



الوطنية للتمويل  
national finance

# Muscat Stock Exchange (MSX) Presentation

31 December 2023

# 1

COMPANY  
OVERVIEW

# 2

INDUSTRY  
OVERVIEW &  
COMPANY  
TRACK  
RECORD

# 3

KEY  
FINANCIAL  
UPDATE

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BUSINESS  
FOCUS

## **DISCLAIMER**

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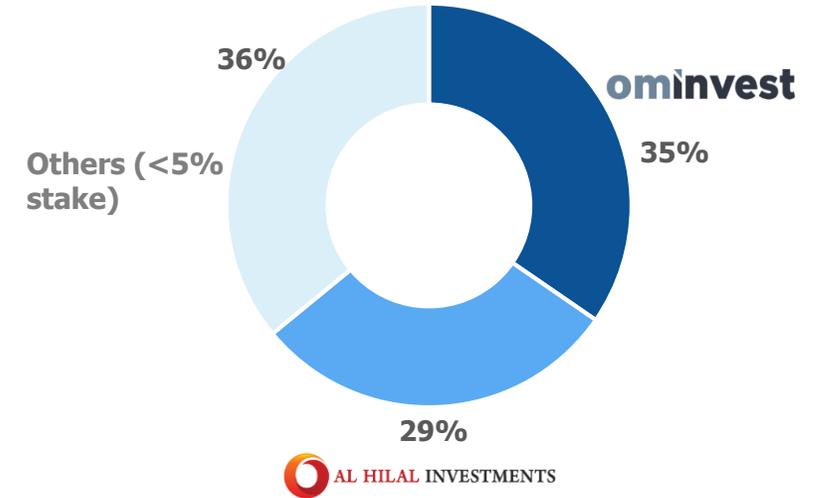
## Company Overview

# National Finance: At a glance

Largest finance and leasing player in Oman with well-diversified geographical presence across Oman, coupled with a broad product profile

 <p><b>Largest finance and leasing company (FLC) in Oman</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Acquired Oman Orix</b> Leasing Co. in 2018 and became the largest FLC in Oman</li> <li>▪ <b>c.47%</b> of the market share by net loan book</li> <li>▪ <b>Employs 356</b> individuals with Omanisation of c. 91.0%<sup>(1)</sup></li> </ul>
 <p><b>Well diversified geographical presence across Oman</b></p>	<ul style="list-style-type: none"> <li>▪ Network of <b>21 branches</b> with a broad footprint across the country</li> <li>▪ Over <b>55,000 active customers</b></li> </ul>
 <p><b>Broadest range of product offering</b></p>	<ul style="list-style-type: none"> <li>▪ Operates as a FLC offering equipment financing, auto loans, working capital financing, and corporate deposits within the Sultanate of Oman to <b>Corporate, SME and Retail customers</b></li> </ul>
 <p><b>High quality loan book</b></p>	<p> <b>c.OMR 542.3m</b>  <b>c.7.0%</b> Gross Loan Book <sup>(1)</sup> Net NPL % <sup>(1)</sup></p>
 <p><b>Proven track-record of generating sustainable returns for shareholders</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Stable RoE</b> in the range of 7.3% to 10.5% generated in last 5 years, one of the highest amongst peers. Dividend paying track record without any break for over 20 years.</li> </ul>
 <p><b>omA-; Positive</b> Nov-23, Credit rating</p>	<ul style="list-style-type: none"> <li>▪ The <b>Positive Outlook</b> highlights the positive impact of stronger economic growth prospects and the substantially improved operating environment on the Company's already currently sound financial metrics</li> </ul>

## Key shareholders



## oinvest

**oinvest** is one of the largest listed investment companies in the region. oinvest owns high-quality durable assets in diversified sectors, producing healthy cash flows. As of 2022 year end, the company's total assets stood at OMR 1.29 billion covering diverse sectors, including Banking, Insurance, Finance and Leasing, Financial Investments, Private Equity and Investment Banking.



**Al Hilal Investment Co LLC** was incorporated in 1997 to focus on The Zubair Corporation's investment interests. The company monitors the Corporation's core investments, trades in global and GCC equity markets, invests in private equity for raising resources and participates in co-investment opportunities in the Middle East and North Africa.

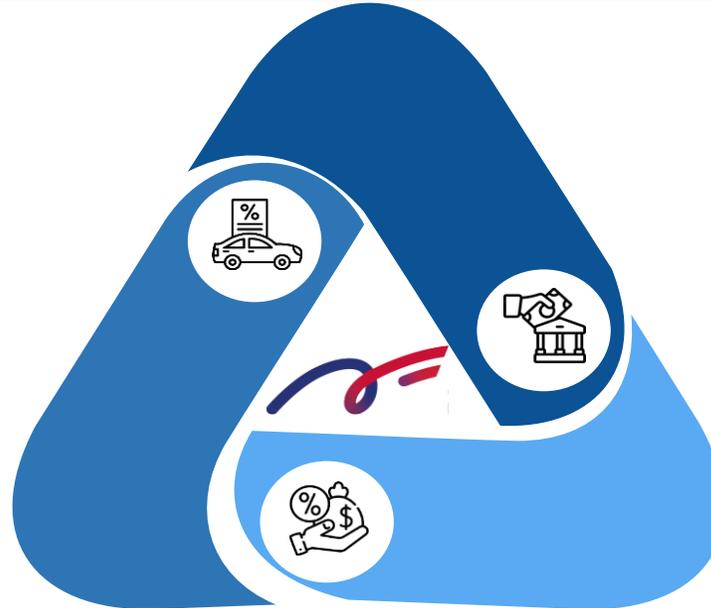
# Well diversified product portfolio

## Corporate & SME Finance

- **Vehicle Finance:** Solutions for companies to purchase new and used vehicles
- **Equipment Finance:** Solutions for companies to lease industrial equipment, machinery etc.
- **Working Capital Finance:** Provides a range of products and services that optimises customer's working capital requirements
- Others: **Warehouse financing, guarantee facility, debt factoring** covering the company's liability at competitive terms

## Retail Finance

- **New vehicle finance:** Range of different loan periods and repayment methods for new car loans in Oman
- **Used Vehicle Finance:** Finance options for vehicles bought from individuals and auto dealerships across Oman
- **Consumer Durable Financing:** Financing solutions for consumer durables like home appliances, electronics, furniture, etc.



## Corporate Deposits

- Accessible to various types of organisations including SAOG, SAOC, LLC, Partnerships, Government entities, Pension Funds, and Trusts
- Minimum amount of OMR 5,000
- Minimum tenure starting at just 3 months to a maximum of 60 months
- Multiple payout frequencies, including quarterly, semi-annually, annually, or at maturity

# Highly experienced board and management team with a demonstrated track record of delivering sustainable performance across various market cycles

## Management Team

**c.150 years cumulative experience with leading financial institutions within** (Al Rafd Fund, Bank Nizwa, Ominvest etc.) **and outside** (Citi Group, Fullerton, Capital First, Standard Chartered Bank etc.) **Oman**



**Tariq Al Farsi**

Chief Executive Officer  
Over 20 years experience

Previously served as CEO of Al Rafd Fund and GM of Bank Nizwa



**Rakesh Makkar**

Deputy Chief Executive Officer  
Over 30 years of experience  
Previously worked with Citi Group, Fullerton and Capital First



**Juma Al Khamisi**

Chief Finance Officer  
Over 25 years of experience  
Previously served as Board Member for Shell Oman Marketing Co.



**Bikram Singh Monga**

General Manager Risk & Controls  
Over 25 years of experience  
Previously served as Chief Risk Officer for ominvest



**Janaab Sayyid Khalifa Al Said**

DGM – Admin. & Distribution Projects  
Over 26 years of experience  
Previously served as Country HR Head for Standard Chartered Bank



**Hon. Dr. Shamsa Masoud Al Sheibani**

Chief Risk Officer  
Over 20 years of experience  
Previously served as Vice President and Head of Economic Research & as the CRO for ominvest



**Saam Al Habsi**

Chief Operations Officer  
Over 24 years of experience, previously served at Supreme Judicial Council as Assistant General Secretary of Admin & Finance Affairs

## Board of Directors



**Hani Muhammad Al Zubair**

Chairman of the Board and Chairman of the Nomination, Remuneration and Executive Committee



**AbdulAziz Mohammed Al Balushi**

Deputy Chairman of the Board, Chairman of the Risk Committee and Member of the Nomination, Remuneration and Executive Committee



**Taya Jandal Ali**

Director



**Sanjay Kawatra**

Director, Member of the Risk Committee and Member of the Nomination, Remuneration and Executive Committee



**Muhammad Husam Al Zubair**

Director, Member of the Nomination, Remuneration and Executive Committee



**Dr. Rashid Al Balushi**

Director, Member of the Risk Committee



**Subrata Kumar Mitra**

Director, Chairman of the Audit Committee



**Dr. Dhafir Al Shanfari**

Director, Member of the Audit Committee

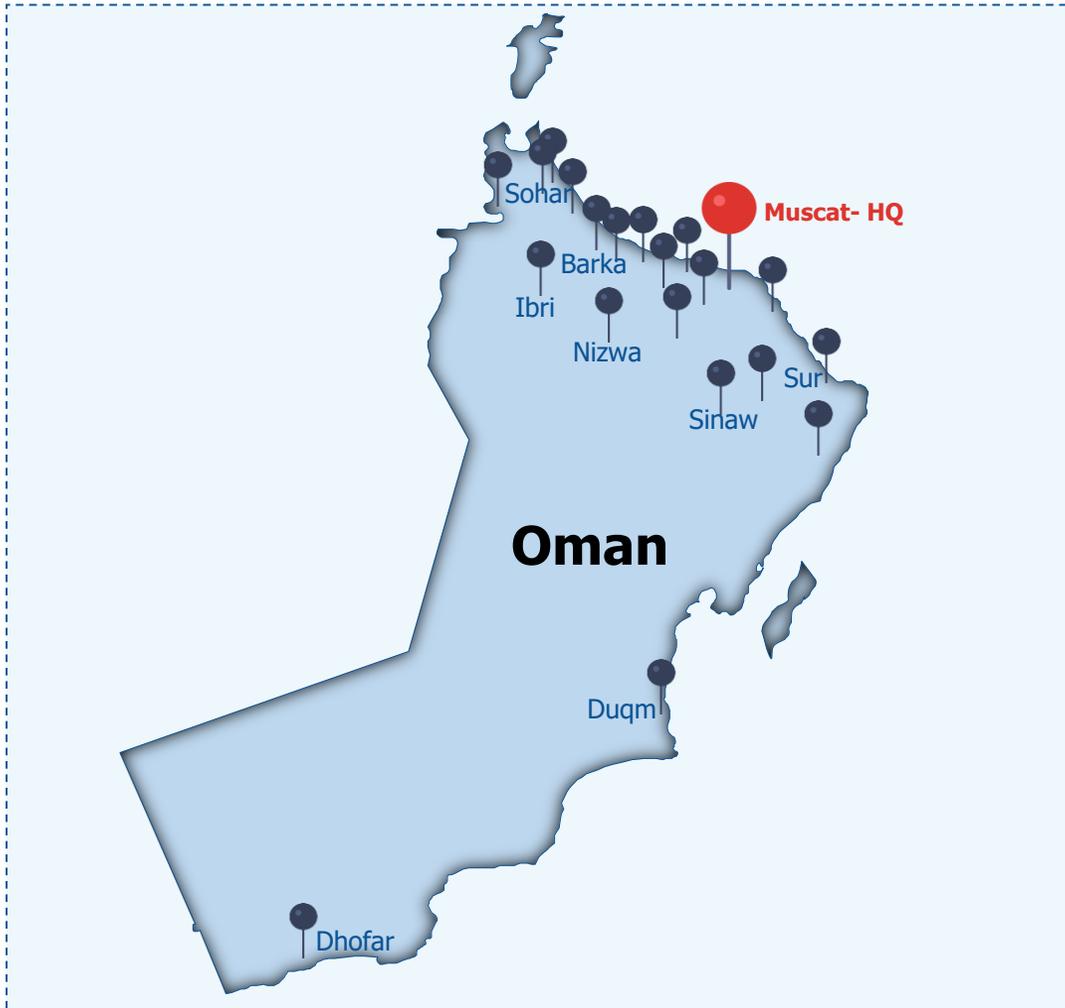


**Anand Budhia**

Director, Member of the Audit Committee

# Widespread branch network and industry leader

## Footprint (branches)



## Recent awards and recognition<sup>(1)</sup>

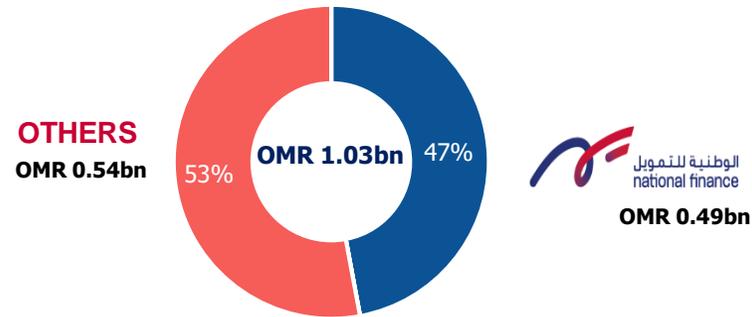
- |   |  |
|---|--|
|  Most Innovation Retail Finance –AUTOMOBILE- Oman 2023         |  Corporate Social Responsibility- 2022                                  |
|  'OER Corporate Excellence Award" in the Mid-Cap Segment, 2023 |  Best Non-banking Financial Corporation - 2022                          |
|  'Best Performing Company' in Mid-Cap Category, 2023           |  "Top Omani Brand" in the 'Finance' Category - 2022                     |
|  Excellence in SME Financing 2023                              |  Al Mara Excellence Awards– 2022  |
|  Best Non-Banking Finance and Leasing Company 2023             |  Excellence in Fintech - 2021   |
|  New Corporate Identity of the Year - 2023                    |  Excellence in Customer Experience in Finance and Leasing - 2021       |
|  Leadership in SME Financing - 2023                          |  "Best Finance Company in Oman" - 2021                                |
|  SME Financier of the Year - 2023                            |  "Excellence in Mobile App Based Finance and Leasing Services" - 2021 |

(1) Indicative list; not exhaustive

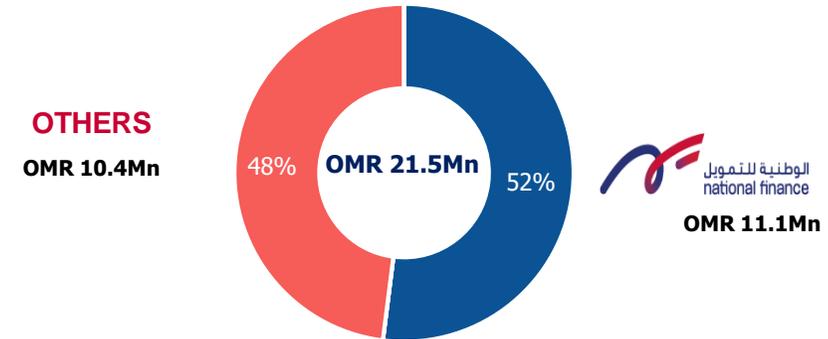
## Industry Overview & Company Track Record

# Largest non-banking finance company in Oman with a market share of c.47% and a demonstrable track record of more than 35 years

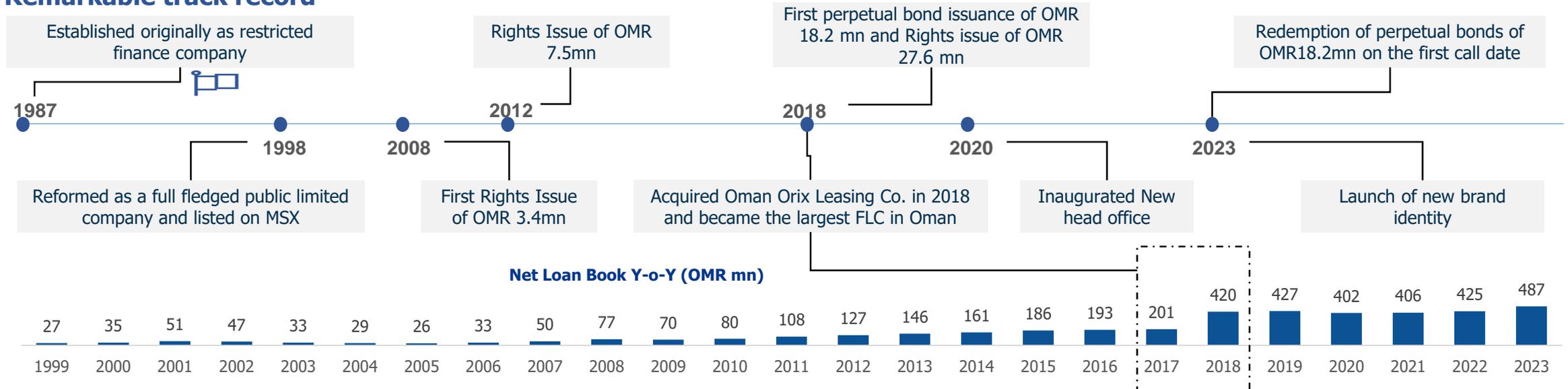
Market share by net loan book (Dec 2023)



Market share by net profit (Dec 2023)



## Remarkable track record



## Key Financial Update

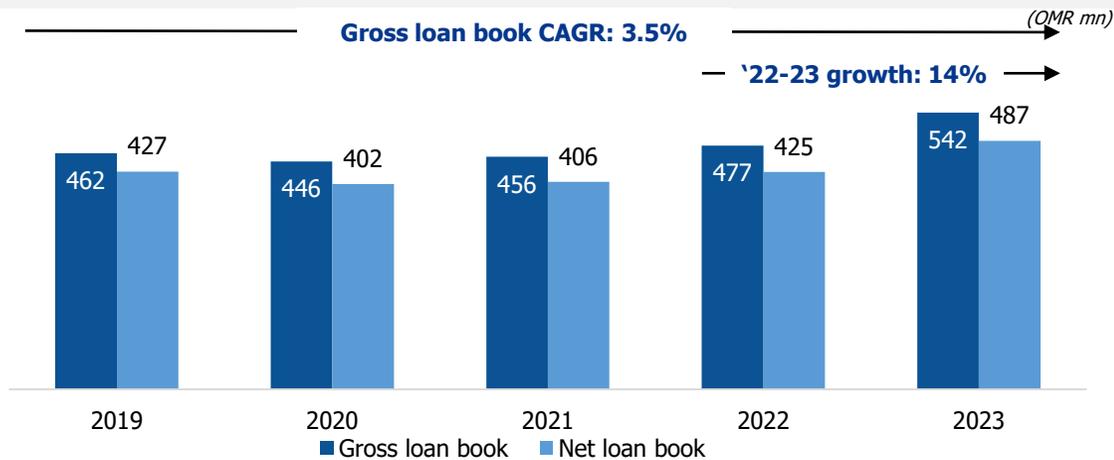
# Financial Highlights – Topline growth of 12.5% coupled with Net Profit growth of 9.6% over 2022

OMR '000

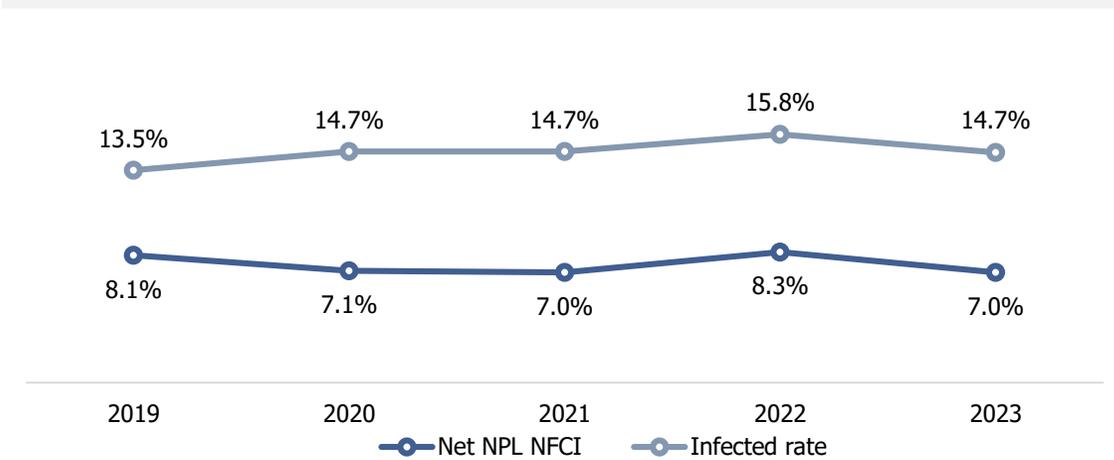
	2023	2022	YoY Δ
Income from financing activities	48,907	43,487	12.5%
Finance cost	(23,062)	(17,992)	28.2%
<b>Net finance income</b>	<b>25,845</b>	<b>25,495</b>	<b>1.4%</b>
Other operating income	2,520	2,722	(7.4%)
<b>Net Income</b>	<b>28,365</b>	<b>28,217</b>	<b>0.5%</b>
Operating Expenses <i>(Including: Depr., Amor.)</i>	(13,235)	(12,223)	8.3%
Provision impairment of lease receivables	(2,061)	(4,071)	(49.4%)
<b>Profit Before Tax</b>	<b>13,069</b>	11,923	<b>9.6%</b>
Income Tax Expense	(1,963)	(1,789)	9.7%
<b>Net Profit</b>	<b>11,106</b>	<b>10,134</b>	<b>9.6%</b>

# Robust asset quality with one of the lowest NPLs backed by disciplined processes & Consistent and healthy financial performance

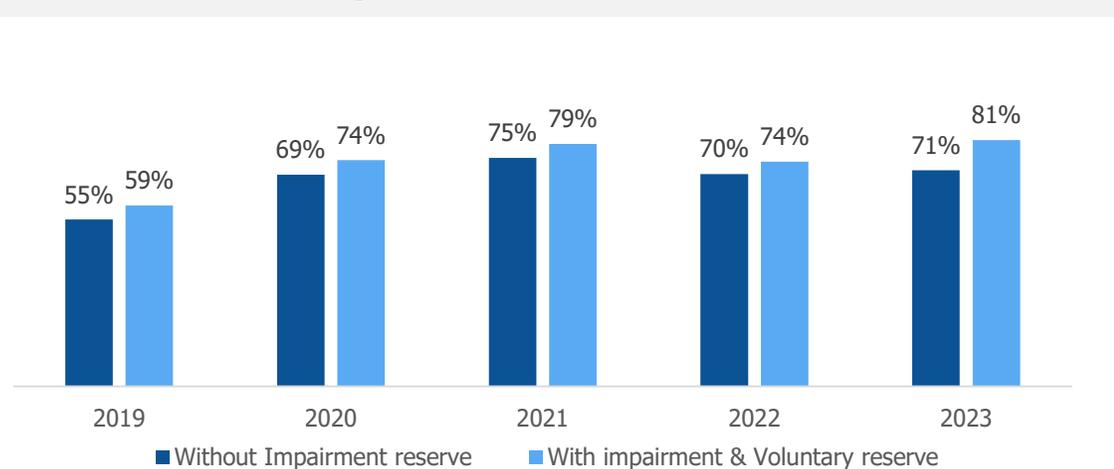
## Steady growth in the loan book amid challenging economic conditions



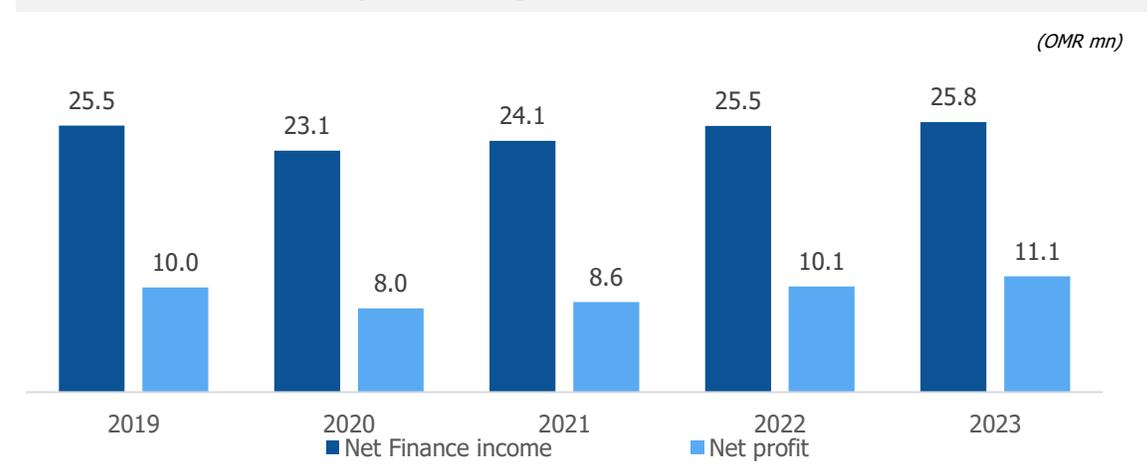
## High quality loan book with stable and lower net NPL<sup>(1)</sup>



## Stable Provision Coverage Ratio<sup>(2) & (3)</sup>



## Consistent and healthy financial performance

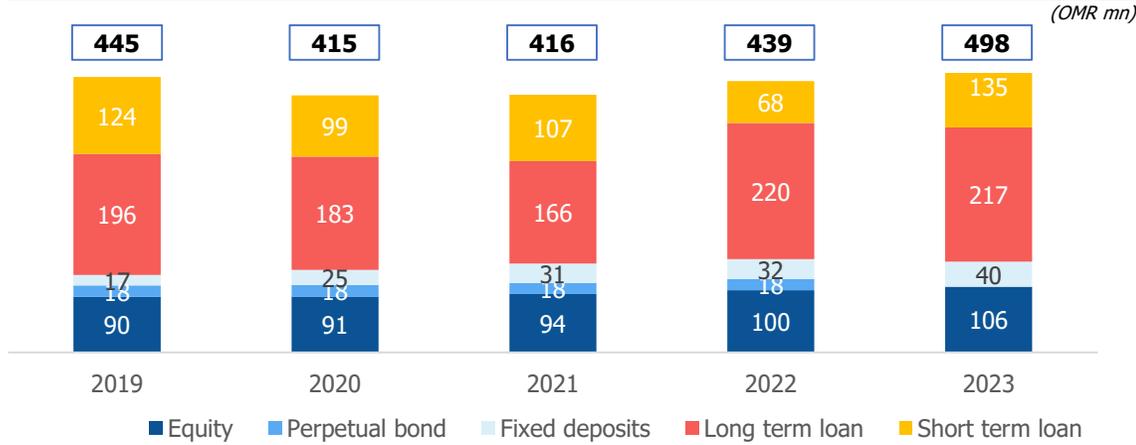


Source: Company filings, financial statements

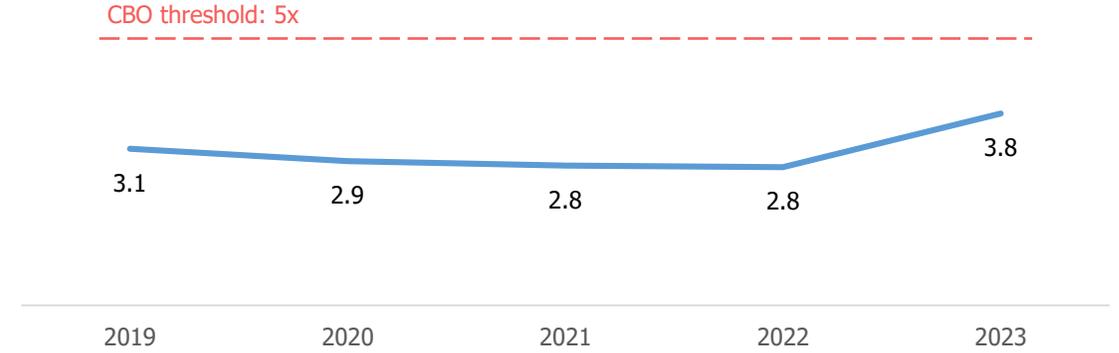
1. Net NPL = (Stage 3 Loans - Stage 3 ECL) / (Gross loan - Stage 3 ECL)
2. Provision Coverage Ratio (PCR) = Total provision held as per IFRS 9 / aggregate gross loan book for stage 3
3. Provision Coverage Ratio (PCR) = (Total provision held as per IFRS 9 + Impairment or voluntary reserve) / aggregate gross loan book for stage 3

# Prudent capital structure philosophy with a gearing of 3.8x & Delivered consistent shareholder returns with one of the highest RoE amongst FLCs operating in Oman

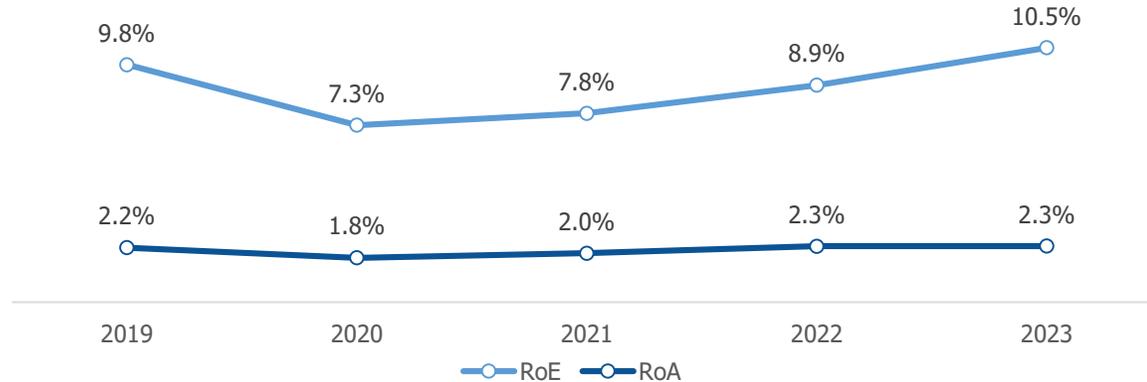
## Funding mix diversified across Equity, Bonds, Deposits and Bank loans



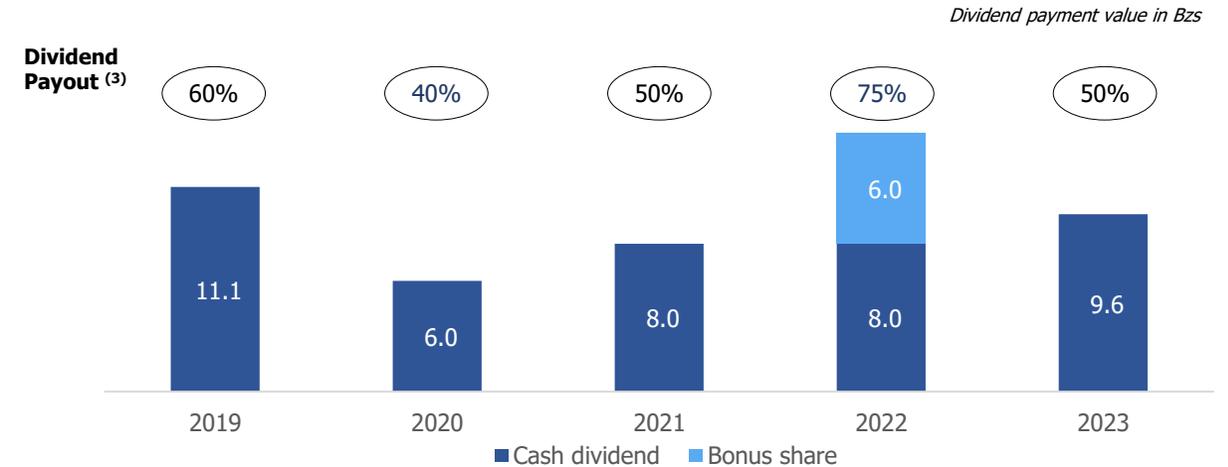
## Gearing<sup>(1)</sup> within the CBO defined regulatory cap



## Stable RoE<sup>(2)</sup> and RoA<sup>(2)</sup> ratios (%) over the period



## Prudent dividend pay-outs coupled with healthy retentions for growth

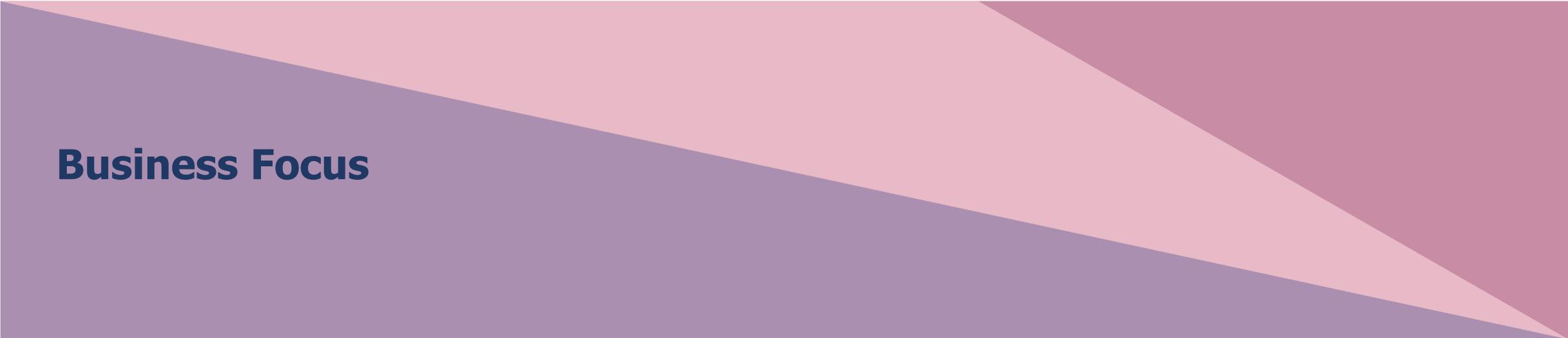


Source: Company financials

1. Gearing Ratio = Total Liabilities/ Equity

2. ROE = Net profit attributable to equity shareholders' / Average shareholders' equity; ROA = Net profit/Average total assets.

3. Dividend Payout (include Bonus share) = Total Dividend (Cash + Stock) / Net Profit



## Business Focus

## Business Engine – Multi-pronged approach



## Get in touch



- **Call Centre**  
Customer service/ Complaints/ General info /Service requests/ Collection



- **Social Media**  
Facebook/Instagram/ LinkedIn Complaints/ General Info



- **WhatsApp**  
Complaints/ General info/ Product enquiry



- **Email**  
Customer service/ Complaints/ General info



- **Website Loan details**  
Loan application/ Service requests/Complaints



- **Mobile App Loan details**  
Loan application/ Service requests/ Complaints/Payments



- **KIOSK**  
Installment payment /Request for new loan/ Cheque holding

Thank You