



بنك عُمان العربي
OMAN ARAB BANK



50 YEARS
معا
TOGETHER معا

Investor Presentation

2023 Results

Agenda



Operating Environment



Oman Arab Bank Overview



Financial Performance

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Operating Environment



Sultanate of Oman - Overview



2nd largest country by area in the GCC



Stable political system

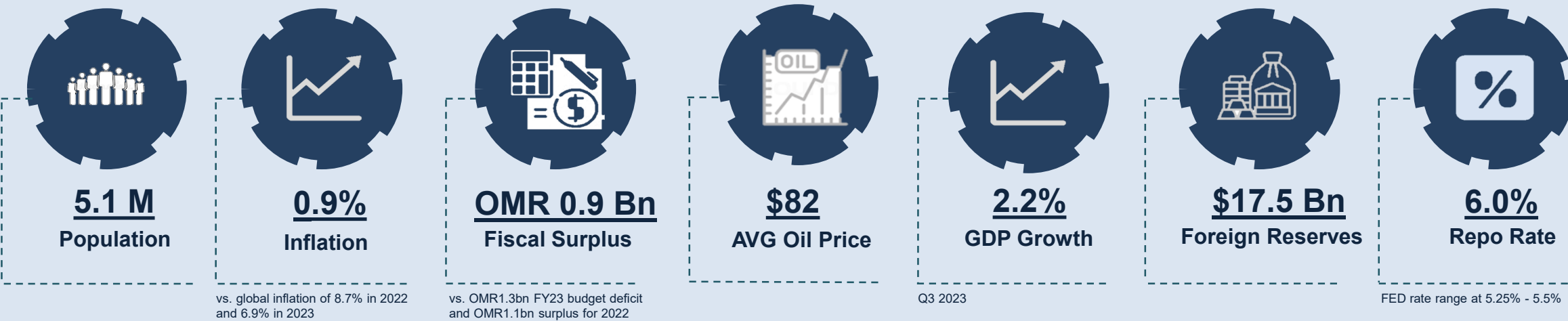


Strategically placed at the mouth of the Arabian Gulf



Independent, pragmatic foreign policy, good relations with Oman's neighbours and globally

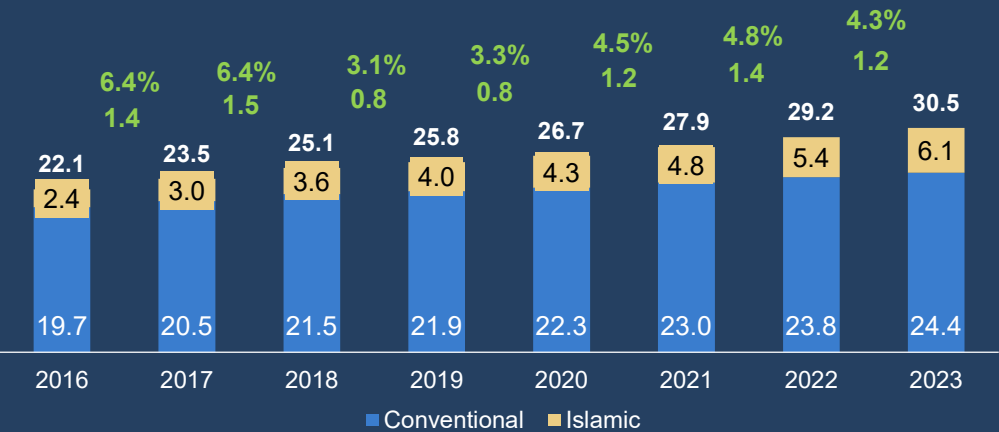
Oman Economy



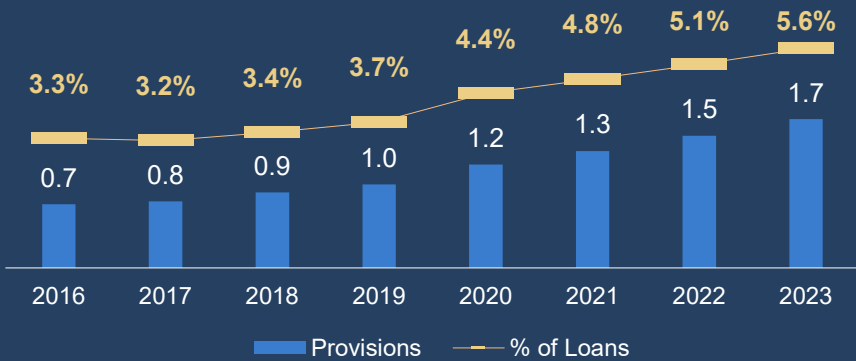
<div>S&P Global</div> <div><ul style="list-style-type: none">BB+Stable</div>	<div>FitchRatings</div> <div><ul style="list-style-type: none">BB+Stable</div>	<div>MOODY's</div> <div><ul style="list-style-type: none">Ba1Stable</div>
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Banking Sector – Credit and Lending

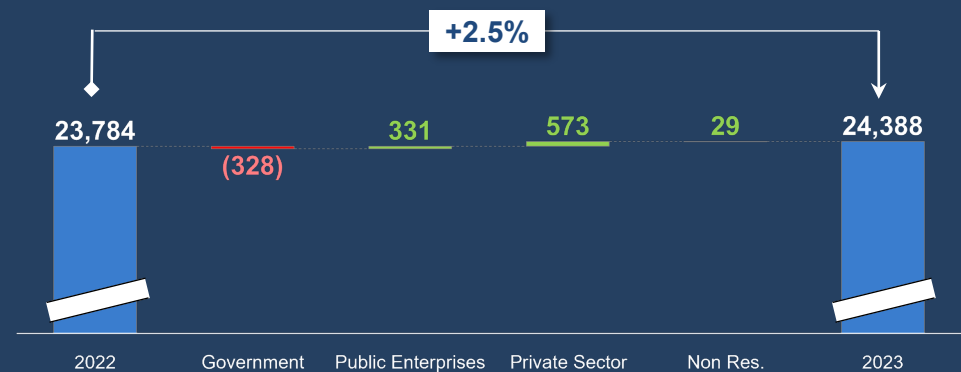
Gross Loans (OMR Bn)



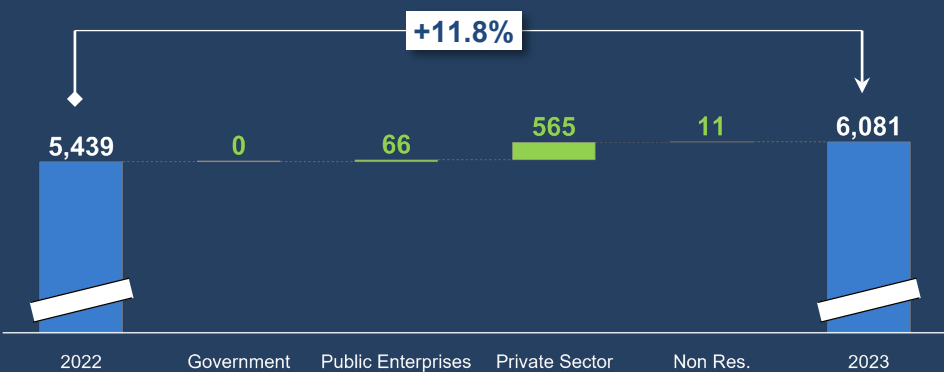
Provisions (OMR Bn) & Coverage



Conventional Loans 2023 Growth (OMR Mn)

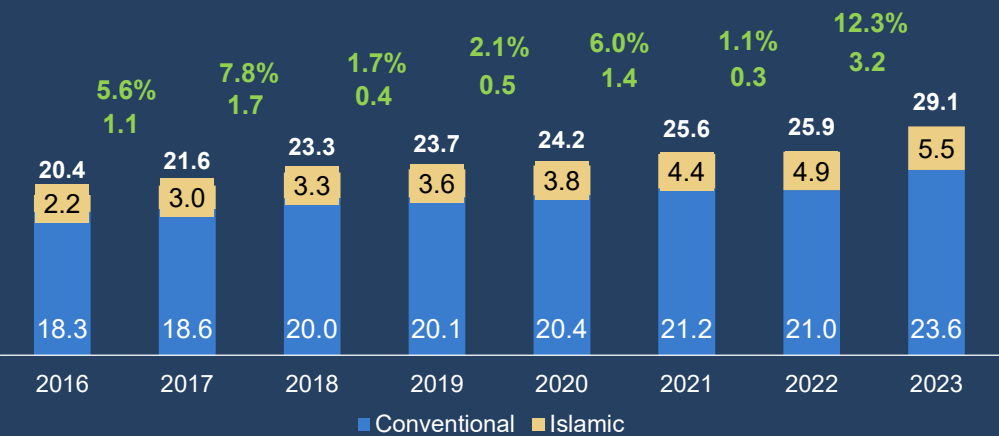


Islamic Financing 2023 Growth (OMR Mn)

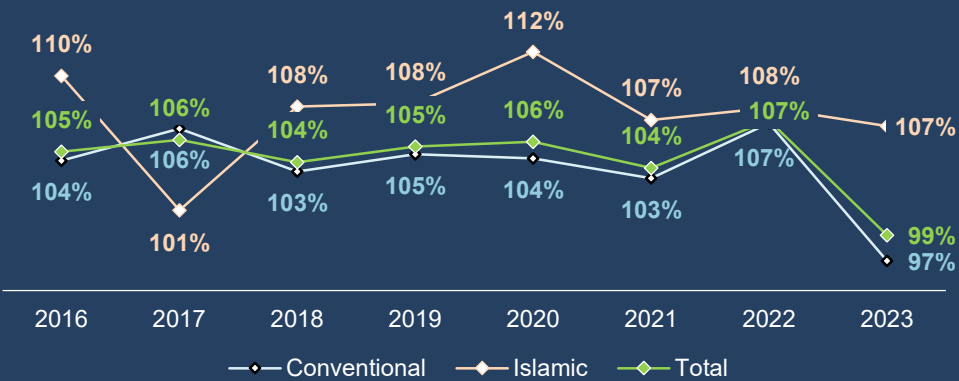


Banking Sector – Customer Deposits

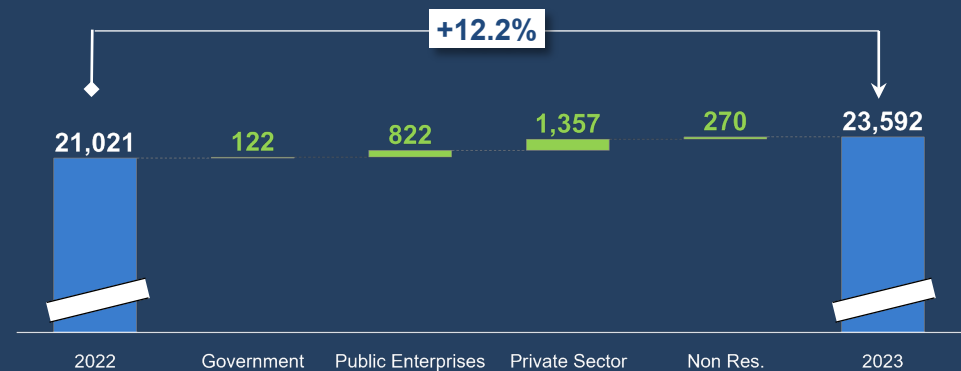
Customer Deposits (OMR Bn)



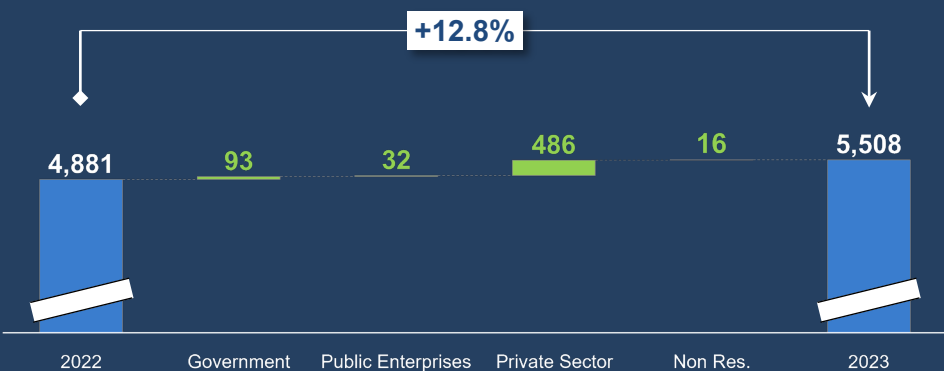
(net) Loans / Deposits (%)



Conventional Deposits 2023 Growth (OMR Mn)

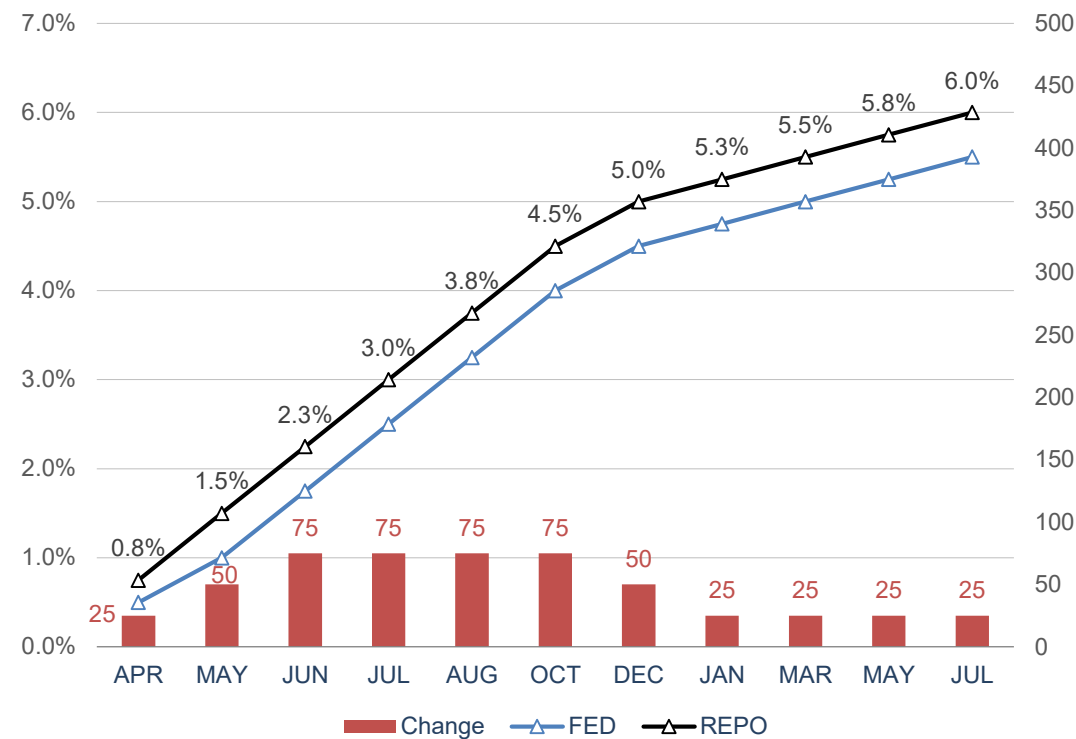


Islamic Deposits 2023 Growth (OMR Mn)



Rising interest rates pressures banks' margins

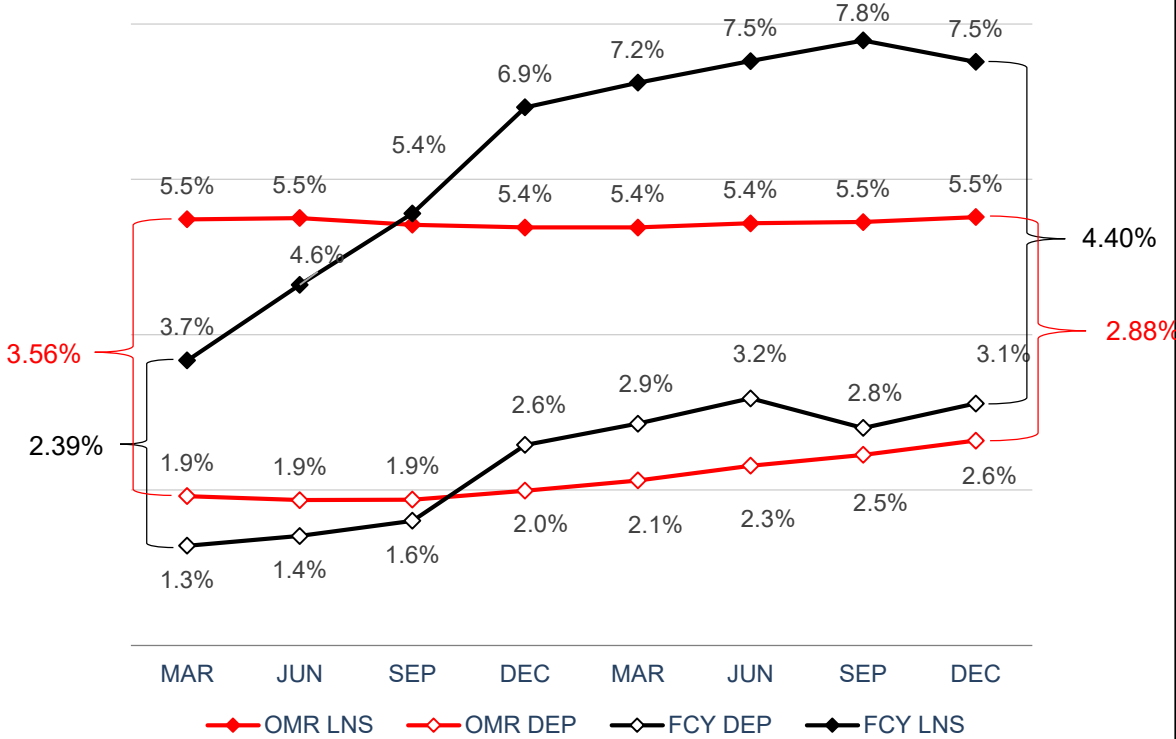
FED and CBO policy rate evolution



2022

2023

Local loans and deposits rate (industry average)



2022

2023

Oman Arab Bank Overview



We are Supported by Strong Shareholders



البنك العربي
ARAB BANK

One of the largest financial institutions
in the Middle East

Covering key financial markets
including London, Dubai, Singapore,
Geneva, Paris, Frankfurt, Sydney and
Bahrain

+600

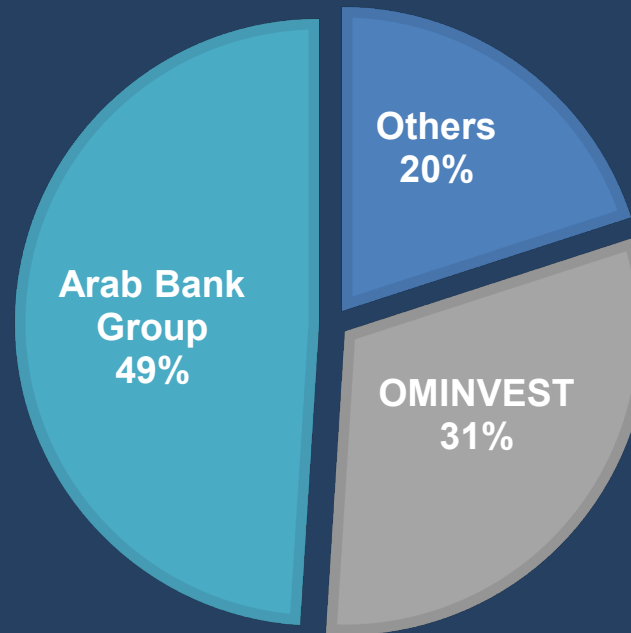
Branches across 5
continents and 29
countries

\$4.1Bn

Market Cap (USD)

\$11.4Bn

Total Equity



OMINVEST

One of the largest publicly listed investment
companies in the MENA region

Diversified portfolio into

- Banking
- Insurance
- Leasing
- Real Estate
- Education
- Private Equity
- Investment Banking

\$0.75Bn

Market Cap (USD)

and Guided by Team of Experts



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 Tamari¹
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 – Jordan Capital and Investment Fund, Board member in Arab National Bank, Jordan Capital and Investment management fund. Chairwoman - Al Arabi Finance Holdings Lebanon, Chairwoman



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, Vice chairman of National Hospitality Institute, 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, T-Bank Turkey. Board Member in Arab National Bank, Arab Bank Syria.



Mr. Yasir Aqil Badri
Director

Vice President , Financial Services at Mubadala Investment Company.

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

The journey

2022

Issuance of OMR 50M AT1 securities

2021

Issuance of USD250M AT1 securities

2020

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

1992

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

1984

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

1973

Arab Bank commences operations in Oman

Branches

Conventional

49

Islamic

14

Group

63

Loans

10.2%

9.0%

9.7%

DEC21

DEC22

16.7%

17.1%

17.4%

DEC21

DEC22

11.5%

10.4%

11.1%

DEC21

DEC22

Market Share

Deposits

9.9%

9.3%

9.9%

DEC21

DEC22

18.4%

19.2%

18.5%

DEC21

DEC22

11.5%

11.0%

11.5%

DEC21

DEC22

Awards & Recognitions

ASIAN BANKING & FINANCE

Best Domestic Retail Bank



Best SME Payment Solutions



Website of the year (Islamic)



Excellence in Shari'a Compliant Wholesale Banking (Islamic)

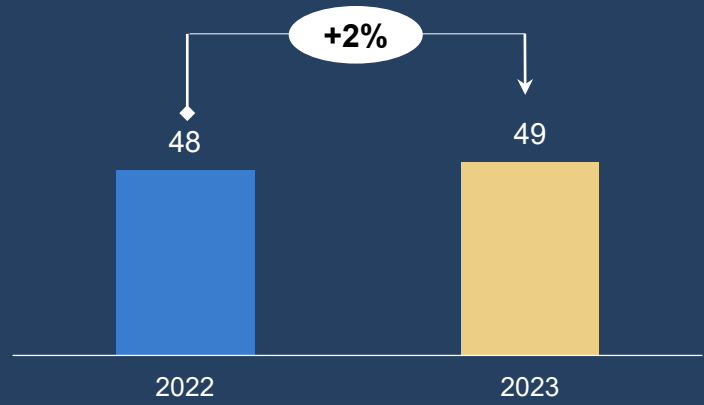


Financial Performance

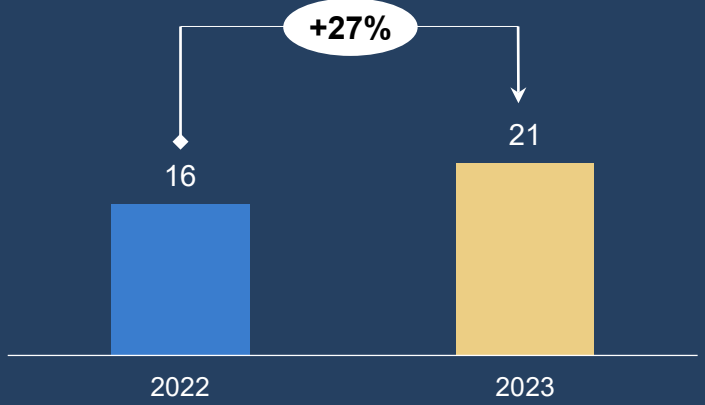


Healthy growth in loans and third fastest growing bank in deposits

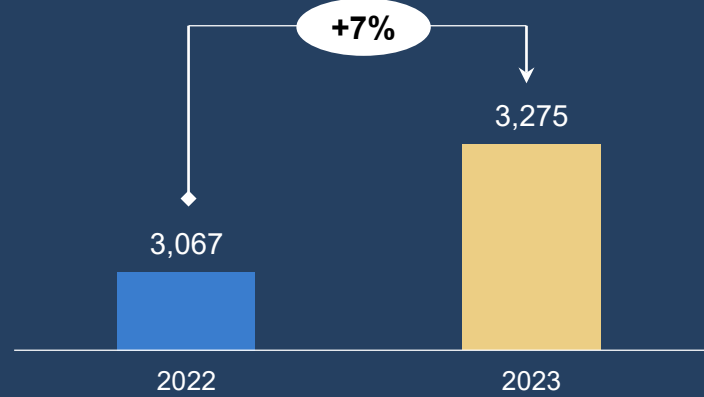
Operating Profit (OMR Mn)



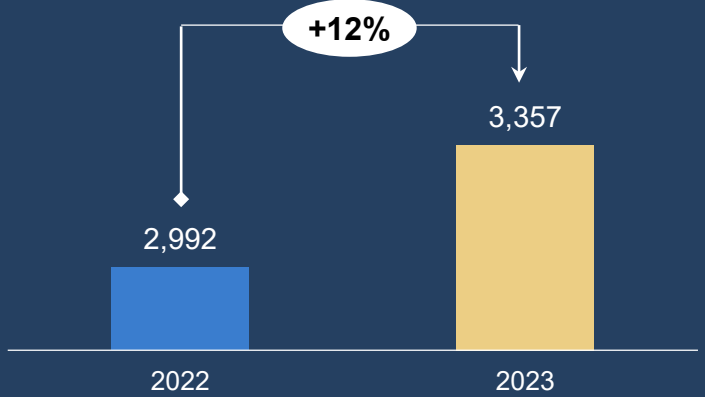
Net Profit (OMR Mn)



Loans & Advances (OMR Mn)

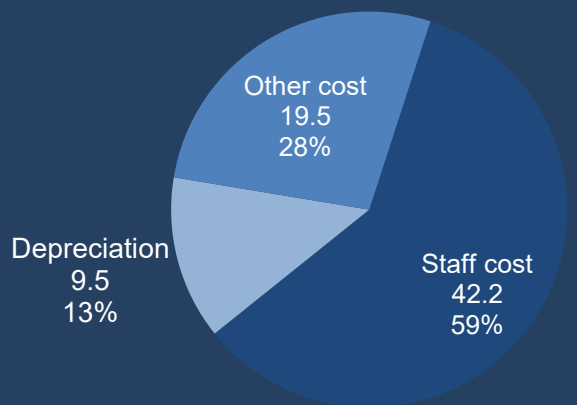


Customer Deposits (OMR Mn)

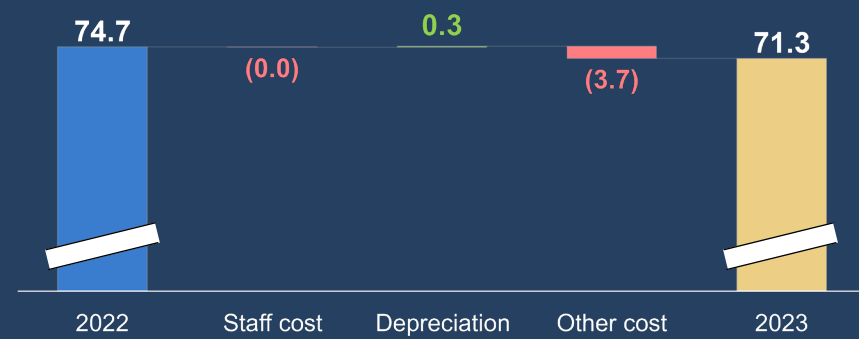


Leading to an improvement in return on equity

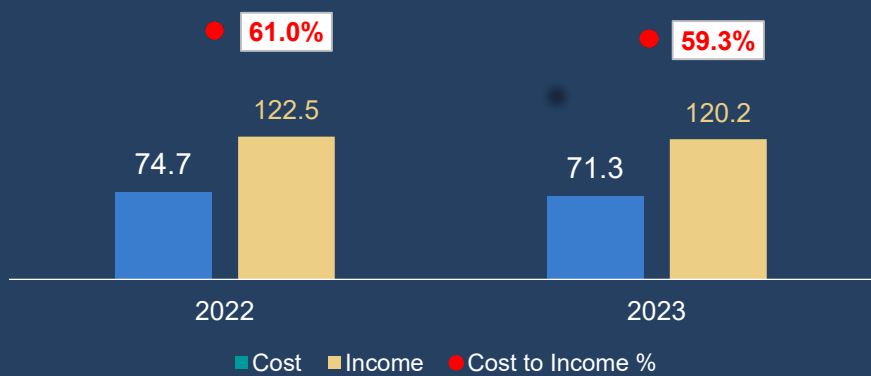
Cost Base (OMR Mn)



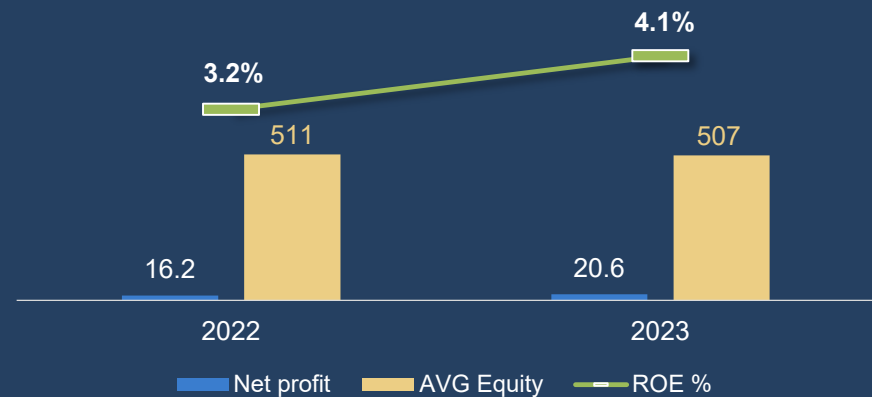
Cost Movement (OMR Mn)



Cost / Income (%)



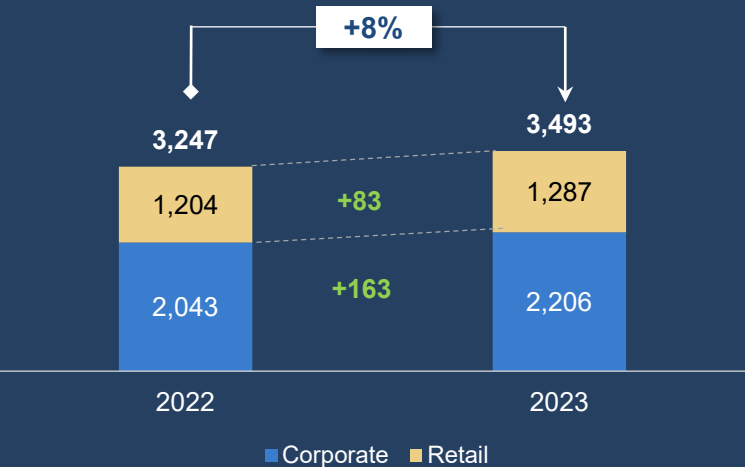
Return on Equity (%)¹



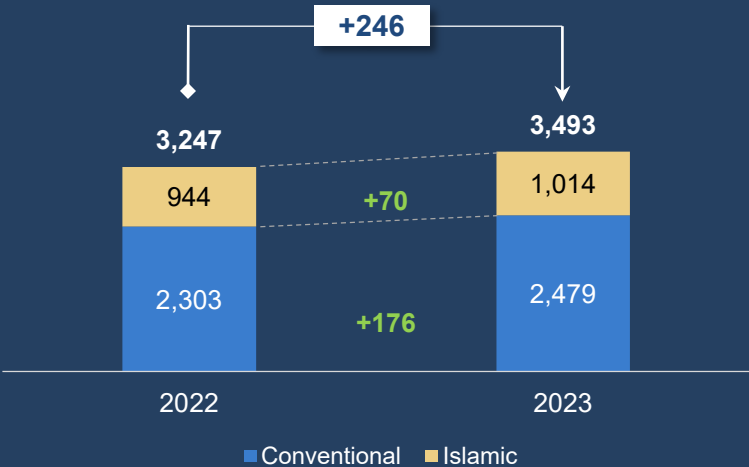
1. Net profit / average equity. On an adjusted basis (including the impact of perpetual bonds), ROE would have been 2.7% in 2023 vs. 1.5% in 2022.

We acquired ≈ 20% of new credit in Oman during 2023

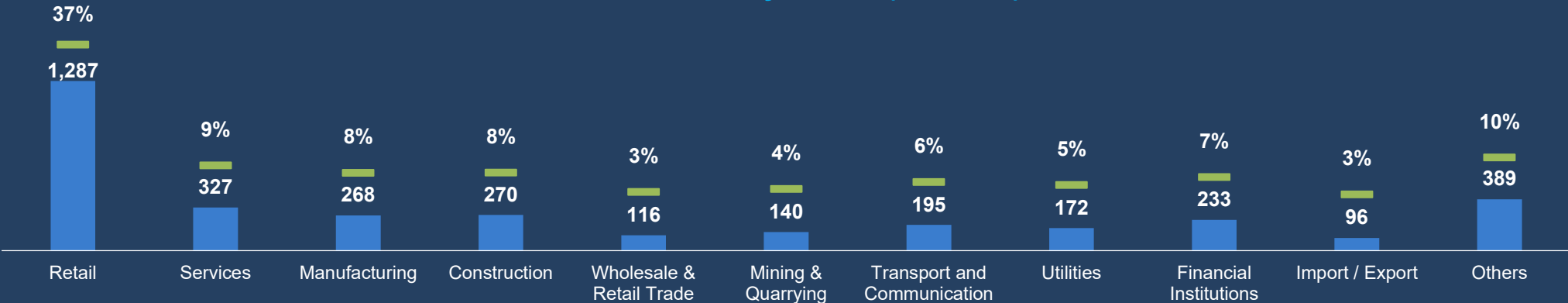
Gross Loans – By Segment (OMR Mn)



Gross Loans – By Type (OMR Mn)

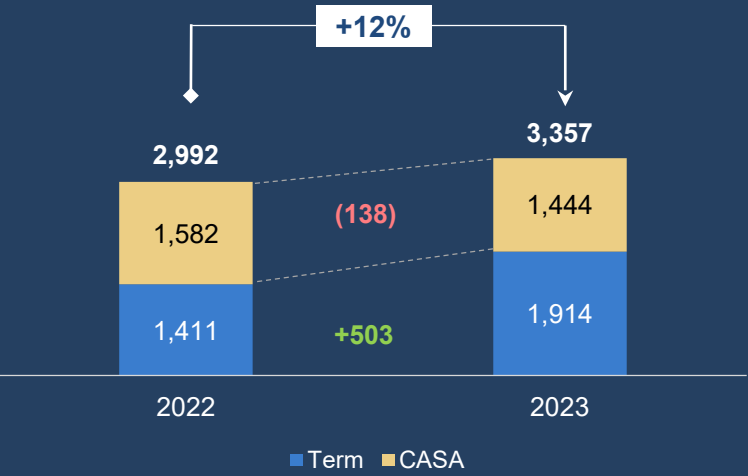


Gross Loans – By Sector (OMR Mn)

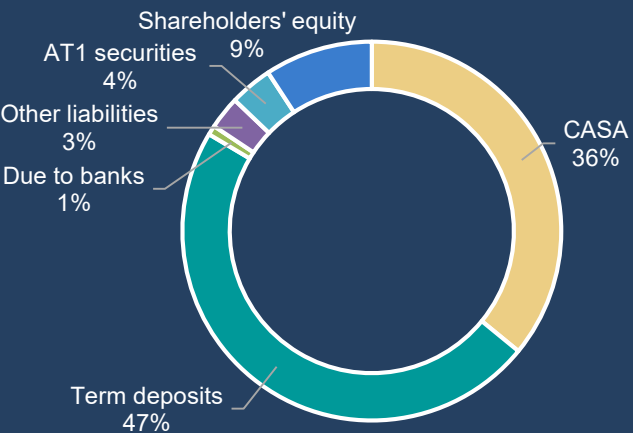
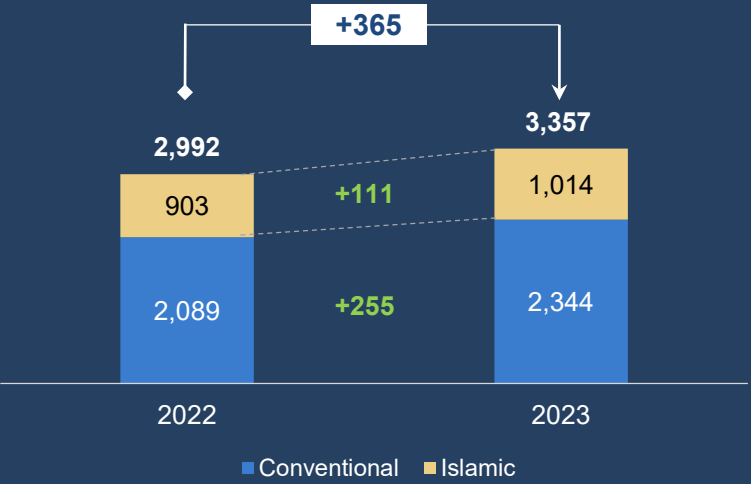


Healthy liquidity position and growth in customer deposits despite the high interest rate environment

Customer Deposits – By Product (OMR M)



Customer Deposits – By Type (OMR M)

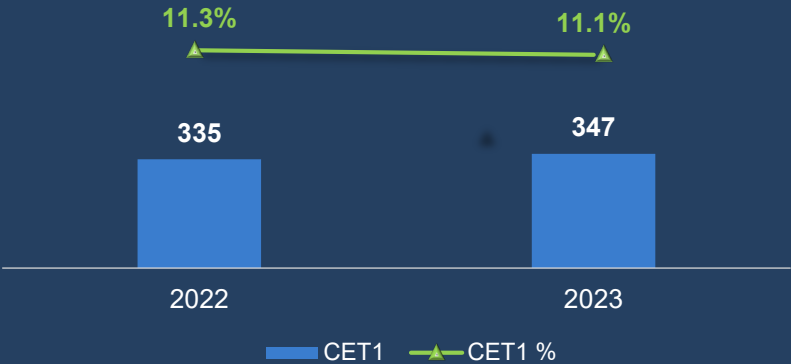


Liquidity Positions– Q4 2023

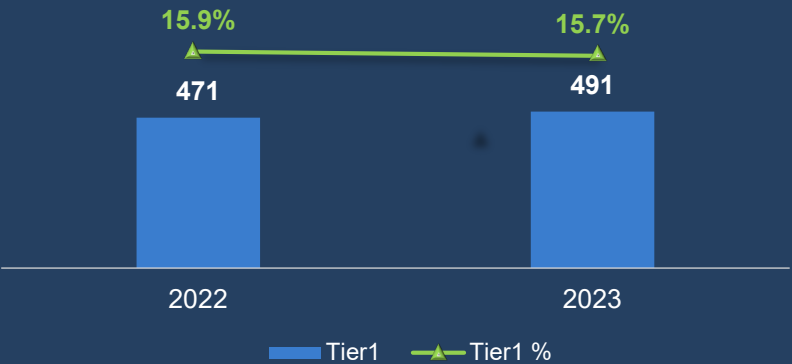


With an efficient utilization of our capital

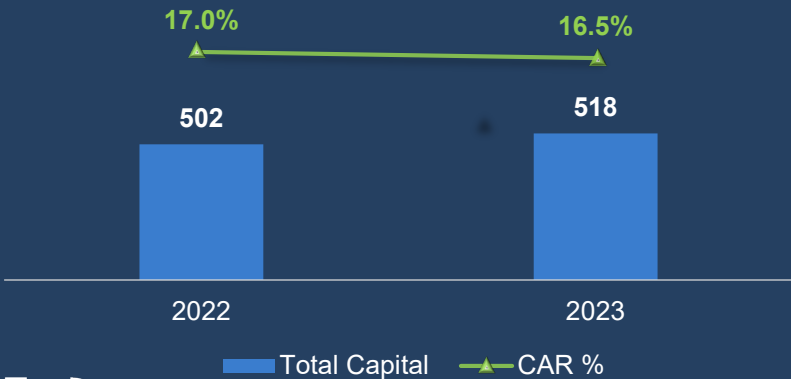
CET 1 Capital (OMR Mn)



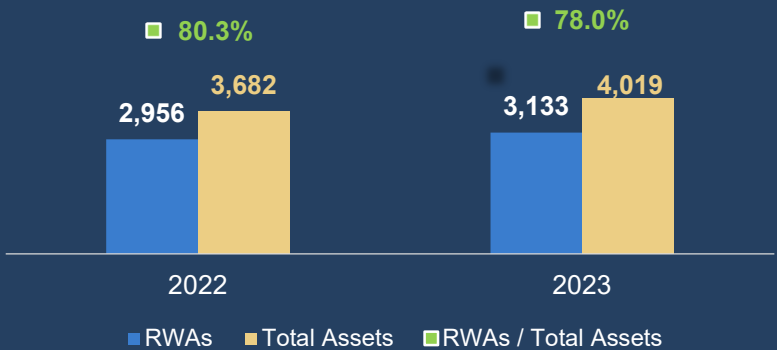
Tier 1 Capital (OMR Mn)



Total Capital (OMR Mn)



Risk Weighted Asset (OMR Mn)



Appendices



Balance Sheet Summary

	Parent				Consolidated			
	2023	2022	VAR	Growth	2023	2022	VAR	Growth
ASSETS								
Cash and balances with Central Bank	85	31	54	173%	152	100	52	52%
Due from banks	124	48	76	158%	130	54	76	142%
Loans, advances and financing to customers - net	2,306	2,165	141	7%	3,275	3,067	208	7%
Investment on subsidiary	107	107	-	-	-	-	-	-
Investment securities	254	268	(15)	-6%	327	332	(5)	-2%
Intangibles	-	-	0	-	7	7	(0)	-4%
Property and equipment	37	36	2	5%	43	38	5	12%
Other assets	54	55	(2)	-3%	86	84	2	3%
TOTAL ASSETS	2,967	2,711	256	9%	4,019	3,682	337	9%
LIABILITIES								
Due to banks	32	59	(27)	-45%	32	94	(62)	-66%
Customer deposits	2,344	2,089	254	12%	3,357	2,992	365	12%
Other liabilities	92	75	18	24%	112	98	14	15%
TOTAL LIABILITIES	2,468	2,223	245	11%	3,502	3,184	318	10%
EQUITY								
Total Shareholders' Equity	352	349	3	1%	371	359	12	3%
Perpetual Tier 1 capital securities	146	139	7	5%	146	139	7	5%
TOTAL EQUITY	499	488	11	2%	517	498	19	4%
TOTAL EQUITY AND LIABILITIES	2,967	2,711	256	9%	4,019	3,682	337	9%

Profit and Loss Summary

	Parent				Consolidated			
	2023	2022	VAR	Growth	2023	2022	VAR	Growth
Interest income	146.1	127.1	19.0	15%	145.7	127.1	18.6	15%
Interest expense	(75.0)	(52.6)	(22.4)	-43%	(75.0)	(52.6)	(22.4)	-43%
Net interest income	71.1	74.5	(3.4)	-5%	70.7	74.5	(3.8)	-5%
Net income from Islamic financing	0.0	0.0	0.0	-	26.2	25.7	0.5	2%
Net fee & commission income	14.4	14.2	0.2	1%	18.9	17.8	1.1	6%
Net income from investment securities	0.2	0.2	0.0	0%	0.3	0.2	0.1	28%
Other operating income	3.4	3.8	(0.3)	-9%	4.1	4.4	(0.2)	-5%
OPERATING INCOME	89.1	92.7	(3.6)	-4%	120.2	122.5	(2.3)	-2%
OPERATING EXPENSES	(52.9)	(55.2)	2.3	4%	(71.3)	(74.7)	3.5	5%
OPERATING PROFIT	36.2	37.5	(1.3)	-4%	49.0	47.8	1.2	2%
Net allowance for credit losses	(21.8)	(26.9)	5.1	19%	(24.7)	(30.3)	5.6	19%
PROFIT BEFORE TAX	14.4	10.6	3.8	35%	24.2	17.5	6.8	39%
Income tax expense	(2.4)	(0.4)	(2.0)	-505%	(3.7)	(1.3)	(2.4)	-188%
NET PROFIT	12.0	10.2	1.8	17%	20.6	16.2	4.4	27%



Thank You