b>-5%</b>
<b>TOAL EQUITY AND LIABILITIES</b>	<b>2,710.9</b>	<b>2,568.3</b>	<b>142.5</b>	<b>6%</b>	<b>3,681.8</b>	<b>3,435.7</b>	<b>246.2</b>	<b>7%</b>

# Thank You

