OMAN RETAIL BANKING 2026

COMPARATIVE EDITION

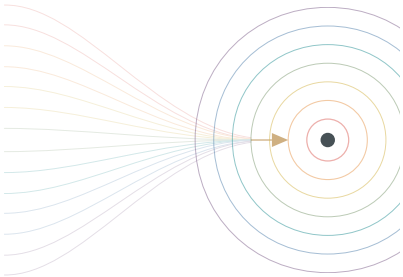
# YOUR COMPETITOR CAN COPY YOUR PRODUCT. SO WHAT EXACTLY IS YOUR ADVANTAGE?

## What Oman's Banking Data Reveals About Products, Imitation and Where Competitive Advantage Really Lives

Seven Omani banking franchises. What can a competitor copy, and what must earn its place in the strategy?

THE QUESTION

> If the product can be copied, what exactly are you defending?



Mahmood Al Hattali · Comparative edition · 6 September 2026

MAHMOOD INSIGHT

# How this story unfolds

A journey through Omani banking propositions and one difficult question.


1 **The question customers ask**
Why move if the banks look similar?

2 **The common building blocks**
Financial mechanisms repeat; terms and outcomes can differ.

3 **Seven banks, different tests**
What the evidence establishes, and where interpretation begins.

4 **Why sameness can still work**
Product convergence has not stopped growth or profitability.

5 **What differentiation should really do**
Improve funding, revenue, risk, cost or relationship.

6 **Why the game and customers are changing**
Digital, AI, open banking and different financial lives reshape value.

7 **What Product Management is really for**
Product connects customer need to bank economics.

8 **What this means for each Oman bank**
Different strengths require different choices—not blind copying.


**READ IT AS A STORY**

Each section answers the question created by the one before it.

01 / THE STORY

# The whole argument, simply



The visible product can be copied. The real test is what the competitor cannot cheaply reproduce.

**READING LENS**

Separate what the source reports, what we infer, and the outcomes that still need to be measured.

Your competitor can copy the rate, the card benefit, the app feature and much of the product architecture. If that is where your advantage ends, you do not have much of an advantage. Oman's data points to a harder answer: the visible product matters, but the economics behind it matter more.

The comparison draws on selected public propositions and documents across seven banking franchises. It is not a completed census of every market product or a numerical ranking of bank quality. An offer's existence does not establish adoption, profitability or superiority.

Public directories of Omani banks contain familiar building blocks: accounts, savings, finance, cards, payments and digital service. Recurring categories do not establish identical eligibility, terms, execution quality or economics. That is an important distance between visible similarity and genuine equivalence.

Repeated products do not imply economic failure. Bank Muscat ended 2025 with approximately RO15.13bn in assets, RO10.43bn in customer deposits and RO255.5m in net profit. Those figures establish scale and profitability; they do not identify which product feature caused the result.

**THE PARADOX**

If a competitor can reproduce the visible difference, why should a bank spend scarce capital, management attention and technology capacity creating it?

The answer is not “because innovation is good.” The answer is economic. A bank should differentiate only where it can plausibly improve funding, revenue, risk, cost or the lifetime customer relationship. Everywhere else, fast-following can be rational — sometimes superior.

That leads to a more uncomfortable conclusion. Copying is not the failure. Copying without understanding the economic mechanism is. A smaller bank can reproduce a feature from Bank Muscat, Sohar, NBO, a regional bank or a fintech. It cannot cheaply reproduce decades of primary relationships, behavioural data, merchant flows, funding depth, distribution, trust, operating knowledge or network effects.

The market is also moving. Customers are already digital. Open banking weakens information captivity. Common national payment rails standardise basic infrastructure. AI can increasingly automate service, personalise decisions and improve risk models. The financial product therefore remains essential — but it is becoming less sufficient as the unit of competition.

This changes Product Management. Product should not own everything. Strategy decides where to compete; Segments decide whom to win; Digital designs interaction; Transformation changes the operating model; Risk determines responsible risk; Technology builds and scales. Product’s distinctive accountability is the economic proposition: the regulated mechanism that converts customer need into bank economics across its lifecycle.

> CENTRAL AUTHOR INFERENCE Oman has reached product maturity before relationship maturity. The product is increasingly copyable; the relationship economics are not.

That is not a CBO statistic; it is the author’s hypothesis. Public sources describe products and financial activity, but the evidence assembled here is insufficient to compare relationship maturity across banks through primacy, share of wallet, age-out retention and lifetime value.

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Next: Why the customer has a point

Sources: S01 / Bank Muscat: 2025 audited results · S02 / Bank Muscat: product directory · S05 / BankDhofar: NUMO SME banking · S09 / NBO: accounts and solutions · S12 / Sohar International: public product directory.

02 / THE STORY

# Why the customer has a point

Documented examples, not an exhaustive inventory or a ranking.

Place the offers side by side and familiar mechanisms appear. But branding is not the only difference: segment, saving, spending and business-operation design can vary. These examples are non-exclusive and ordered by English bank name; they do not mean another bank lacks the capability.

| Franchise | Visible example | Economic question |
|---|---|---|
| Ahlibank / ahli islamic<br>S14, S15 | ahliNext includes parental controls, allowances and rewards. ahliB2B is a business e-banking proposition. | Can useful early engagement become a lasting primary relationship? |
| BankDhofar / Dhofar Islamic<br>S05, S06 | NUMO brings business accounts, payments and POS finance together. A dated release describes Braille debit cards. | Can operational flows improve underwriting and the cost of serving small firms? |
| Bank Muscat / Meethaq<br>S02, S03, S04 | Its public directory includes child, Floosi and Shababi propositions alongside core banking products. | Can a broad shelf become measurable retention through life transitions? |
| Bank Nizwa<br>S18, S19 | Its public documents describe Islamic accounts and a Mudaraba investment term deposit. | Can Islamic saving and investing become a coherent financial-life proposition? |
| National Bank of Oman / Muzn<br>S09, S10, S11 | NBO presents age-based accounts and a Systematic Investment Plan, as well as cardless cash withdrawal. | Can recurring saving build investment habits and advice-led relationships? |
| Oman Arab Bank / Alizz<br>S16, S17 | BANKI offers reloadable prepaid family spending. The retail tariff includes qualification-based waivers. | Can everyday usefulness deepen the household relationship without adding complexity? |
| Sohar International / Sohar Islamic<br>S12, S13 | Be Zahiya is a women-focused proposition within a wider retail and business offering. | Does segment design improve participation, retention and risk-adjusted value? |

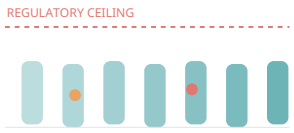
**THE TEST**

A differentiated brochure is not automatically a differentiated franchise. Does the proposition change customer behaviour or bank economics?

Sources: S02 / Bank Muscat: product directory · S05 / BankDhofar: NUMO SME banking · S09 / NBO: accounts and solutions · S12 / Sohar International: public product directory · S14 / ahliNext: parent functionality · S16 / Oman Arab Bank: BANKI and cards · S18 / Bank Nizwa: Mudaraba investment KFS.

03 / THE STORY

# Why price comparison needs more than a number




## The headline fee is not the whole contract.

Tariff books are useful because they strip away some marketing language. But a fair price comparison needs more than matching a fee label. It needs the same product, customer eligibility, tax treatment, settlement route and source date.

Oman Arab Bank's public 2026 retail tariff provides a concrete example: personal/car processing is RO26.250 and housing processing RO52.500; its settlement schedule includes a 1.05% charge and specified exemptions. Those are published tariff entries, not a quotation for every customer or proof of seven-bank price equality.

| Compare | Ask before declaring equivalence |
|---|---|
| Processing fee | Is VAT included? Is there a minimum, cap, waiver or campaign? |
| Borrowing cost | What is the effective cost over the actual term, including insurance and other conditions? |
| Early settlement | Full or partial? What balance is the base? Which exemptions and contract mechanics apply? |
| Relationship pricing | What does salary transfer, balance, age or channel eligibility change? |

Rules, contract structures and operational simplicity can all encourage convergence. But a regulatory boundary is not proof that every bank must choose the same commercial proposition. Nor is a lower headline fee proof of better customer value.

> **THE ECONOMIC QUESTION**
>
> Does any deviation from the market norm improve value after funding, risk and operating cost?

Sources: S17 / Oman Arab Bank: retail tariff 2026.

04 / THE STORY

# Seven franchises. One standard for fair comparison.

Evidence quality matters more than spreadsheet size.

A ranking built from a few memorable launches would be worse than no ranking at all. A large spreadsheet does not solve that problem by itself. Each observation must connect to a dated source and an explicit definition.

| Evidence layer | What it can establish | What it cannot establish alone |
|---|---|---|
| Current product page or KFS | The described mechanism, eligibility and terms | Active use, service quality or profitability |
| Dated launch release | What the bank announced at that time | Current availability or market-first status |
| Annual or interim report | Reported financial results and defined segments | The causal contribution of one product feature |
| Customer or cohort data | Behaviour and outcomes within its sample | Market-wide conclusions without comparable coverage |

The comparison must also respect structure. An Islamic window is not automatically a separate legal entity. A Mudaraba investment deposit may meet a term-saving need without being the same contract as a conventional fixed deposit. Count capability once; preserve differences that affect the customer.

> **THE NON-NEGOTIABLE RULE**
>
> Not verified is not the same as not offered. A missing webpage cannot responsibly become a zero for bank capability.

This edition therefore uses a qualitative, source-linked comparison. It does not publish an OPPI score, a 1–7 league table, a percentage similarity map or a claim that all products have been verified.

Sources: S18 / Bank Nizwa: Mudaraba investment KFS · S19 / Bank Nizwa: customer commitment.

05 / THE STORY

# No winner beyond the evidence

Weight sensitivity is not input validation.

The provocative question is not which bank wins an attractive chart. It is which conclusion the evidence can carry. Public disclosure varies in depth, terminology and date. A composite score risks turning those differences into an apparent performance gap.

Changing weights can test a model's sensitivity. It cannot verify the inputs. A stable first place under chosen scenarios does not prove a universally superior proposition. Nor do overlapping scores prove that two banks offer the same features.

| Before a numerical ranking | Required evidence |
|---|---|
| Comparable observations | Current, product-level evidence under the same feature definitions and consolidation rules |
| Traceable scoring | Every component calculated from visible observations; no unexplained entered scores |
| Explicit unknowns | Missing evidence separated from absence, with plausible bounds and disclosed coverage |
| Fair challenge | Bank-specific counterevidence, duplicate-feature checks and independent coding review |

**WHAT THIS EDITION CONCLUDES**

There are useful bank-specific propositions to examine. The reviewed evidence is not sufficient for a defensible replacement 1–7 ranking.

The strategic analysis continues without pretending that removing a number removes the question. Each bank still needs to show how its chosen proposition changes customer behaviour and earns an economic return.

06 / THE STORY

# Every bank has a different question to answer

Non-exclusive analytical lenses, not category awards.

The documented examples offer different starting points for discussion. The questions below are hypotheses to measure, not descriptions of management intent or claims that only one bank has the capability.

### Ahlibank / ahli islamic

**Child learning and business banking**

Can useful early engagement become a lasting primary relationship?

### BankDhofar / Dhofar Islamic

**Merchant flows and accessible service**

Can operational flows improve underwriting and the cost of serving small firms?

### Bank Muscat / Meethaq

**Lifecycle breadth**

Can a broad shelf become measurable retention through life transitions?

### Bank Nizwa

**Islamic financial architecture**

Can Islamic saving and investing become a coherent financial-life proposition?

### National Bank of Oman / Muzn

**Saving toward investment**

Can recurring saving build investment habits and advice-led relationships?

### Oman Arab Bank / Alizz

**Family spending and relationship pricing**

Can everyday usefulness deepen the household relationship without adding complexity?

### Sohar International / Sohar Islamic

**Segment design**

Does segment design improve participation, retention and risk-adjusted value?

**THE COMMON TEST**

What compounds underneath the offer: relationship, data, flows, trust or operating knowledge?

07 / THE STORY

# Shared products. Potentially different economics.

Visible similarity is a starting point, not a final result.

The existence of current accounts, cards, lending and digital channels across banks is visible. The exact degree of similarity is a different claim. It depends on feature definitions, eligibility, evidence coverage and how partial observations are treated.

| Layer | A useful comparison |
|---|---|
| Product family | Does the offer solve the same financial need? |
| Contract | Are eligibility, risk, pricing and customer obligations equivalent? |
| Experience | Can the customer complete the same task, with comparable accessibility and reliability? |
| Economics | Does the relationship produce comparable funding, risk, cost and retention outcomes? |

Two banks may have the same product family but very different mechanics. Two differently named products may serve much the same need. A percentage that ignores these distinctions can be precise without being informative.

> **THE COPY QUESTION**
>
> Copying a visible feature rarely copies the complete operating system behind it.

08 / THE STORY

# The product can be copied. The operating asset under it is the test.



Visible difference fades. Compounding capability becomes harder to reproduce.

LOW DIFFERENCE · EASY TO COPY

### Commodity

Standard accounts, common transfers, baseline cards and tightly clustered headline fees.

HIGH DIFFERENCE · EASY TO COPY

### Innovation theatre

A visible feature or reward that can be reproduced before the bank builds an asset underneath it.

LOW VISIBLE DIFFERENCE · HARDER TO COPY

### Hidden advantage

A familiar product sitting on salary primacy, merchant flows, behavioural data, trust or operating knowledge.

HIGH DIFFERENCE · HARDER TO COPY

### Real product advantage

A distinct proposition joined to lifecycle retention, flow-based credit, integrated B2B or institutional coherence.

THE OPERATING TEST

The product can be copied. The operating asset underneath it is what must survive.

A familiar product may sit on salary primacy, merchant flows, behavioural data, lifecycle continuity or institutional coherence. A visibly innovative feature may still be easy to reproduce. Advantage appears only when the proposition moves one of the Five Returns and strengthens an asset that compounds.

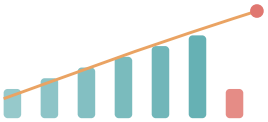
> The strongest product proposition is not created by the bank that launches the most. It belongs to the bank that turns what it launches into an asset the market cannot cheaply reproduce.

Next: The counterargument: familiar products can succeed

Author framework and analysis; not a causal measurement or a market-wide rating.

09 / THE STORY

# The counterargument: familiar products can succeed



Novelty is neither sufficient nor necessary for profit.

**READING LENS**

Separate what the source reports, what we infer, and the outcomes that still need to be measured.

The strongest objection to a critique of sameness is that familiar products can support a profitable business. Bank Muscat reported net profit of RO255.535m in 2025, against RO225.580m in 2024. That is a counterexample to the idea that novelty is necessary for profit, not proof that sameness caused profit or that every bank has the same outcome.

This changes the argument. Innovation is not a cure-all. Competitive pricing, disciplined credit, adequate distribution, effective sales, reliable service and efficient operations can be an entirely rational fast-following model.

**FRANKLY**

A bank does not deserve strategic credit merely because it launched first. Nor should it be embarrassed for copying something that already works.

What matters is the cost of the copy and the asset behind the feature. A mobile card-free cash function can be reproduced. A 20-year salary relationship is far harder to reproduce. A cashback mechanic can be reproduced. A merchant network producing proprietary cash-flow data cannot be reproduced overnight. A youth app can be reproduced. Ten years of age-out retention and first-salary conversion cannot be bought at launch.

This distinction is central because smaller institutions can easily fall into the wrong race. Attempting to match every feature of a much larger incumbent can import the incumbent's technology burden, operational complexity, compliance workload and service expectations without importing its funding franchise or installed customer base.

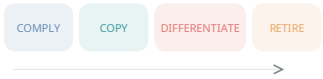
> The strategic danger for a smaller bank is not copying Bank Muscat. It is acquiring Bank Muscat's cost structure without Bank Muscat's scale.

Next: Copying is not the problem

Sources: S01 / Bank Muscat: 2025 audited results.

10 / THE STORY

# Copying is not the problem




Copying can be smart. The mistake is copying cost without copying advantage.

**AUTHOR FRAMEWORK**

Portfolio discipline below is a Mahmood Insight author framework, grounded in observable fast-following, regulation and product-lifecycle economics.

Retail banking is unusually prone to imitation. Products are visible. Competitor terms can be downloaded. Cards can be inspected. Apps can be opened. Campaigns can be photographed. Technology vendors sell similar capabilities to multiple institutions. Regulators standardise important parts of the contract. Customers expect basic parity quickly.

So I would not tell a Product team to “innovate everything.” I would ask it to make four different decisions — and to know which one it is making.

The word “copy” can sound strategically weak. In reality, fast-following can be a form of capital discipline. A bank observes whether the customer values the feature, whether the operating model works and whether the economics survive. It then enters after some uncertainty has been removed.

The failure occurs when a bank copies the visible artefact rather than the mechanism. A reward card is copied without the merchant economics. A youth account is copied without an age-out strategy. A digital loan is copied without changing credit decisioning or fulfilment cost. A wealth platform is copied without building customer progression or advisory capability. An SME app is copied without acquiring the merchant and transaction flows that improve underwriting.

**THE LINE**

Copy the feature when the advantage is reproducible. Differentiate when the underlying asset compounds.

There is a fourth discipline that banks discuss less often: retirement. Product Management is not only the art of adding. A bank that never retires products, fees, journeys, programmes or exceptions accumulates complexity. Complexity then appears as technology cost, operational errors, training burden, customer confusion, slow change and control risk.

A mature Product function therefore needs permission to say four things with equal confidence: comply, copy, differentiate and stop.

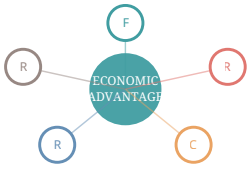
Visible features can be reproduced quickly. Compounding assets - relationship, data, trust, network and operating knowledge - become harder to reproduce over time.

Next: The five returns that matter

Author framework and analysis; not a causal measurement or a market-wide rating.

11 / THE STORY

# The five returns that matter




A difference is worth funding only if it improves one of five economics.

**AUTHOR FRAMEWORK**

The Five Returns are a Mahmood Insight decision framework - not CBO regulation - designed to force a measurable economic case.

If differentiation is not the objective, we need a harder decision rule. I use five returns. They are not regulation; they are an economic filter for Product, Retail and boards.

## 1. Funding

Does the proposition win salary relationships, increase CASA, attract deposits, lengthen deposit duration or reduce the bank's marginal cost of funds? In a balance-sheet business, funding is not a supporting detail. It can be the moat.

## 2. Revenue

Does it create lending or financing, payments, merchant revenue, fees, investments, insurance or a larger share of wallet? Crucially, revenue must be read after capital, liquidity, expected credit loss and servicing economics — not as a launch headline.

## 3. Risk

Does the bank select customers better, detect fraud earlier, improve affordability, collect more effectively or create more resilient customers? Differentiation that improves loss rates can be more valuable than a feature that wins an award.

## 4. Cost

Does it lower acquisition, fulfilment, servicing, operations or branch dependency? Can the next 100,000 customers be added at a lower marginal cost than the previous 100,000? This is where digital and AI can become economic rather than cosmetic.

## 5. Relationship

Does the bank become primary? Does the customer retain the relationship through life-stage transitions? Do cross-holdings and lifetime value deepen? This is the least publicly measured return in Oman — and potentially the most strategically important.

**BOARD QUESTION**

If the business case cannot show which of the five returns should move — and how it will be measured — what exactly is the bank buying?

Next: Digital is everywhere. Advantage is not.

Author framework and analysis; not a causal measurement or a market-wide rating.

12 / THE STORY

# Digital is everywhere. Advantage is not.




Everyone can build an app. The value is what the bank learns and does with the interaction.

> **READING LENS**
>
> Separate what the source reports, what we infer, and the outcomes that still need to be measured.

CBO's published 2025 payment-clearing data records approximately 596.9 million OmanNet transactions worth RO8.716bn and 339.4 million MPCSS transactions worth RO10.450bn. The original units are thousands of transactions and millions of rials. These are transaction volumes, not unique customers or bank-level adoption shares.

This changes what "digital differentiation" means. Digital access itself increasingly becomes hygiene. Digital economics do not.

An app that lets a customer do what every other app already does can still be necessary. It may improve service or prevent churn. But it is not automatically a moat. A digital capability becomes strategically valuable when the bank uses the interaction to do something economically better: acquire at lower cost, predict a need, prevent fraud, price risk, improve savings behaviour, convert income into investment, route payments, or deepen primacy.

## AI makes the distinction sharper

The international examples later show how behaviour, service cost and risk can be measured. In Q2 2026, Nu reports that AI agents handle over 60% of customer-support conversations in Brazil at or above human parity. That is a company claim, not an independent test or a guarantee of the same result in Oman.

## Open banking changes the interface contest

CBO publishes an Open Banking Regulatory Framework. The strategic possibility is consent-based data and service sharing under controls, not the disappearance of banks. Balance sheets, liquidity, risk capability and trust still matter. Could another provider own the interface for financial decisions? That is a competitive scenario, not a measured market-share claim.

> **THE TECHNOLOGY TEST**
>
> Digital access is becoming hygiene. Digital economics are not.

The next frontier may therefore be less visible than the last. APIs, embedded finance, real-time account-to-account payments, merchant-data underwriting, AI decision engines and agentic financial assistance can move competition away from the app icon toward the decision, data and infrastructure behind it.

Next: There is no single retail customer

Sources: S20 / CBO: payment clearing systems dashboard · S21 / CBO: Open Banking Regulatory Framework · S26 / Nu: Q2 2026 results.

13 / THE STORY

# There is no single retail customer



Youth, families, expats, small businesses and wealthy customers do not live the same financial life.

**READING LENS**

Separate what the source reports, what we infer, and the outcomes that still need to be measured.

Customers' financial lives differ economically. NCSI records a registered population of 5,359,557 at end-December 2025, including 2,320,208 expatriates, approximately 43.3%. A 2025 IMF paper projects about 550,000 Omanis entering working age by 2032 and around 220,000 jobs needed under participation and retiree-replacement assumptions. These are projections, not realized jobs.

The implication is not that banks need more segments with different card colours. It is that fundamentally different financial lives create different banking economics.

| FINANCIAL LIFE | THE JOURNEY | THE ECONOMIC QUESTION |
|---|---|---|
| Young Omani | education → first job → first salary → first car → marriage → home → savings/investment | Retention and conversion, not early balances |
| Expatriate | arrival → salary → FX/remittance → housing → savings/investment → departure/cross-border | Mobility, cross-border flows, tenure uncertainty |
| Woman / household decision maker | income formation → property → protection → investment → family finance | Economic participation, not an affinity theme |
| Micro entrepreneur / side business | account → collections → merchant flows → payroll → working capital | Operating-bank relationship before credit |
| Affluent / emerging affluent | salary/business income → liquidity → investment → protection → succession | Progression from transactional to advisory |
| Retiree | income transition → liquidity → protection → family transfer / succession | Retention through a balance-sheet transition |

This is why the article's central unit gradually shifts from "product" to "financial relationship." The same home loan can create very different value depending on whether the bank also holds the salary, payments, household deposits, insurance and future investment relationship. The same SME loan can be underwritten on a materially richer information set when the bank has already observed merchant and cash-flow behaviour.

**THE SHIFT**

The product remains necessary. The relationship becomes the competitive unit.

Next: What Product Management is really for

Sources: S22 / NCSI: population bulletin · S24 / IMF: Labor Market Dynamics in Oman.

14 / THE STORY

# What Product Management is really for




For me, Product sits where customer need becomes bank economics.

**AUTHOR / PRACTITIONER FRAMEWORK**

This section is practitioner analysis, not an Oman-wide organisational survey. The role boundaries are an explicit Mahmood Insight operating model.

There is one part of this argument that the public data cannot show me. I have watched it from inside Omani retail banking for most of a 20-year career: the definition of Product keeps changing.

Product has not necessarily lost work. In the practitioner pattern examined here, it often accumulates more of it: product programmes, pricing, tariffs, disclosures, CBO circular implementation, terms and conditions, system changes, product governance and lifecycle maintenance. This is not presented as an Oman-wide survey finding. The work itself is not administrative trivia. Banking products are regulated financial contracts; somebody must own the mechanics, economics, disclosures, risk parameters and customer obligations.

At the same time, the modern bank has become more specialised. Strategy owns enterprise choices. Segment teams own customer populations and insight. Transformation owns major redesign. Digital owns interaction and journeys. Technology owns build and integration. Risk owns risk appetite and control. Compliance interprets what must or must not happen. Operations fulfils. Marketing communicates. Sales acquires and deepens.

**THE ORGANISATIONAL RISK**

Product does not lose relevance when these functions become stronger. It loses relevance only if its identity shrinks to maintaining the existing contract.

This is practitioner observation, not an Oman-wide organisational survey. The point is therefore framed as a Mahmood Insight operating model, not a claim that every bank is organised badly.

| FUNCTION | CORE QUESTION |
|---|---|
| Strategy | Where will the bank compete? What returns, markets and capabilities? |
| Segment | Whom are we trying to win? What are their behaviours and economics? |
| Product | What regulated financial proposition solves that need profitably, safely and repeatedly? |
| Transformation | What must fundamentally change to make the proposition possible? |
| Digital / Channels | How should the customer interact with the proposition? |
| Sales | How do we acquire and deepen? |
| Marketing | How do we communicate the value? |
| Risk | What risk can we responsibly take? |
| Compliance | What must / must not happen under law and regulation? |
| Operations | How is it fulfilled reliably and efficiently? |
| Technology / Data | How is it built, secured, integrated, measured and scaled? |

> For me, Product sits where customer need becomes bank economics.

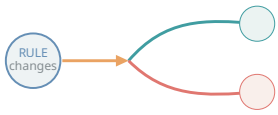
That definition is deliberately narrower than “Product owns the customer.” It does not. It is also broader than “Product writes the programme.” Product should own the economic proposition and lifecycle: why the product exists, for whom, with what price, funding, risk, capital, cost, mechanics and measurable outcome.

Next: Product and regulation: two questions, not one

Author framework and analysis; not a causal measurement or a market-wide rating.

15 / THE STORY

# Product and regulation: two questions, not one




A rule changes more than compliance. It can change pricing, data, competition and customer expectations.

READING LENS

Separate what the source reports, what we infer, and the outcomes that still need to be measured.

The pull toward compliance is structural. When CBO changes a personal-loan rule, payment fee, consumer-protection expectation or open-banking framework, Product is often the function closest to the customer contract and system parameters. It should remain deeply involved.

But a modern Product function should ask two questions every time the rulebook changes:

QUESTION 1

What must we change to comply?

QUESTION 2

What competitive assumption has this regulation just changed?

Open banking is an example of regulation that may change assumptions about information access, partnership and competition. Bank teams should read the applicable text with specialist support, then distinguish mandatory compliance from possible commercial opportunity. This section does not interpret specific legal provisions.

## The operating model needs two axes

None of this means life-stage banking should replace deep product expertise. Quite the opposite. Someone must still understand FTP, margin, liquidity, capital, expected credit losses, pricing, systems, accounting, fulfilment and regulation within deposits, cards, lending, housing, wealth, protection and SME finance.

The horizontal layer then forces those vertical experts to work together around financial lives: first salary, marriage, home ownership, entrepreneurship, wealth, retirement, expatriate mobility and financial recovery. The bank stops asking only “which product does this customer qualify for?” and begins asking “what financial outcome is the customer trying to reach, and how should several products work together to produce it?”

OPERATING MODEL

Keep product expertise vertical. Orchestrate customer outcomes horizontal.

Next: What other markets can teach us

Sources: S21 / CBO: Open Banking Regulatory Framework.

16 / THE STORY

# What other markets can teach us




Mechanisms to test, not causal proof for Oman.

## DBS / Singapore: behaviour, not just an app

DBS reports that users engaging with its AI nudges saved twice as much, invested five times as much and held three times the insurance coverage of non-users. Its 2025 report also records 40% growth in digiPortfolio investment assets. The comparison is observational: engaged customers may differ before the nudge.

## Nu / Latin America: primacy and credit economics

Nu reported 139m customers, US$45.3bn deposits, 33% ROE and a 19.5% efficiency ratio in Q2 2026. It also reports delinquency among primary-relationship customers at roughly half the portfolio average. This is an association, not proof that primacy alone caused better credit outcomes.

## Liv Young / UAE: the transition question

Liv Young's public KFS describes a parent-created savings and debit proposition for ages 8–17. The useful Oman question is what happens next. The KFS does not establish automatic adult migration, retention or lifetime value.

## McKinsey: fragmentation and human relevance

Its December 2025 analysis describes financial institutions used per customer rising from about 2.5 in 2021 to 3.0 in 2023 in analyzed countries, and mobile having about three times the active users and 50 times the touchpoints of branches. Human interaction still matters for complex products. These are cross-market findings, not Oman measurements.

## Saudi Arabia: a regional change mechanism

The official announcement of the FSDP 2024 report records electronic payments at 79% of retail transactions and 261 fintech companies. These are 2024 indicators, not current 2026 counts. Regulation, infrastructure and competition can move together; that is the relevant mechanism.

> **THE COMPARISON RULE**
>
> Use mechanisms, not templates. None of these examples guarantees the same economics in Oman.

Sources: S25 / DBS: Annual Report 2025 · S26 / Nu: Q2 2026 results · S27 / Liv Young: Key Fact Statement · S28 / McKinsey: strategic distance in retail banking · S29 / Saudi Press Agency: FSDP Annual Report 2024.

17 / THE STORY

# Seven banks, seven starting points

## Explicit hypotheses, not descriptions of management intent.

A mature argument cannot prescribe one answer for everyone. These hypotheses connect documented examples to outcomes management would need to measure. They do not depend on a product ranking or an assumption that another bank lacks the capability.

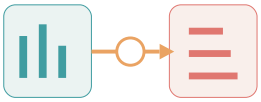
| Bank | Starting lens | Hypothesis to test |
|---|---|---|
| Ahlibank / ahli islamic | Child learning and business banking | Can useful early engagement become a lasting primary relationship? |
| BankDhofar / Dhofar Islamic | Merchant flows and accessible service | Can operational flows improve underwriting and the cost of serving small firms? |
| Bank Muscat / Meethaq | Lifecycle breadth | Can a broad shelf become measurable retention through life transitions? |
| Bank Nizwa | Islamic financial architecture | Can Islamic saving and investing become a coherent financial-life proposition? |
| National Bank of Oman / Muzn | Saving toward investment | Can recurring saving build investment habits and advice-led relationships? |
| Oman Arab Bank / Alizz | Family spending and relationship pricing | Can everyday usefulness deepen the household relationship without adding complexity? |
| Sohar International / Sohar Islamic | Segment design | Does segment design improve participation, retention and risk-adjusted value? |

THE DISCIPLINE

Do not fund a hypothesis because it sounds different. Require a baseline, an outcome metric, a test period and an explicit stop rule.

18 / THE STORY

# What real product economics look like



Read the reported number, then separate the interpretation.

BankDhofar's H1 2026 disclosure makes the product-economics question concrete. Its retail segment reports RO28.818m revenue, RO5.275m profit and RO1.479bn assets after impairment allowance. Retail transactional fee income is RO11.478m, while net retail fees and commissions are RO5.543m. These are different measures, not interchangeable revenue labels.

The prior-period retail profit shown is RO5.984m. The current segment note explicitly includes funds transfer pricing (FTP). That is a reason to inspect allocation and comparability before attributing a change to a product strategy.

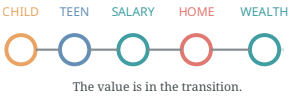
> **WHY THIS MATTERS**
>
> A proposition must connect to funding, fees, losses, servicing cost and retention. A successful campaign is not evidence of successful economics.

Reported segments do not give a complete product-level causal model. That limitation strengthens the question: what internal evidence would be needed to explain how a proposition earns its return?

Sources: S08 / BankDhofar: H1 2026 financial statements.

19 / THE STORY

# Youth: win the transition, not the account



The value is in the transition.

A youth account has little value if the relationship disappears at first salary.

**READING LENS**

Separate what the source reports, what we infer, and the outcomes that still need to be measured.

Oman's demographics make youth strategically important, but the public debate often reduces the opportunity to a debit card, discounts or an app. That is too shallow.

The economic journey is longer: child → teenager → education → first job → first salary → first car → marriage → home → savings → investment → entrepreneurship → wealth. The winner is not necessarily the bank with the earliest account; it is the one that retains and deepens the relationship as the customer's financial value changes.

Bank Muscat, NBO and ahliNext provide examples of early-life propositions. ahliNext describes parental controls, allowances and rewards, while OMPAY's June 2026 JEEL announcement shows a youth interface outside a conventional bank account. These are examples of offers, not a ranking of their success.

**NO FAKE WINNER**

Public data is not sufficient to declare which Omani bank is winning youth. Any ranking based only on product webpages would be marketing judgement dressed as analysis.

The required scorecard is largely unavailable publicly: active youth customers; age-out retention; first-salary and primary-bank conversion; balances; payment share; first credit; first investment; cross-holdings; profitability; and lifetime value.

That gap is itself a Product challenge. If a bank cannot measure what happens when a child-account customer reaches 18, 22 or first salary, the proposition risks remaining a campaign rather than a lifecycle asset.

Sources: S03 / Bank Muscat: Shababi debit card · S04 / Bank Muscat: children accounts · S09 / NBO: accounts and solutions · S14 / ahliNext: parent functionality · S30 / OMPAY: JEEL announcement archive.

20 / THE STORY

# Small business: design for how firms really work

Small firms dominate by number. That makes cheap, scalable service more important than a smaller version of corporate banking.

**READING LENS**

Separate what the source reports, what we infer, and the outcomes that still need to be measured.

NCSI's Q4 2025 active private-enterprise series records 268,286 enterprises: 234,042 micro, 31,521 small, 1,972 medium and 751 large. Micro and small therefore represent about 99.0% of active enterprises by count.

The same NCSI tables put micro and small firms at about 66.3% of workers in private enterprises, with their value added equivalent to approximately 15% of total GDP in Q4 2025. The GDP figures are preliminary, and that share is not a percentage of private-enterprise value added alone. Enterprise count, employment and GDP are three different denominators.

Enterprise count is not the same denominator as employment or value added. The distinction changes the banking business case.

**THE REAL WHITE SPACE**

If tiny businesses dominate the number of relationships but not the value pool, the bank must make the cost of serving a tiny business proportional to the economics of a tiny business.

That points away from "another SME loan" and toward becoming the operating bank of the small business: simple account, QR/SoftPOS/POS acceptance, WPS/payroll, invoicing, e-commerce, supplier payments, cash-flow intelligence, insurance, accounting/tax connectivity and short working capital linked to observed flows.

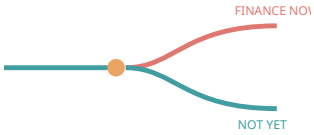
BankDhofar's NUMO is a local example that brings accounts, payments, online banking and POS financing together. The broader operating-bank hypothesis still needs evidence of actual integration, adoption and credit outcomes; a common webpage cannot establish those results.

The deeper advantage is data. A bank that sees the business's cash flow before it lends may acquire the customer more cheaply, underwrite more intelligently and collect more effectively. That is a Five-Returns proposition: revenue, risk, cost and relationship can move together.

Sources: S23 / NCSI: enterprise-size tables · S05 / BankDhofar: NUMO SME banking.

21 / THE STORY

# Responsible credit: sometimes “not yet”




Sometimes the right answer is “not yet”. The test is whether that improves risk and lifetime value.

**HYPOTHESIS / TRUST OPEN**

Responsible-credit economics are a hypothesis to test. No national Oman trust statistic is asserted because the controlled research did not find sufficient survey evidence.

Retail banks can become most economically visible at moments when the customer needs debt: car, marriage, home, education or emergency. That can make the relationship feel transactional: the bank appears when the customer borrows, collects the instalment and reappears with the next offer. This is a strategic observation, not a measured Oman-wide sentiment finding.

There is a legitimate alternative hypothesis. Sometimes the best product decision may be “not yet”: save first, restructure existing debt, reduce the requested amount, improve affordability or build a financial buffer before financing.

This should not be romanticised. Saying no to credit can reduce immediate sales. A responsible-credit proposition is not automatically profitable. The economics must be measured.

| TEST | WHAT TO MEASURE |
|---|---|
| RISK | Vintage delinquency, restructuring, roll rates, impairment, collections cost |
| CUSTOMER | Complaints, financial stress, repeat contact, satisfaction |
| RELATIONSHIP | Salary retention, primary-bank status, churn, future borrowing, savings/investment progression |
| ECONOMICS | Lifetime value after credit cost and servicing, not origination volume alone |

BankDhofar’s public responsible-credit positioning is therefore interesting as a local signal, not evidence of superior outcomes. The proof would be whether responsible advice measurably improves losses, trust, retention or future customer value.

**HYPOTHESIS**

The bank that prevents one unsuitable loan may earn a customer for decades. Or it may simply lose a sale. The data — not the slogan — should decide.

The evidence used here does not provide an adequate survey base for a national claim about trust in banks. That does not establish that no other research exists. Trust matters, but generalizing sentiment or an individual story to an entire market weakens the argument.

Next: Questions boards should ask

Sources: S07 / BankDhofar: responsible credit.

22 / THE STORY

# Questions boards should ask

The question is not “what should we launch?” It is “what should we comply with, copy, differentiate or stop?”

**AUTHOR GOVERNANCE FRAMEWORK**

These are the questions I would want on the table before approving another product initiative. They are my governance framework, not a regulatory checklist.

If the role of Product changes from “maintain and launch” to “own the economic proposition,” governance also has to change. Product committees should be able to distinguish compliance, parity, differentiation and retirement — and require different evidence for each.

| # | THE QUESTION |
|---|---|
| 1 | Which Five Return is this initiative expected to move? |
| 2 | What is the customer behaviour we expect to change — not just the feature delivered? |
| 3 | What is the marginal acquisition and servicing cost before and after? |
| 4 | What funding value does the relationship create after FTP? |
| 5 | What is the risk-adjusted revenue after expected loss, capital and operating cost? |
| 6 | If this is a youth proposition, what is age-out and first-salary conversion? |
| 7 | If this is SME, what flows do we see before we lend? |
| 8 | If this is digital, what cost, risk or conversion advantage exists beyond parity? |
| 9 | If this is differentiated, how quickly can a competitor copy the visible feature? |
| 10 | What underlying asset — data, network, relationship, scale, trust or operating knowledge — becomes stronger each year? |
| 11 | What product, process or exception can we retire to pay for this complexity? |
| 12 | What result after 12–24 months would cause us to admit the thesis was wrong? |

That is a harder conversation than counting launches, digital adoption or penetration. It is also the conversation Product should be able to have: balance sheet, risk, customer behaviour and operating economics at the same table.

**THE ROLE**

Product Management is not the meeting point between departments. It is economic accountability for the proposition across its lifecycle.

Next: The competitive unit is changing

Author framework and analysis; not a causal measurement or a market-wide rating.

23 / THE STORY

# The competitive unit is changing



Products are still essential. But the relationship is becoming the real competitive unit.

**AUTHOR SYNTHESIS**

This conclusion is explicitly the author's synthesis of the reported facts, contradictory evidence and hypotheses in the preceding pages.

I began this research expecting to write a criticism of sameness. Across a 20-year career, most of it spent building and managing retail banking products, I have launched things that were new, rebuilt product suites, changed pricing, managed portfolios and watched functions evolve around Product. It was natural to assume that more differentiation was the answer.

The Oman data changed the argument.

The evidence review made the argument more disciplined. The comparison does not need a numerical winner to expose the important questions. Repeated product families do not prove identity, multiple names do not prove differentiation, and a stable model result does not cure weak inputs.

Familiar banking building blocks recur in public offers. Yet profitability does not require inventing every building block, and novelty does not guarantee profit. Some similarity may be rational, contractual, regulatory or operational. A fast follower can still build a strong economic case.

> The cover asked: if your competitor can copy your product, what exactly is your advantage? My answer after going through the evidence is this: not the visible feature itself. The advantage is the economic asset underneath it — relationship, data, flows, scale, trust, network or operating knowledge — that becomes harder to copy as it compounds.

The bank-specific hypotheses still matter: turn lifecycle breadth into retention; child learning into a lasting relationship; saving into investing; merchant flows into better service and underwriting; segment design into participation and value; family spending into everyday usefulness; and Islamic architecture into a coherent financial life. These are measurement questions, not accomplished outcomes.

None of those hypotheses should be funded because they sound distinctive. They should be funded only when the evidence shows a credible return.

The same discipline should govern technology. AI is not the strategy. Open banking is not the strategy. An app is not the strategy. A card is not the strategy. These are capabilities and instruments. Their strategic value comes from what they do to customer behaviour and bank economics.

And the same discipline should govern Product Management. Product should remain a serious regulatory steward because the product is a regulated contract. But if Product becomes only the place where circulars, tariffs, terms and BRDs are administered, the bank loses the function that should be connecting the financial mechanism to customer need and bank economics.

> **THE ANSWER TO THE COVER**
>
> If your competitor can copy the product, your advantage must live underneath it. A mature bank does not need to invent everything; it needs to know what to comply with, what to copy, what to differentiate — and what to stop.

After a 20-year career, most of it spent around the machinery of retail banking, I am less interested in how many products a bank can launch than in what happens to the customer after the launch: whether the salary stays, whether the deposit deepens, whether the borrower becomes safer, whether the small business routes its daily life through the bank, whether the teenager becomes the adult customer, whether advice changes behaviour, and whether the relationship becomes valuable enough that the customer would notice if it disappeared.

> The future of banking products is not more products. It is making the products disappear inside a relationship customers would actually miss.

Author framework and analysis; not a causal measurement or a market-wide rating.

24 / THE STORY

# How the evidence is used

Facts, inferences and limits remain separate.

## Scope and evidence

This is a qualitative comparative essay about seven Omani banking franchises and selected conventional and Islamic propositions. It is not a census of all banks operating in Oman, all products, or all Arabic and English bank disclosures. Examples are non-exclusive; bank order is not rank order.

Primary bank and official statistical sources support the reported examples and numbers. A bank publication establishes what the bank represents, not independent verification of delivery or commercial success. Source dates vary; the source notes distinguish dated releases, current pages, KFS documents and indexed official data.

## What is not being claimed

No numerical product ranking, similarity percentage, bank-safety rating, solvency judgment, investment recommendation or youth winner is presented. Strategic prescriptions, the five returns and the proposed Product Management model are author frameworks. International associations are not causal estimates for Oman.

## What remains unmeasured

Comparable bank-level primacy, share of wallet, youth transition, lifetime value, product economics after FTP and credit losses, and a representative national trust baseline are not established by the evidence used here. No claim is made that such information cannot exist elsewhere.

## How to challenge the argument

Challenge a bank example with an official product source and date. Challenge an economic hypothesis with adoption, retention, risk or profitability evidence. Changing a weight alone does not verify a feature. The private research record preserves the retired numerical analysis and its limitations; it is not the publication's evidence certificate.

> **THE STANDARD**
>
> Say what the source establishes, what the author infers, and what still needs to be measured.

Reviewed on 6 September 2026. Corrections supported by sources are welcome at mahmoodssh@gmail.com. No non-public customer records were used in this public article.

# Source notes

Source IDs match in both languages. A publication date is not continuous verification of every product.

**S01 / Bank Muscat: 2025 audited results**
FY2025; one-page audited results; amounts in RO thousands
https://www.bankmuscat.om/en/investorrelations/AnnualReports/Annual_Results_2025_EN.pdf

**S02 / Bank Muscat: product directory**
Current public directory, accessed 2026-09-06
https://www.bankmuscat.om/en/pages/sitemap.aspx

**S03 / Bank Muscat: Shababi debit card**
Current product page, accessed 2026-09-06
https://www.bankmuscat.om/en/bm-cards/Pages/Shababi-Visa-Classic-Debit-Card.aspx

**S04 / Bank Muscat: children accounts**
Current product page, accessed 2026-09-06
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**S05 / BankDhofar: NUMO SME banking**
Current product page, accessed 2026-09-06
https://www.bankdhofar.com/sme-numo/

**S06 / BankDhofar: Braille debit card**
Bank release dated 2025-10-23
https://www.bankdhofar.com/news/new-braille-debit-card-reinforces-bankdhofar-s-commitment-to-inclusivity/

**S07 / BankDhofar: responsible credit**
Bank release dated 2026-01-28
https://www.bankdhofar.com/news/bankdhofar-positions-responsible-credit-at-the-heart-of-sustainable-growth/

**S08 / BankDhofar: H1 2026 financial statements**
Unaudited; PDF pp.44,57-58 (printed pp.42,55-56); notes 21,25
https://www.bankdhofar.com/media/sjobz0ce/bd-fs-q2-2026-eng.pdf

**S09 / NBO: accounts and solutions**
Current directory, accessed 2026-09-06
https://www.nbo.om/en/Pages/Personal-Banking/Products/Accounts.aspx

**S10 / NBO: Systematic Investment Plan**
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**S11 / NBO: cardless cash withdrawal**
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**S12 / Sohar International: public product directory**
Current directory, accessed 2026-09-06
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**S13 / Sohar International: Be Zahiya**
Current product page, accessed 2026-09-06
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**S14 / ahliNext: parent functionality**
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**S15 / Ahlibank: ahliB2B**
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https://ahlibank.om/ahlibank/business-banking/corporate-ebanking/ahlib2b/

**S16 / Oman Arab Bank: BANKI and cards**
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**S17 / Oman Arab Bank: retail tariff 2026**
2026 retail tariff; PDF pp.1-2; retail lending p.2
https://www.oman-arabbank.com/wp-content/uploads/OAB_TARIFF_REVIEW_RETAILBANKING_2026_E.pdf

**S18 / Bank Nizwa: Mudaraba investment KFS**
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https://banknizwa-media.s3.me-central-1.amazonaws.com/cms/kfs_mudharaba_investment_3_dc9b15b69a.pdf

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**S20 / CBO: payment clearing systems dashboard**
2025 series; official indexed dashboard checked 2026-09-06; full page fetch timed out
https://cbo.gov.om/pages/cbohome.aspx

**S21 / CBO: Open Banking Regulatory Framework**
Official framework index, updated 2025-06-05; full framework not re-retrieved
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**S22 / NCSI: population bulletin**
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https://api.ncsi.gov.om/uploads/pdfs/monthly_statistical_bulletin___february_2026_1771918649.pdf

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https://api.ncsi.gov.om/uploads/pdfs/monthly_statistical_bulletin__april_2026_1776679304.pdf

**S24 / IMF: Labor Market Dynamics in Oman**
SIP/2025/034; introduction
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**S25 / DBS: Annual Report 2025**
PDF spread p.21; retail wealth management
https://www.dbs.com/annualreports/2025/i/pdf/dbs-ar-2025.pdf

**S26 / Nu: Q2 2026 results**
Released 2026-08-13; Q2 2026
https://international.nubank.com.br/company/nu-holdings-ltd-reports-second-quarter-2026-financial-results/

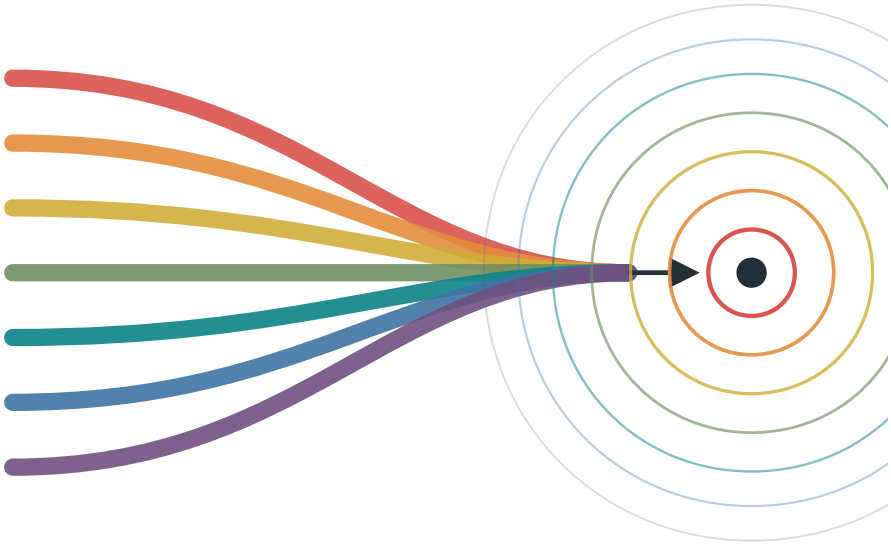
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**S29 / Saudi Press Agency: FSDP Annual Report 2024**
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**S30 / OMPAY: JEEL announcement archive**
Official June2026 archive
https://ompay.om/2026/06

MAHMOOD INSIGHT



# The future of banking products is not more products.

## It is making the products disappear inside a relationship customers would actually miss.

Mahmood Al Hattali · Comparative edition · 6 September 2026

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