OMAN'S ISLAMIC BANKING RESET

THE END OF THE WINDOW

From thirteen years of growth to the next market architecture

What Oman built. What the CBO changed. What independence really requires. And which structures now make economic sense.

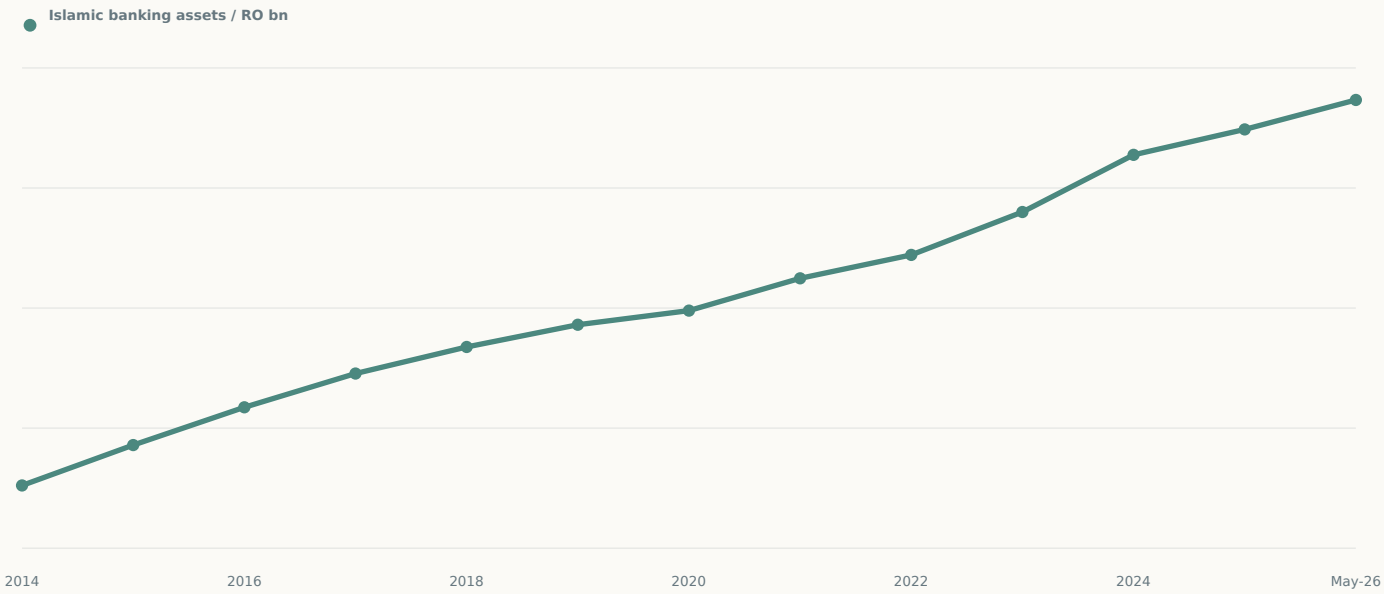
> **The window was an entry model. The next decision is whether each franchise should become a bank.**

Evidence cut-off: 19 August 2026. Independent professional sector commentary.

2014 - MAY 2026

From RO1.4bn to RO9.8bn: Islamic banking became a major part of Oman.

The sector did not arrive at the transformation debate as a niche. It spent more than a decade compounding scale, financing, customer funding and distribution.



7.1x
asset expansion from 2014 to May 2026

19.0%
of banking-system assets at May 2026

RO7.9bn
Islamic financing outstanding at May 2026

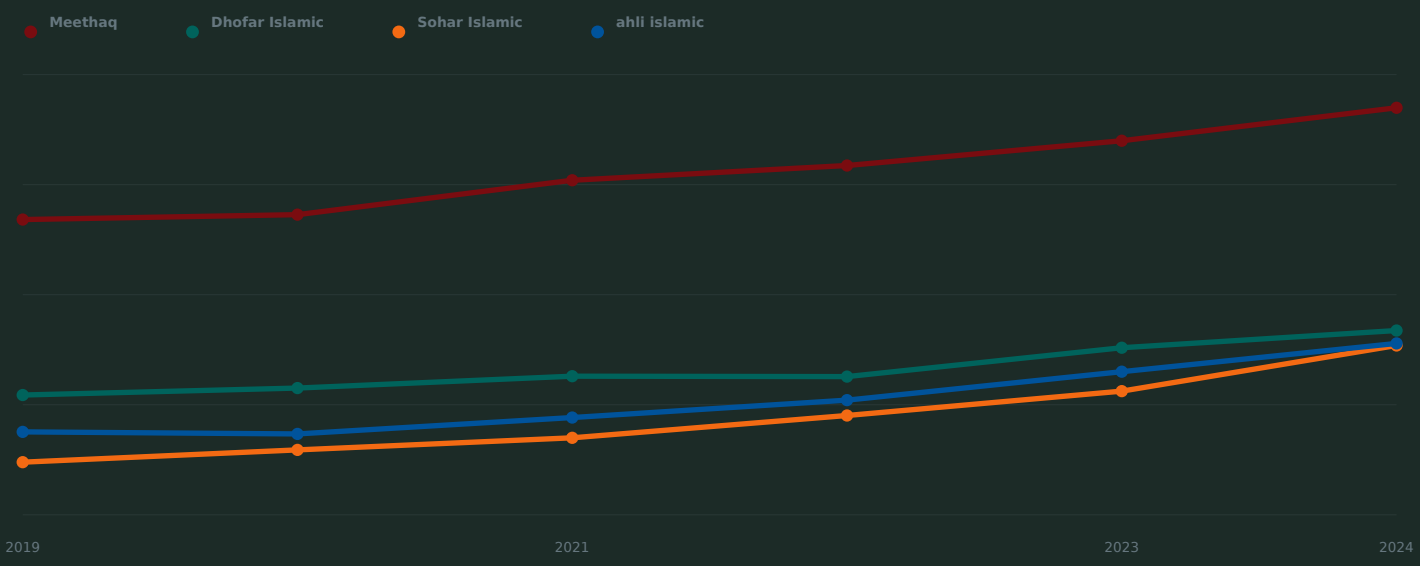
> **The transformation debate is not about whether Islamic banking works in Oman. More than a decade of growth already answered that.**

CBO sector data and Monthly Statistical Bulletin May 2026: Islamic assets RO9.8bn, financing RO7.9bn, customer deposits RO7.8bn; assets = 19.0% of system.

NOT ONE FRANCHISE - A MARKET

Growth spread across the windows - and across the country.

By the time the rules changed, the major windows were no longer small side businesses. Their balance sheets and dedicated physical networks had become material.



Assets / RO bn | common controlled period 2019-2024

The physical franchise expanded too.



Common four-window series: Meethaq + Dhofar Islamic + Sohar Islamic + ahli islamic.

Muzn adds 8 dedicated branches at H1 2026.

Audited window histories and Distribution_History control sheet. Missing years are not back-filled.

THE MARKET MATURED BEFORE THE RULES CHANGED

The story was never only growth. The infrastructure matured with it.

2012 — IBRF

Islamic banking formally enabled; regulatory framework issued.

2013 — LAUNCH

Full Islamic banks and six windows begin building the market.

2015 — SHARIA GOVERNANCE

High Sharia Supervisory Authority established.

2017 — SUKUK

Meethaq demonstrates capital-market capability through Sukuk.

2020 — FIRST STRUCTURAL PRECEDENT

OAB acquires Alizz; Al-Yusr is combined into Alizz.

2022 — LIQUIDITY INFRASTRUCTURE

CBO introduces Islamic Wakala money-market instrument.

2025 — BANKING LAW

The updated law provides the legal basis for Islamic-bank transformation.

2026 — IB 13 + LIVE M&A

Window transformation framework arrives; Bank Nizwa proposes combining with Alizz.

> **By 2026, the architecture itself - not Islamic banking demand - had become the strategic question.**

CBO Major Milestones; Banking Law 2/2025; Circular IB 13; Bank Nizwa / OAB MSX disclosures dated 16-23 July 2026.

7 JULY 2026 / CIRCULAR IB 13

The window is no longer the destination.

The CBO intervention converts a strategic question that could once be deferred into a board-level transformation decision with a formal roadmap and an end-state horizon.

07 JUL 2026
IB 13 issued

31 DEC 2026
Board-approved WTR due

2030
Transformation horizon*

BEFORE

A window can depend extensively on the parent.

AFTER

The end-state must carry an independent-bank architecture.

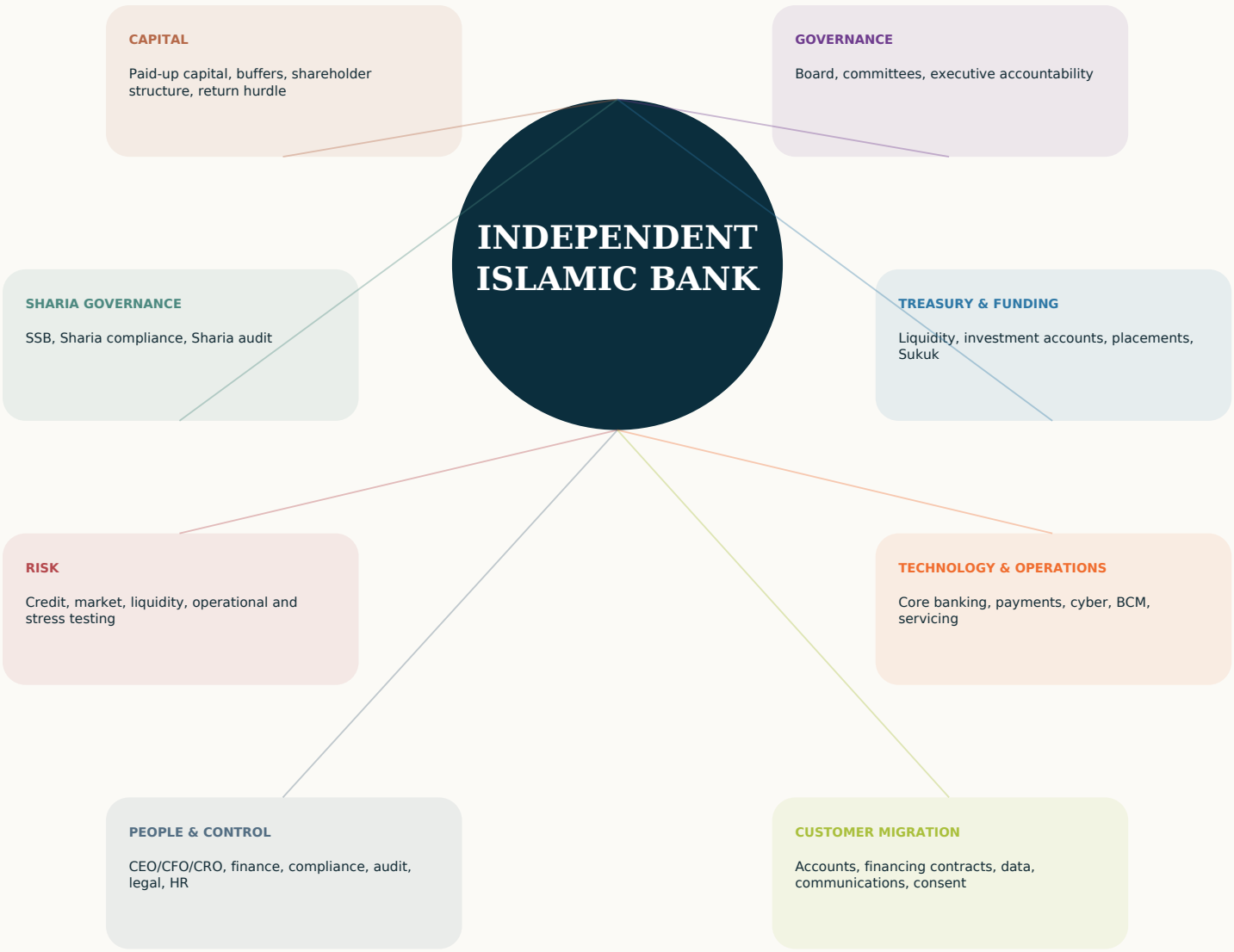
> **The circular does not say that five new operating stacks will create five good banks. That is the economic decision still to be made.**

CBO Circular IB 13 listing; Banking Law 2/2025 Article 129. *Exact completion wording and route mechanics remain subject to primary-clause lock.

A WINDOW BECOMING A BANK

This is not a licence change. It is an institutional build.

A window can share people, liquidity, technology, contracts and control functions with its parent. An independent Islamic bank must know what moves, what is rebuilt and what may remain under permitted service arrangements.

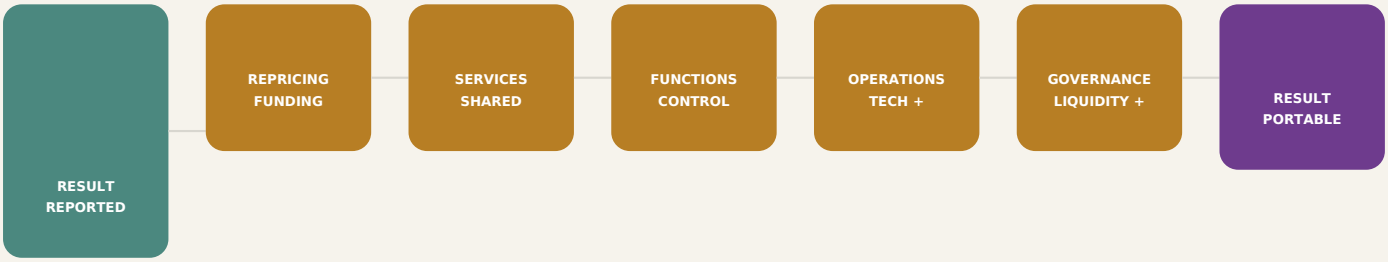


Implementation framework derived from IBRF, Banking Law and bank-operating-model requirements. Exact IB 13 mandated separations remain a legal-mapping workstream.

WHAT HAPPENS WHEN THE PARENT DISAPPEARS?

A RO1bn window is not automatically a RO1bn bank.

The balance sheet may transfer. The economics do not transfer automatically. The key question is how much of today's reported result is truly portable.



Illustrative bridge - not a forecast. The publication uses this logic, not these illustrative percentages, in bank decisions.

> **The conversion test is not 'can this window meet a capital number?' It is 'does the independent Islamic bank still earn an acceptable return after the parent is removed?'**

That creates two board equations:

1. Portable standalone result -> return on standalone capital

2. Combination value -> portable result + real cost removal - integration cost

Economic framework only. All bank-specific sensitivities use controlled reported PBT/NPAT/segment results and explicit caveats.

WHAT MANAGEMENT ACTUALLY HAS TO DO

The transformation is a programme - not a filing.

01 DECIDE

Standalone, combine, transfer; shareholder case

02 DESIGN

Legal entity, governance, Sharia governance, target operating model

03 CAPITALISE

Capital plan, liquidity, funding, shareholder structure

04 SEPARATE

People, controls, technology, contracts, data, operations

05 MIGRATE

Financing, accounts, investment accounts, customer communications

06 LICENSE

Regulatory evidence, readiness, governance appointments

07 CUT OVER

Operational launch, controls, service continuity

08 STABILISE

Post-launch risk, profitability, liquidity and customer experience

> **The transformation roadmap should begin with the target institution - not with a list of separation tasks.**

Management roadmap framework; sequencing is analytical and subject to IB 13's final mapped requirements.

THE PIVOT

A regulatory requirement is not an economic obligation to build five identical banks.

The board now has to separate two questions that are easy to confuse.

QUESTION 1

REGULATORY

What end-state and transformation route will satisfy the CBO framework?

QUESTION 2

ECONOMIC

Which structure should shareholders actually want to own after the economics are rebuilt?

> **Only after both questions are answered should the board choose the route.**

Mahmood Insight decision framework.

TWO TESTS - NOT ONE

First test independence. Then test combination.

STANDALONE GATE

01 SCALE
Is the franchise large enough?

02 EARNINGS
Are results sustainable?

03 PORTABILITY
What remains after separation?

04 CAPITAL RETURN
Is the resulting return worth the capital?

COMBINATION GATE

01 COST REMOVAL
What actually disappears?

02 FUNDING
Does funding quality improve?

03 FRANCHISE FIT
Are customers and capabilities complementary?

04 EXECUTION
Can value survive migration and integration?

> **Scale gets a structure into the conversation. Portable return decides whether it deserves to exist.**

Economic decision framework. Legal permissibility remains a separate CBO/IB 13 gate.

Seven institutions. Three routes before the final call.

The market does not point to one structural answer. This page groups the first test; page 23 gives the final strategic instruction.

INSTITUTION	ROUTE / DECISION	PRIMARY GATE
Meethaq	CONVERT FIRST	Economics outside parent
Dhofar Islamic	CONVERT - RISK BRIDGE	Risk normalisation
Sohar Islamic	CONVERT - LEAN ONLY	Lean standalone cost
ahli islamic	CONVERT / COST GATE	Fully allocated cost
Muzn	COMBINE FIRST	Combination value
Bank Nizwa	LIVE PROPOSED	Non-binding transaction
Alizz Islamic	LIVE PROPOSED	Non-binding transaction

The market has already moved from theory to execution: Bank Nizwa and Alizz are now a live proposed consolidation case.

* Proposed and non-binding; due diligence, definitive terms and required approvals remain open.

Meethaq

Scale is already proven. The shareholder question is whether the franchise still earns enough once parent funding, risk, liquidity, tax and shared services are rebuilt for a separate Islamic bank.

CONVERT FIRST

SUPPORTED

BEST ALTERNATIVE / ROLE TO TEST Benchmark against Bank Nizwa if portable return fails

ASSETS	FINANCING	FUNDING	NET RESULT	BRANCHES
RO2.110bn	**RO1.707bn**	**RO1.676bn**	**RO6.1m**	**31**
H1 2026	H1 2026	H1 customer funding	H1 contribution	dedicated

SCALE	EARNINGS	PORTABILITY	CAPITAL RETURN
PASS	**PASS**	**CONDITIONAL**	**CONDITIONAL**

EVIDENCE THAT CARRIES THE DECISION

1. Largest current window by disclosed assets.
2. FY2025 NPAT RO11.820m; operating income RO45.475m; impairment RO14.705m.
3. FY2025 notes disclose RO70m Head Office Qard Hassan plus central risk/liquidity dependencies.

WHAT THE BOARD SHOULD DO NEXT

Test conversion first - but design a lean independent Islamic institution, not a copy of Bank Muscat's entire operating stack.

> **Group infrastructure may be doing more economic work than the window accounts reveal.**

WHAT CHANGES THE CALL

Normalized post-separation return fails the shareholder hurdle after funding and shared-service costs are rebuilt.

EDITOR'S READ

Scale is not the question.
The amount of economics that survives outside Bank Muscat is.

Sources: controlled audited/interim disclosures in Research Control v0.6. Terms follow Islamic-bank reporting; audited NPAT/PBT labels retained where used by source.

Dhofar Islamic

The franchise has scale and visible parent commitment. The decision turns on whether the 2025 impairment shock is temporary risk cost or a durable earnings drag.

CONVERT - SUBJECT TO RISK BRIDGE

CONDITIONAL

BEST ALTERNATIVE / ROLE TO TEST If normalized return fails: test Bank Nizwa / Alizz

ASSETS	FINANCING	FUNDING	PBT	BRANCHES
RO1.022bn	**RO981m**	**RO915m**	**RO2.43m**	**31**
FY2025	H1 2026	H1 customer funding	H1 2026	dedicated

SCALE	EARNINGS	PORTABILITY	CAPITAL RETURN
PASS	**CONDITIONAL**	**CONDITIONAL**	**CONDITIONAL**

EVIDENCE THAT CARRIES THE DECISION

1. FY2025 pre-ECL operating result rose to RO15.44m from RO11.51m.
2. ECL rose to RO11.77m from RO2.51m, driving FY2025 PBT down to RO3.67m.
3. Board approved +RO50m capital subject to approvals; network reached 31 branches.

WHAT THE BOARD SHOULD DO NEXT

Keep conversion credible only after ECL normalization and a post-separation cost bridge prove an adequate return on the enlarged capital base.

> **A larger capital base and 31-branch footprint can still produce unattractive returns if risk or fixed cost stays high.**

WHAT CHANGES THE CALL

Persistent deterioration in ECL/staging, or normalized earnings that cannot support post-conversion capital and cost.

EDITOR'S READ

The franchise is large enough. Risk normalisation decides whether independence earns its capital.

Sources: controlled audited/interim disclosures in Research Control v0.6. Terms follow Islamic-bank reporting; audited NPAT/PBT labels retained where used by source.

Sohar Islamic

A billion-riyal balance sheet is enough to test independence, but not enough to justify duplicating a conventional-bank stack. Standalone works only if separation is deliberately lean.

CONVERT - LEAN MODEL ONLY

CONDITIONAL

BEST ALTERNATIVE / ROLE TO TEST — **Priority combination test: ahli islamic**

ASSETS	FINANCING	FUNDING	NPAT	BRANCHES
RO1.026bn	**RO789.9m**	**RO898.5m**	**RO3.572m**	**21**
H1 2026	H1 net	H1 customer funding	H1 2026	dedicated

SCALE	EARNINGS	PORTABILITY	CAPITAL RETURN
PASS	**PASS**	**CONDITIONAL**	**CONDITIONAL**

EVIDENCE THAT CARRIES THE DECISION

1. FY2025 NPAT RO7.243m; H1 2026 NPAT RO3.572m.
2. FY2025 Stage 2 share rose to ~24.1%; Stage 3 remained ~1.0%.
3. FY2025 notes disclose RO0.8m shared-support allocation and Head Office funding transactions.

WHAT THE BOARD SHOULD DO NEXT

Test a digital-first / lean conversion and, in parallel, Sohar + ahli. Compare portable return, not headline assets.

> **Recent investment may still be seasoning; earnings could rise as scale matures and risk staging normalizes.**

WHAT CHANGES THE CALL

Standalone cost proves materially higher than the earnings base can support, or risk cost rises enough to erode return.

EDITOR'S READ

Standalone is credible only if the bank is built to the economics the franchise can actually carry.

Sources: controlled audited/interim disclosures in Research Control v0.6. Terms follow Islamic-bank reporting; audited NPAT/PBT labels retained where used by source.

ahli islamic

Standalone is now a real case - with a cost and capital gate.

Audited 2025 standalone-window statements close the evidence gap. The question is now economic: can a lean standalone bank carry its fully allocated cost and capital?

DECISION	CONVERT / COST GATE	CONDITIONAL

BEST ALTERNATIVE / ROLE TO TEST — **Test Sohar combination as challenger - not default**

ASSETS	FINANCING	CUSTOMER FUNDS	NPAT	BRANCHES
RO1.051bn	**RO979.3m**	**RO1.003bn**	**RO12.642m**	**26**
FY2025 audited	H1 2026 gross	H1 2026	FY2025 audited	dedicated

Scale	Earnings	Portability	Capital return
PASS	**PASS**	**CONDITIONAL**	**CONDITIONAL**

EVIDENCE THAT CARRIES THE DECISION

1. Audited FY2025 assets RO1.051bn and owner equity RO107.166m.
2. NPAT rose to RO12.642m from RO8.124m in 2024; the 2023-2025 average is RO9.276m.
3. Total regulatory capital was RO103.904m and total CAR 13.36% at FY2025. Current-window capital does not settle the final IB 13 standalone requirement.

WHAT THE BOARD SHOULD DO NEXT

Build a fully allocated standalone P&L covering technology, treasury, liquidity, risk, finance, compliance, tax and shared services. Then compare its capital return with a Sohar combination case.

STRONGEST ARGUMENT AGAINST

A lean standalone model may still be uneconomic if final IB 13 capital or shared-service rules materially raise the cost base.

WHAT CHANGES THE CALL

Fully loaded standalone return falls below the board hurdle - or a combination clearly creates more value.

EDITOR'S READ

Independence is now a real case. Cost and capital decide.

Muzn

Combine first - because standalone economics are cost sensitive.

Audited 2025 accounts close the evidence gap. The question is economic: can RO6.413m of NPAT absorb a new standalone operating stack?

DECISION **COMBINE FIRST** **COST SENSITIVE**

BEST ALTERNATIVE / ROLE TO TEST **Lean standalone challenger; receiving platform after Nizwa-Alizz**

ASSETS	FINANCING	CUSTOMER FUNDS	NPAT	BRANCHES
RO503.5m	**RO403.9m**	**RO373.9m**	**RO6.413m**	**8**
FY2025 audited	Q1 2026 gross	Q1 2026	FY2025 audited	dedicated

Scale	Earnings	Portability	Capital return
CONDITIONAL	**THIN**	**CONDITIONAL**	**CONDITIONAL**

EVIDENCE THAT CARRIES THE DECISION

1. Audited FY2025 assets were RO503.473m and owner equity RO78.114m.
2. NPAT was RO6.413m in 2025 versus RO5.709m in 2024 and RO2.664m in 2023; the 3-year average is RO4.929m.
3. Total regulatory capital was RO79.476m and total CAR 18.74%. A RO5m separation-cost sensitivity almost erases the 3-year profit base.

WHAT THE BOARD SHOULD DO NEXT

Price contribution or combination first, then run a lean standalone challenger. The burden of proof is now economic, not informational.

STRONGEST ARGUMENT AGAINST

Actual separation costs may be materially below the sensitivity - or sustainable earnings may step up enough for standalone return to beat combination.

WHAT CHANGES THE CALL

A receiving-platform valuation is weak, or the lean standalone model clears the board return hurdle after full separation cost.

EDITOR'S READ

Franchise value first. New bank stack only if economics clear it.

Bank Nizwa

Bank Nizwa is no longer only a theoretical consolidator. On 16 July 2026 it submitted a non-binding proposal to acquire 100% of Alizz at an indicative 1.2x book value and merge Alizz into Bank Nizwa. That makes it both the cleanest standalone benchmark and the first live consolidation response in the post-IB 13 market.

ACTIVE CONSOLIDATION PROPOSAL / STANDALONE BENCHMARK

ACTIVE / NON-BINDING

BEST ALTERNATIVE / ROLE TO TEST Proposed merger by incorporation of Alizz into Bank Nizwa

ASSETS	FINANCING	FUNDING	NPAT	BRANCHES
RO2.039bn	**RO1.663bn**	**RO1.644bn**	**RO2.605m**	**23**
Q1 2026	Q1 2026	URIA + current a/c	Q1 2026	dedicated

SCALE	EARNINGS	PORTABILITY	CAPITAL RETURN
CURRENT	**CURRENT**	**TEST**	**TEST**

EVIDENCE THAT CARRIES THE DECISION

1. FY2025 assets RO2.033bn and NPAT RO20.051m; NPAT +10.7% YoY.
2. 16 Jul 2026: Bank Nizwa submitted a non-binding proposal for Alizz at an indicative 1.2x book value.
3. 23 Jul 2026: OAB accepted the letter of intent for progressing due diligence and negotiations; completion remains subject to definitive documentation and approvals.

WHAT THE BOARD SHOULD DO NEXT

Treat the proposed Nizwa-Alizz combination as the market's live reference case. Test whether the enlarged platform genuinely improves fully allocated return after integration, capital, funding and risk - then use that benchmark when considering additional window contributions such as Muzn.

> **A live transaction can still destroy value if integration cost, risk transfer or capital consumption outweigh scale and cost removal.**

WHAT CHANGES THE CALL

Due diligence or definitive terms show that the enlarged bank fails to improve risk-adjusted shareholder return, or the transaction does not proceed.

EDITOR'S READ

Part of the market solution - not just a comparator.

Sources: controlled audited/interim disclosures in Research Control v0.6. Terms follow Islamic-bank reporting; audited NPAT/PBT labels retained where used by source.

Alizz

Alizz is no longer only a potential receiving platform. It is the subject of a live proposed merger by incorporation into Bank Nizwa. The proposal is non-binding, but it provides the market's clearest real-time test of whether consolidation can create a stronger Islamic banking platform after IB 13.

ACTIVE PROPOSED MERGER INTO BANK NIZWA

ACTIVE / NON-BINDING

BEST ALTERNATIVE / ROLE TO TEST OAB accepted Bank Nizwa's letter of intent for further discussions

ASSETS	FINANCING	FUNDING	SEGMENT RESULT	BRANCHES
RO1.499bn	**RO1.289bn**	**RO1.310bn**	**RO2.615m**	**17**
Q1 segment	Q1 2026	Q1 calculated	Q1 segment	dedicated

SCALE	EARNINGS	PORTABILITY	CAPITAL RETURN
CURRENT	**CURRENT**	**TEST**	**TEST**

EVIDENCE THAT CARRIES THE DECISION

1. 16 Jul 2026: Bank Nizwa proposed acquiring 100% of Alizz at an indicative 1.2x book value before merger by incorporation.
2. 23 Jul 2026: OAB's board accepted the non-binding letter of intent for progressing discussions, due diligence and negotiations.
3. OAB's segment reporting still states that central-function costs are managed at group level and are not allocated to operating segments.

WHAT THE BOARD SHOULD DO NEXT

Read the proposed transaction as a live strategic precedent, not a completed deal. Any judgement must bridge Alizz's segment economics to fully allocated standalone economics and then price integration, capital and funding effects.

> **The proposed valuation and scale can look attractive while fully allocated economics or execution risk still fail the shareholder test.**

WHAT CHANGES THE CALL

Definitive terms, due diligence or approvals materially change the economics - or the proposal is withdrawn.

EDITOR'S READ

Part of the market solution - not just a comparator.

Sources: controlled audited/interim disclosures in Research Control v0.6. Terms follow Islamic-bank reporting; audited NPAT/PBT labels retained where used by source.

MARKET STRUCTURE

One combination is already live. Which models come next?

Bank Nizwa-Alizz is now a proposed transaction, not an analytical scenario. The remaining matrix asks where additional modelling could still change a board decision.

LIVE / NON-BINDING

BANK NIZWA + ALIZZ

Due diligence, definitive terms and approvals remain open

COMBINATION SCREEN

Matrix first. Scenario notes second.

	Meethaq	Dhofar	Sohar	ahli	Muzn	Nizwa*	Alizz*
Meethaq	-	L	W	W	L	B	B
Dhofar	L	-	W	W	W	W	W
Sohar	W	W	-	P	W	W	W
ahli	W	W	P	-	W	W	W
Muzn	L	W	W	W	-	P	P
Nizwa*	B	W	W	W	P	-	A
Alizz*	B	W	W	W	P	A	-

PRIORITY MODELS TO RUN NEXT

01	**SOHAR + AHLI**	Priority hypothetical combination
02	**MUZN -> NIZWA / ALIZZ**	Receiving-platform test; contingent on live deal outcome
03	**DHOFAR FALLBACK**	Test enlarged Islamic platform only if standalone risk-adjusted return fails

A active proposed transaction P priority model W worth testing B benchmark / high-friction L lower priority

* Bank Nizwa-Alizz outcome remains uncertain. Pair arithmetic is orientation, not pro-forma financial statements.

Three cases boards should track now.

One is live. Two are disciplined challengers to automatic standalone conversion.

01 BANK NIZWA + ALIZZ

ACTIVE / NON-BINDING

Indicative signal

1.2x book

Structure

Merger by incorporation

WHAT IS STILL OPEN

Watch due diligence, definitive terms, valuation bridge, capital instruments, central-cost allocation, integration design and regulatory approvals.

02 SOHAR + AHLI

FULL ALTERNATIVE MODEL

Combined financing

RO1.769bn

Customer funds

RO1.902bn

Branches

47

WHAT IS STILL OPEN

Test whether one operating stack can replace two. Separation cost, final IB 13 capital mechanics, portfolio quality and integration economics remain open.

03 MUZN -> RECEIVING PLATFORM

COMBINATION-FIRST TEST

Financing

RO0.404bn

Customer funds

RO0.374bn

Branches

8

WHAT IS STILL OPEN

Compare contribution value inside an existing platform with the cost of a new standalone stack. Receiving-platform outcome and separation cost remain open.

Combination only creates value when real duplication disappears - not when balance sheets are merely added together.

A few million rials of extra cost can change the decision.

Illustrative annual-cost sensitivity only. It is not a forecast of separation cost.

Franchise	Base	After RO3m	After RO5m	After RO8m
Meethaq	10.0	7.0	5.0	2.0
Dhofar Islamic	7.1	4.1	2.1	-0.9
Sohar Islamic	5.9	2.9	0.9	-2.1
ahli islamic	9.3	6.3	4.3	1.3
Muzn	4.9	1.9	-0.1	-3.1

Base = 2023-2025 average NPAT for Meethaq, Sohar, ahli islamic and Muzn; PBT for Dhofar Islamic, using controlled public statements. Values rounded to one decimal. This is a sensitivity, not a forecast.

Combination has the opposite test: what genuinely disappears?

- Management layers
- Technology duplication
- Overlapping branches
- Treasury & liquidity stacks
- Control functions
- Product & operations duplication

> **Scale is an input. Fully allocated portable return is the decision.**

THE END-STATE IS ALREADY STARTING TO FORM

The market structure is no longer a theoretical design exercise.

The proposed Bank Nizwa-Alizz combination means selective consolidation has moved from our scenario set into the market itself. The remaining question is how far that logic extends to the windows.

01

FRAGMENTED

Most windows become new banks

Maximum parent control. Maximum duplicated capital, management and operating cost.

02

SELECTIVE CONSOLIDATION

Strong conversions + targeted combinations

Now supported by a live Nizwa-Alizz proposal. Stronger windows can still convert; weaker standalone economics can use existing platforms.

03

DEEP CONSOLIDATION

A smaller number of larger Islamic banks

Strongest scale logic. Highest transaction, integration and concentration risk.

> **Selective consolidation is no longer just the most plausible scenario. It is already being tested in the market.**

Bank Nizwa-Alizz remains a non-binding proposed transaction subject to due diligence, definitive documentation and approvals.

Seven institutions. Five strategic instructions. One live consolidation case.

MEETHAQ	TEST STANDALONE FIRST
DHOFAR ISLAMIC	TEST STANDALONE IF RISK NORMALISES
SOHAR ISLAMIC	TEST LEAN STANDALONE / CHALLENGE WITH AHLI
AHLI ISLAMIC	TEST STANDALONE / COST + CAPITAL GATE
MUZN	COMBINATION FIRST / COST SENSITIVE
BANK NIZWA + ALIZZ	ACTIVE PROPOSED MERGER

The end of the window should not automatically become the beginning of banks the market does not need.

The strategic read is clearer. Some gates are still legal or economic.

Sector	CURRENT	May 2026 CBO: assets RO9.8bn / financing RO7.9bn / customer deposits RO7.8bn
Meethaq	CURRENT	Current scale; FY2025 audited economics
Dhofar Islamic	RISK GATE	Risk normalisation remains the decision gate
Sohar Islamic	PORTABILITY GATE	Portable earnings and portfolio quality remain watch points
ahli islamic	COST + CAPITAL GATE	FY2025 audited economics are available; final separation-cost and IB 13 capital mechanics remain open
Muzn	COMBINATION VALUE GATE	FY2025 audited economics are available; combination value and separation cost remain open
Nizwa + Alizz	ACTIVE / OPEN	Live proposed merger; definitive terms, due diligence and approvals remain open

OPEN LEGAL / TRANSACTION GATES

01 **Exact permitted IB 13 transformation routes**

02 **Independent-bank capital / legal-form mechanics**

03 **Shared-service and outsourcing boundary**

04 **Customer transfer / consent mechanics**

05 **Nizwa-Alizz definitive transaction terms and approvals**

Missing means not evidenced - never zero. A proposal is not a completed transaction. Legal uncertainty is shown as uncertainty.

LANGUAGE IS PART OF THE CONTROL ENVIRONMENT

The publication must sound like Islamic banking - because it is.

We retain audited accounting terms such as NPAT, PBT and profit where the Islamic entity itself uses them. We remove conventional product language when describing Islamic activities.

Preferred

USE	Financing
USE	Profit / profit rate
USE	Investment accounts / URIA / UIAH
USE	Sukuk
USE	Qard / Wakala / Murabaha / Ijarah
USE	Sharia governance / Sharia audit

Restricted / controlled

AVOID	Loan / lending when describing Islamic financing
AVOID	Interest / interest rate for Islamic products
AVOID	Borrower when 'financing customer' is accurate
CONTROL	Deposits only where source or account type supports the term
CONTROL	Credit risk is acceptable as a risk-management term
CONTROL	Conventional terminology may appear only in explicit comparator context

> **Precision matters more than fashionable language. Where an audited Islamic statement says 'profit', we keep 'profit'. Where the activity is financing, we do not call it lending.**

Islamic terminology control applied to all 26 pages.

THE WINDOW IS ENDING.

THE MARKET DESIGN IS ALREADY BEGINNING.

Oman spent more than a decade building Islamic-banking franchises. The next phase is deciding which should become institutions - and which should become part of something stronger.



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