الاستشارات
محمود إنسايت
ADVISORY
MAHMOOD INSIGHT

National Day Edition

National Day Edition · November 2026

إصدار اليوم الوطني · نوفمبر ٢٠٢٦

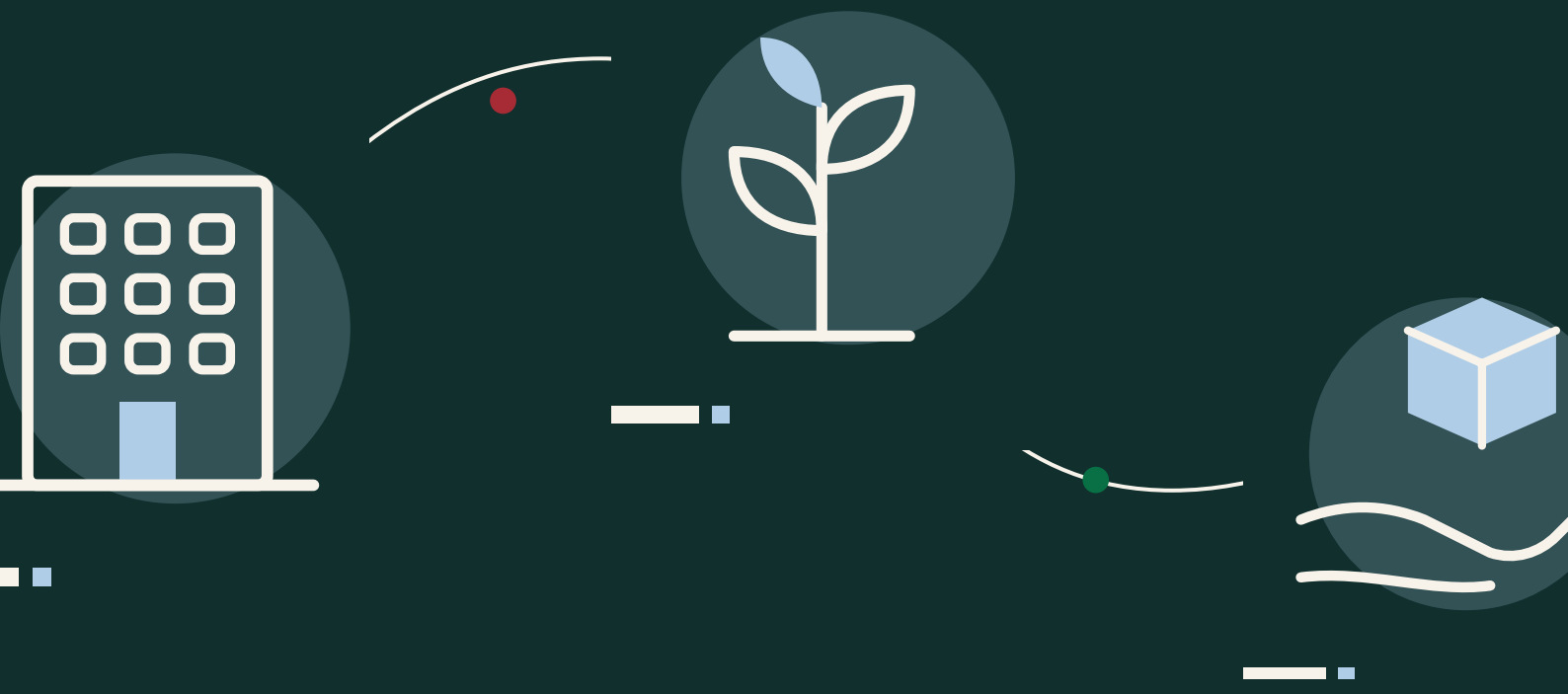
Oman Banking Outlook 2027

From national investment to lasting prosperity

Growth is the opening. Execution decides the return.

A 2027 decision guide for banking, business and public policy in Oman.

Mahmood Al Hattali



Data as at 12 November 2026

National Day Edition

On National Day, I want to connect our pride in Oman with the work of the year ahead. This outlook asks how banking can help a supplier get paid sooner and make everyday service more dependable.



Mahmood Al Hattali

Oman’s banking system in numbers

+13.8%

System credit growth

August 2026, year on year. [3]

OMR455m

Combined nine-month profit

Seven listed banking groups, to September 2026.

about

OMR8.2bn

Islamic financing

OMR10.2bn

Assets

At August 2026, Islamic financing was about OMR8.2bn and assets OMR10.2bn, or 19.2% of system assets. [3]



01 Execution determines banking returns in 2027

Funding quality, project cash collection and customer relationships determine how much growth reaches bank earnings.

The IMF forecasts Oman's real GDP growth at 2.2% in 2027; the World Bank's separate forecast is 3.4%. Both support expansion, with different implications for private-sector cash generation. The planning cases on page 16 test how funding, project delivery and collections could change bank decisions. [1] [2]

The seven banking groups earned OMR455m in the first nine months of 2026. Bank Muscat generated the largest profit, OAB recorded the fastest profit growth and Sohar International led credit expansion. Bank Nizwa's profit fell as costs and impairment increased. These are distinct results; returns also depend on capital, funding mix and credit quality. [4] [5] [6] [7]

Three forces connect the analysis: dependable funding, the conversion of investment into cash, and useful customer relationships. Consider a supplier whose bank matches an accepted invoice to the buyer's payment and resolves deductions. Faster collection can reduce borrowing while retaining operating balances and earning a service fee.

The first-quarter decisions

By day 30, test funding against a further 100-basis-point increase and cost implementation of the December 2026 Islamic-window roadmaps. By day 60, test a Fawtara invoice service and staff competence. By day 90, decide readiness for the 1 April phase against completion, control and recovery gates, then expand only above the agreed return hurdle.

2.2–3.4%

External 2027 GDP forecasts

IMF: 2.2%; World Bank: 3.4%. [1] [2]

External forecasts

OMR455m

Combined nine-month profit

Seven listed banking groups, to September 2026.

Reported bank results

+13.8%

System credit growth

August 2026, year on year. [3]

Observed in 2026

Quick route

Global forces 4–5
Projects 6
Bank results 7–10
Rules 11–13
Digital and people 14–15
Scenarios 16–17
CEO agenda 18–19
Closing judgment 20

Profitable growth depends on completing useful customer work with funding the bank can retain and costs it understands.

Data as at 12 November 2026. Bank results cover nine months; full-year 2026 results are not yet available.

02 Higher rates and disrupted trade routes

The Iran conflict and disruption to Hormuz shipping raise costs while redirecting trade towards Oman.

Funding | Conversion

The Fed raised its target range by 0.25 percentage points to 3.75–4.00% on 16 September 2026 and held it on 28 October 2026. CBO's repo rate rose to 4.5% on 17 September, its first increase since July 2023. Oman's year-on-year inflation eased from 3.4% in August to 2.9% in October 2026. The dollar peg transmits US policy into funding costs, while inflation squeezes household cash. [8] [9] [10] [11] [12]

The EIA reports Brent at US$124 a barrel in October, US$10 above September, amid the Iran conflict and Hormuz shipping disruption. Its November forecast puts the annual average near US$97 in 2026 and US$86 in 2027 as regional production recovers. Sohar Port separately reported 52m tonnes in the first half of 2026, up 52% year on year. Alternative routes create business now; repeat contracts determine what remains after shipping normalises. [13] [14] [15]

The IMF expects global growth of 3.1% in 2026 and 3.4% in 2027, with inflation easing from 4.7% to 4.1%. [16] Cheaper oil would soften Oman's public receipts while cheaper freight and inputs help private companies, redistributing returns within a bank's portfolio.

4.5%

CBO's repo rate

17 September

US$124

Brent

October

52m

tonnes

Sohar Port · first half of 2026

Higher oil receipts and redirected trade support Oman, while freight costs and late deliveries weaken exposed borrowers.

02 · Global conditions · Funding / Conversion

Figure 1 · How global events reach an Omani bank



External force	Opening for Oman	Banking consequence
Energy and shipping	Higher oil prices support public receipts; alternative routes attract cargo.	Freight, insurance and delivery delays increase working-capital demand and weaken some borrowers.
US rates and capital flows	Higher rates can lift asset yields and attract deposits.	Funding reprices and debt service rises. If rates fall, deposit costs may ease before or after loan yields, changing the margin.
Trade and sanctions	New routes and export-finance agreements support eligible business.	Correspondent screening and settlement restrictions can slow cash or raise its cost.
Technology competition	Chinese and other international providers widen the choice of cloud and AI services.	Access restrictions and dependence on a shared supplier can interrupt critical services.

November's China–Oman agreements establish a five-year CNY30bn/OMR1.5bn central-bank swap and cooperation on digital payments and central-bank digital currencies. The UK has increased export-finance support capacity to as much as £7bn for UK exports to Oman. Banks can turn eligible trade into finance through workable currency and payment arrangements. [17] [18]

Higher oil receipts and redirected trade support Oman, while freight costs and late deliveries weaken exposed borrowers.

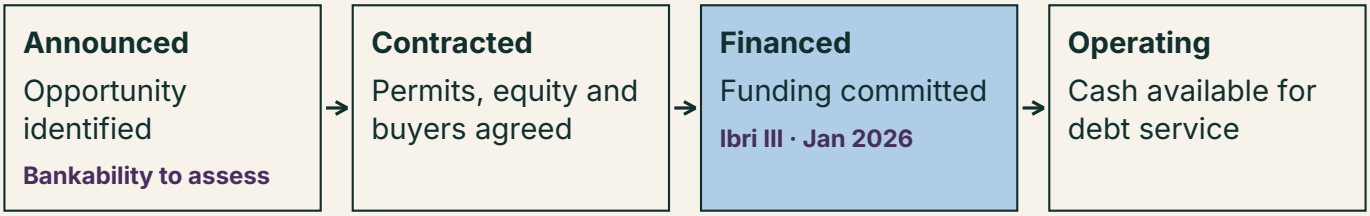
03 · Oman and Vision 2040 · Conversion

03 From project commitments to operating cash

approximately US$ 300m Ibri III

The 2027 opportunity sits in execution, supported by the Eleventh Five-Year Plan for 2026–2030.

Figure 2 · From announcement to debt service



Ibri III reached financial close in January 2026. Operating cash follows construction and commissioning. [22]

The Ministry of Finance reported January–September revenue of OMR9.828bn, spending of OMR9.738bn and a surplus of OMR90m. Public debt stood at OMR14.1bn at September-end. In 2027, Oman completes the first work programme of the Eleventh Five-Year Plan, linking Vision 2040 priorities to delivery under its 2026–2030 framework. [19] [20]

The IMF's 2027 growth forecast is 2.2%, compared with 3.4% at the World Bank. The IMF's November mission projects 4.5% growth in 2026 and 1.4% outside hydrocarbons. A broader private recovery therefore depends on contracts reaching suppliers and cash reaching businesses. [1] [2] [21]

Ibri III reached financial close in January 2026 for an approximately US$300m project combining 500MW of solar generation and 100MWh of storage. Masdar says Natixis CIB and First Abu Dhabi Bank facilities cover a substantial part of project costs; Dentons also names Bank Muscat among the financing banks.

Each lender's opportunity comprises its actual financing share and services such as supplier guarantees, payroll and operating accounts. [22] [23]

A hydrogen export announcement requires a different credit decision from a solar project with contracted revenue because construction readiness and committed buyers determine when cash can start. A hotel's occupancy or a warehouse's signed leases gives the lender a more immediate repayment signal than the announced size of a sector programme.

The EU's carbon-border regime entered its definitive phase in January 2026 for selected goods. Relevant Omani exporters face a commercial question about emissions information and buyer pricing. Flood exposure, extreme heat and insurance exclusions also affect the cash an asset can generate, including when its financing carries a green label. [24]

A bankable pipeline identifies the next condition, the cash it releases and the party responsible for delivery.

Funding

04 Bank earnings and balance-sheet growth

Bank performance

All seven groups expanded credit; profit growth and the contribution of funding, costs and impairment varied.

Deposits grew faster than credit at NBO, Bank Dhofar and Ahli Bank, matched credit at OAB, and lagged at Bank Muscat, Sohar International and Bank Nizwa. Sohar International's 12.7-point differential describes growth; financing needs depend on starting balances and funding mix.

209.2

Profit
OMRm

Bank Muscat

Figure 3 · Bank results and balance-sheet growth

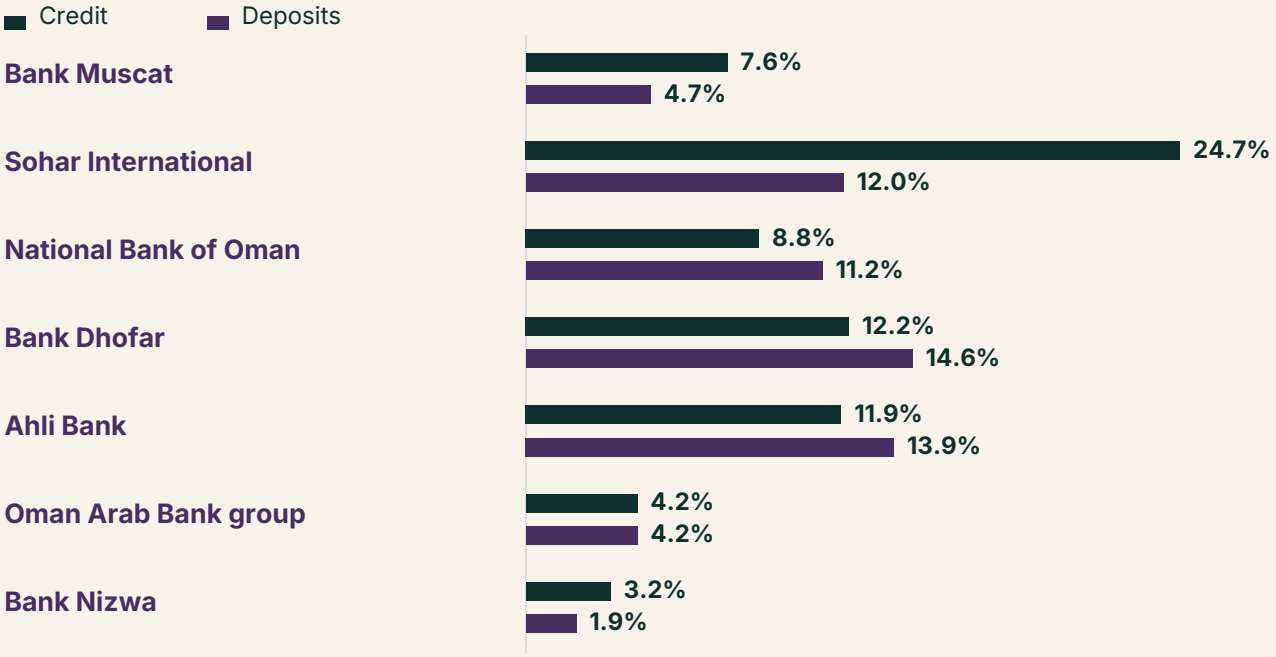
Bank	Profit OMRm	Profit YoY	Credit YTD	Deposits YTD
Bank Muscat	209.2	+9.2%	+7.6%	+4.7%
Sohar International	77.6	+9.8%	+24.7%	+12.0%
National Bank of Oman	57.6	+11.2%	+8.8%	+11.2%
Bank Dhofar	38.9	+7.9%	+12.2%	+14.6%
Ahli Bank	36.5	+12.5%	+11.9%	+13.9%
Oman Arab Bank group	28.2	+20.7%	+4.2%	+4.2%
Bank Nizwa	7.0	−52.5%	+3.2%	+1.9%

Profit: nine months to September, year on year. Credit and deposits: September 2026 versus December 2025; scope details on page 23. [4] [5] [25] [26] [27] [6] [7]

Bank Nizwa's cost and impairment pressure overwhelmed income growth.

04 · Bank performance · Funding

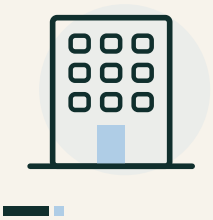
Figure 3 continued · Credit and deposit growth, %



Sohar International's income grew 24.1%, costs 27.2% and impairment 50.3%; basic EPS fell from 10.67 to 9.32 baisa after perpetual-capital payments and share-count growth. Bank Muscat's credit-loss charge fell from OMR43.6m to OMR32.8m, supporting profit. [5] [4]

Bank Nizwa's 2.8% income growth was outpaced by costs (+14.6%, excluding impairment) and impairment (more than doubled), explaining its 52.5% profit fall. [7]

Sohar International completed an OMR149.3m rights issue; Bank Dhofar's board approved OMR154m AT1 and OMR50m for Dhofar Islamic's assigned capital, subject to approvals. Bank Muscat raised its authorised-capital ceiling. [28] [29] [30] Fitch's December 2025 sovereign upgrade to BBB– improved credit standing; bank wholesale pricing still depends on risk and market rates. [31]



OMR

149.3m

rights issue

Sohar International

Sohar International's expansion also brought costs and impairment above income growth.

05 Funding costs and supplier cash collection



August market rates provide a lending and deposit snapshot ahead of September's policy-rate increase.

Funding | Conversion

August 2026 system credit was OMR38.806bn, up 13.8% year on year; private-sector deposits were OMR24.844bn, up 11.1%. Weighted OMR deposit and lending rates were 2.379% and 5.323%; overnight interbank was 3.734%. CBO's repo rate rose to 4.5% in September, increasing the importance of repricing and deposit retention. [3] [10]

2.379%

Weighted OMR deposit rate

August 2026

Income / net-lending growth, year on year:

- Bank Muscat: 3.4% / 8.0%. [4]
- Sohar International: 24.9% / 41.8%. [5]
- NBO: 10.5% / 8.4%. [25]
- Bank Dhofar: 7.6% / 10.4%. [26]
- Ahli Bank: 11.4% / 17.2%. [27]

Income: net interest plus net Islamic income, nine months to September. Lending: September-end 2026 versus 2025.

Sohar International's demand and savings deposits rose to 74.7% of customer deposits in September from 64.5% in December. The mix improved; its value depends on concentration and retention because a few institutional balances can move quickly. [5]

Core income grew more slowly than closing net lending at four of these five banks; NBO recorded the reverse pattern. Growth timing, investment income and loan and deposit pricing help explain the difference.

05 · Funding and cash cycles · Funding / Conversion

Funding costs and supplier cash collection

Faster government payment can reduce borrowing and improve repayment capacity together. Updated standard contracts remove the 5% retention provision for contracts under that framework. The Ministry of Finance targets payment within an average of five working days after complete documentation, making invoice acceptance critical to the cash cycle. [32] [19]

5%

retention provision

Updated standard contracts

Figure 4 · What faster supplier payment releases

Average receivables, OMR

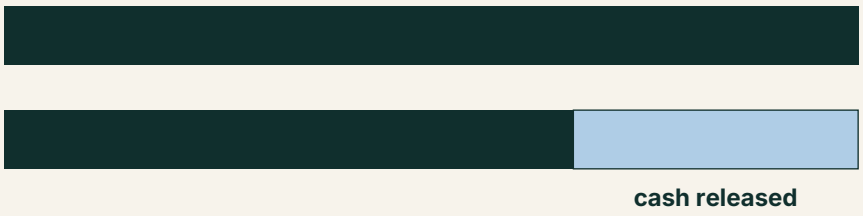


Illustration: OMR1.2m annual credit sales × collection days ÷ 360. Other working-capital factors unchanged.

OMR6,000

less gross annual interest

OMR100,000 less average borrowing for a full year × illustrative 6%; gross interest.

In this illustration, OMR100,000 less average borrowing for a full year reduces gross interest by OMR6,000 at 6%. Lower funding costs and credit losses may offset part of the bank's lost interest income. Retaining the supplier's operating account and useful paid services can preserve relationship value.

Seasonal peaks and new orders determine facility limits. Collections, inventories and supplier payments explain the cash absorbed by growth.

Stable deposits and paid cash-management services make supplier relationships valuable even when faster collections reduce borrowing.

06 New permissions and customer competition

about **35.6%**

Personal loans end-2025

New permissions broaden competition for customer activity while keeping financial services under supervision.

Figure 5 · Who may do what

Bank	Digital bank	Open-banking provider
Accept deposits and provide credit within its licence; participate in open banking under CBO requirements.	Local capital: OMR30m, or OMR10m for restricted category two. Omanisation: 50% in year one to 90% in year five.	Provide account information or initiate payments with consent; customer funds remain with the account provider.

Banking Law and CBO's June 2025 digital-bank and open-banking frameworks. [33] [34] [35]

The Banking Law issued under Royal Decree 2/2025 replaces the 2000 law and brings financial technology, electronic financial services and loan-based crowdfunding within a wider regulated perimeter. CBO licensing determines who may carry out each activity; the commercial opportunity then depends on distribution and customer use. [33]

Open banking allows a provider to help customers view accounts or initiate payments. Explicit consent and permission withdrawal shape that service, while cross-border data transfer requires the stipulated approvals and consent. A provider can win the interface while the bank retains the balance sheet and service duties, so the allocation of fraud, support and acquisition costs determines who earns the return. [35]

Digital banks face banking economics through a different delivery model. Minimum capital enables entry; customer acquisition, fraud control and dependable service determine whether the business earns an adequate return. [34]

Household commitments

Personal loans represented about 35.6% of total bank lending at end-2025. CBO's February 2025 framework caps salary-linked housing and general personal finance at 6% on an effective reducing-balance basis. October 2026 year-on-year inflation of 2.9% adds pressure to household budgets. BNPL instalments belong in the same repayment calendar as loans and cards; the February 2026 BNPL rules require credit-history and capacity checks. [36] [37] [12] [38]

Personal income tax begins in 2028, giving banks and employers a 2027 preparation year for affected customers' payroll and savings plans. The law's scope and deductions determine the impact on each household. [39]

The commercial test is whether a provider can retain useful customer activity and cover its acquisition, fraud, service and funding costs.

07 Islamic transformation: structure and liquidity

The required transition brings legal structure, treasury capacity, systems and customer service into the same work programme.

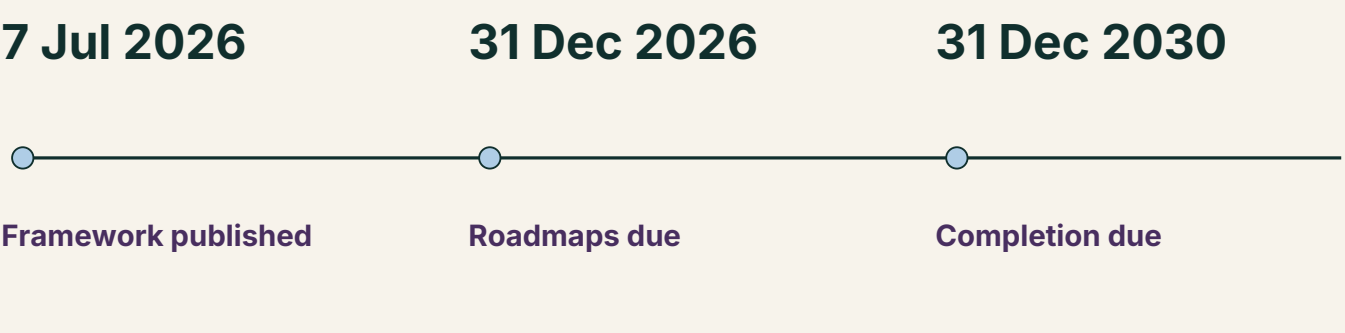
Funding

Article 129 of the Banking Law gives CBO the power to permit window-to-subsidiary conversion. CMS's October legal briefing describes IB13 as requiring transformation: board-approved roadmaps by 31 December 2026 and completion by 31 December 2030. It covers Meethaq, Muzn, Dhofar Islamic, ahli Islamic and Sohar Islamic. Five affected windows need approved end-state structures; the number of eventual standalone banks depends on those structures and approvals. [33] [40] [41]

5

affected windows

Figure 6 · The Islamic transformation timetable



CBO framework published 7 July 2026. Roadmap and completion deadlines are set out in CMS's October legal briefing on IB13. [41]

At August 2026, Islamic financing was about OMR8.2bn and assets OMR10.2bn, or 19.2% of system assets. CBO's liquidity toolkit includes US-dollar Wakala placements, introduced in December 2022, and Qard Hassan and Restricted Mudaraba instruments added in 2025. Liquidity resilience depends on which instruments, currencies and collateral remain usable under stress. [3] [42] [40]

19.2%

of system assets

August 2026

07 · Islamic transformation · Funding

Islamic transformation: structure and liquidity



Bank Nizwa's interbank Wakala funding rose to OMR116.1m at September 2026 from OMR54.8m at end-2025. This is a concrete sign of interbank use. Market depth depends on counterparties willing to transact across maturities and currencies; sukuk are useful as liquidity only when a bank can sell or pledge them on workable terms. [7]

A standalone institution has to cover payments through its own liquid assets, contracted facilities and collateral. Any continuing parent line remains a source of concentration, so the transition's economic result depends on how much funding and operational support still comes from the conventional parent.

The separation also moves technology, records and staff. NBO's Muzn reports commercial-financing solutions and a structured deposit account; preserving that customer capacity while revealing standalone costs is part of the task. [25]

OAB's Q3 filing describes Bank Nizwa's proposed purchase of Alizz as subject to due diligence and approvals. A combination could deepen specialist capacity, but its return would depend on capital consumed, integration costs and customer retention. [6]

116.1m

OMR

Bank Nizwa · September 2026



54.8m

OMR

Bank Nizwa · end-2025

A viable end-state structure has dependable liquidity, accountable governance, visible operating costs and customer services that remain available throughout transition.

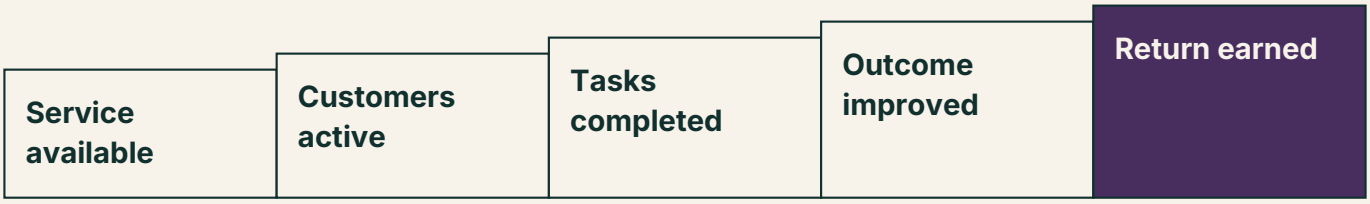
08 · Digital services · Relationship

08 Payments, fees and the invoice-data opportunity

339.4
m transactions 2025

Payment reform and Fawtara create new service opportunities while increasing competition for operating balances.

Figure 7 · Five levels of innovation evidence



NBO's corporate API catalogue connects business systems with banking services. A supplier case study reports that Bank Muscat reduced incident-detection time by more than 80%. These demonstrate service availability and a technology outcome; the evidence ladder links them to customer use and financial returns. [43] [44]

CBO's mobile clearing and settlement system handled 339.4m transactions worth OMR10.45bn in 2025; payment-gateway volume separately rose from about 67m to more than 168m. From July 2026, specified domestic digital transfers became free for retail and SME customers, including e-wallet transfers, and merchant QR charges were capped. Falling revenue per transaction increases the value of paid reconciliation and cash management. [45] [46] [47]

Oman's September population register recorded 5.454m residents, including 2.376m expatriates.

Free domestic transfers let salary balances move easily to another provider. Remittance customers also weigh the exchange rate, delivery certainty and resolution of failed transfers. [48] [47]

Fawtara brings invoice data into the decision

Tax Authority Decision 189/2026 sets 1 April 2027 for qualifying taxpayers above OMR5m in annual supplies under the prescribed tests; other in-scope taxpayers follow on 1 October 2027. A pilot of 100 selected companies began in August 2026, bringing invoice validation and reconciliation into live preparation. [49] [50]

Connecting validated invoices to buyer acceptance and payment gives suppliers fewer unmatched receipts and clearer cash forecasts. MTCIT's 2026–2030 digital-economy programme emphasises productive adoption; customer time saved is a useful measure alongside the bank's own automation. [51]

Reliable payments and useful invoice services can retain the operating balances that arrive with salaries and business receipts.

09 · AI and people · Relationship

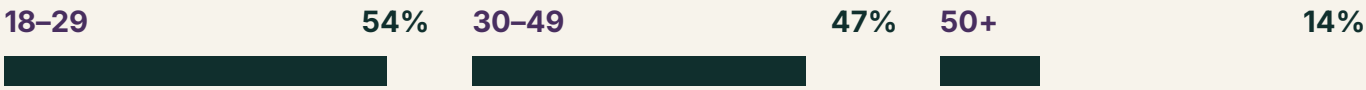
09 AI, staff capability and service resilience

54%
18–29
AI use

Competence, service recovery and career development are part of the operating model.

Figure 8 · AI use by age

% who have used AI



NCSI survey: 1,793 Omani adults; May 2026 fieldwork, published 4 November 2026. [52]

In NCSI's survey, 43% of respondents had used AI. Among users, 36% said they had entered personal information or private photographs. That makes confidentiality a practical training issue: a bank's competence test has to cover judgment as well as tool use. [52]

The ILO finds some generative-AI exposure in one in four jobs globally, especially clerical work. That exposure describes tasks that may change. In Oman, the immediate employment question is how quickly staff can move from repeated processing into exception handling, customer support and informed review. [53]

Controlled policy search, evidence preparation and supervised drafting can free time because their outputs can be checked against approved material. The gain shrinks when verification, rework and customer correction are counted, which is why completed work is a better measure than the volume of AI responses.

Staff competence becomes observable when an employee completes realistic cases, spots a model error and explains when to escalate. Junior staff develop judgment by forming their own view before comparing it with an assisted answer. Automation creates better Omani career paths when supervised practice prepares staff for more skilled work; retaining cyber and Islamic-treasury specialists depends on credible careers and competitive pay.

A convincing cyber exercise ends with restored and reconciled customer service. Impersonated payment instructions and a shared-provider outage test different weaknesses, but both expose whether accountability survives pressure. A functioning fraud-reporting route and clear loss resolution are part of the customer product.

Omantel's 2024 annual report describes a National Cloud developed with Huawei and an AWS partnership. Foreign technology expands local capacity; export restrictions, support access and switching costs also become operating exposures. Local hosting helps with some requirements, while dependence on one cloud or identity provider can connect the failures of several banks. [54]

AI earns its return through completed work and stronger service, after the time and cost of verification, correction and recovery.

10 Planning for funding and collection pressures

Three hypothetical 2027 cases show how different conditions would change decisions; the ranges carry no assigned probabilities.

Funding | Conversion

Figure 9 · The three 2027 scenarios

Scenario	Assumptions	Banking implications
Base: uneven growth	Brent US$80–90/bbl; repo 4.0–4.5%; credit +6–8%. Uneven project delivery and collections.	Selective credit expansion depends on capital, liquidity, collections and expected returns.
Upside: broader recovery	Brent US$75–90/bbl; repo 3.5–4.0%; credit +9–11%. Shipping eases; invoices paid faster.	Transaction demand and lower credit costs support earnings. Growth consumes capital and cash.
Downside: supply pressure	Brent above US$100/bbl; repo 4.75% or higher; credit +0–4%. Shipping and funding pressures persist.	Provisions and funding costs reduce profit. Withdrawals use liquidity as receipts slow.

Hypothetical planning inputs, without assigned probabilities: annual-average Brent; year-end CBO repo; December year-on-year bank credit growth.

The base case assumes fewer large project drawdowns and slower deposit funding in 2027, so December credit growth eases to 6–8% from August 2026's 13.8%. [3] A separate demand shock with Brent below US$70 could weaken public liquidity even if rates ease; under supply pressure, freight costs and weaker sales can outweigh higher oil receipts.

6–8%

credit growth

Base: uneven growth

10 · Scenarios and resilience · Funding / Conversion

Planning for funding and collection pressures



ONA's 7 November 2026 summary of CBO's stability report gives capital adequacy of 18.8%, liquidity coverage of 195% and gross non-performing loans of about 4.4%. The capital minimum is 13.5%, including the 2.5% conservation buffer, plus institution-specific buffers; Bank Muscat's March 2026 disclosure states 14.5%. The LCR floor is 100%. Asset quality and funding concentration determine usable headroom. [55] [56] [57]

18.8%

capital adequacy

ONA · 7 November 2026

Figure 10 · What the pressures mean in rials

OMR10m

Annual expense from a 100-basis-point increase on OMR1bn of rate-sensitive funding.

OMR1bn × 1% = OMR10m a year.

Asset repricing, hedges and customer behaviour determine the eventual earnings effect.

OMR5m

Annual pre-tax charge from a 50-basis-point increase in credit cost on OMR1bn of loans.

OMR1bn × 0.5% = OMR5m a year.

The earnings effect depends on actual exposure, impairment and available capital.

Arithmetic for hypothetical OMR1bn portfolios, before asset repricing, hedging, behavioural responses and tax.

A combined 30–60-day collection delay, withdrawal of 10–20% of a concentrated depositor cohort and a provider outage can draw on the same cash. Flooding or extreme heat can add correlated losses; a connected borrower's failure can activate guarantees and undrawn facilities while suppliers lose payments.

11 · Leadership agenda · Funding / Conversion / Relationship

Figure 11 · Priorities by institution



Institution	Priority for 2027	Evidence of progress
Large diversified bank	Connect project sponsors, suppliers and operating accounts; discipline capital allocation.	Risk-adjusted return above the board hurdle; recurring operating balances; collection time.
Mid-sized bank	Choose sectors where staff understand cash flows; partner for specialist technology.	Customer contribution after losses and service costs; exposures within approved limits.
Islamic bank or window	Execute the approved structure; test funding without assumed parent support.	30-day liquidity coverage without assumed parent renewals; working transfer and recovery plans.
Digital entrant or fintech	Solve a narrow customer problem with clear consent, fraud controls and distribution.	Repeat use, completion rate and contribution after acquisition, fraud and support costs.
Central Bank of Oman	Improve visibility of implementation and outcomes; test shared-provider and funding risks.	Dated provider registers, comparable service data and tested shared-provider recovery.

For CBO, publish dated provider status and comparable measures of service availability, complaints and fraud; track Islamic money-market activity and usable collateral during separation. Test a shared-provider failure across institutions, with accountability for restoration and customer redress.

For government and banks, use quarterly delivery reviews to resolve the next blocked project or payment step. Track invoice submission, certification and settlement separately against the target of five working days on average after complete documentation. Assign each delay an owner and a date, so a national priority becomes an executable cash flow. [19]

11 Decisions for the first quarter of 2027

Funding | Conversion | Relationship

January to March 2027: three dated decisions, with named owners and measurable tests.

Figure 12 · The first 90 days

Day 30

Fund the transition

- **Treasury and Finance:** cover 100% of material funding in a +100bp repricing test.
- For windows, confirm the 31 Dec 2026 roadmap filing and cost every assumed parent line.

Day 60

Test the invoice service

- **Operations and Credit:** test 100 Fawtara invoice cases before 1 Apr 2027; complete at least 90% within the agreed time and without rework.
- Require operators to detect every seeded critical error.

Day 90

Decide before launch

- **Business and Risk:** approve the 1 Apr launch only with no unresolved critical control defects and a completed recovery drill.
- Expand only above the board’s return hurdle.

Illustrative management gates, separate from regulatory requirements. Calendar: the IB13 roadmap deadline and Fawtara phase one. [41] [49]

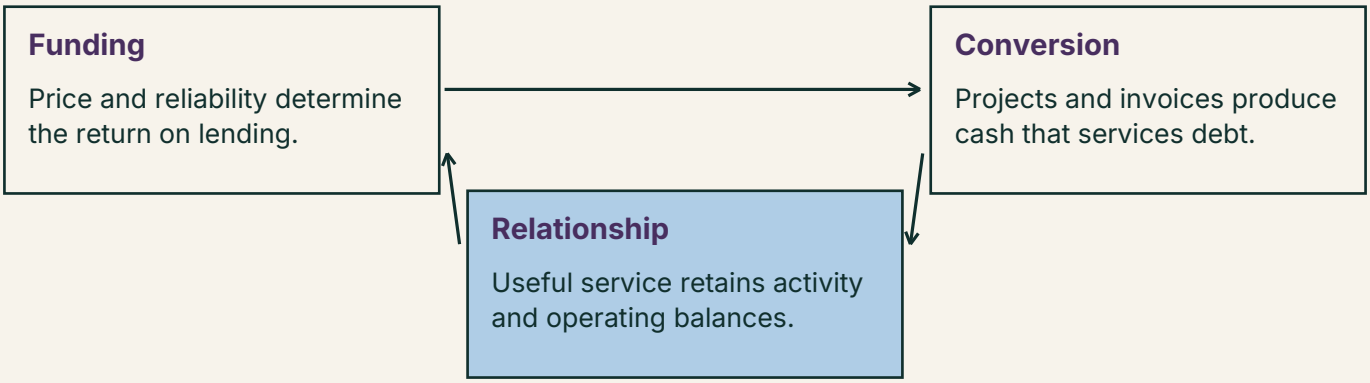
Assign each delay an owner and a date, so a national priority becomes an executable cash flow.

12 Three triggers could change the 2027 outlook

The opportunity depends on dependable funding, improving cash collection and customer relationships that earn their return.

A constructive outlook combines credit growth with capital and liquidity above required minima. It also depends on accepted government invoices moving towards the five-working-day payment target.

Figure 13 · The three forces reinforce each other



Three developments that would change the view

- **Funding:** The view weakens if published deposit and interbank rates rise while deposit growth trails credit and bank results show pressure on core income.
- **Conversion:** The view weakens if major projects report material delays, listed contractors report worsening collection periods, or published government-payment data show accepted invoices with complete documentation remaining materially above the five-working-day average target.
- **Relationship:** The view weakens if banks report weaker transaction activity and service income alongside recurring material payment or digital-service failures.

For this National Day edition, Ibri III's combination of Omani and international financing shows how national investment reaches delivery. Vision 2040's economic value becomes tangible when suppliers collect cash, firms expand productive capacity and people build sustainable careers. [22] [23] [20]

Growth is the opening. Execution decides the return.

13 · Sources · Funding / Conversion / Relationship

Sources and reference periods

Source institutions, publication dates and reference periods for the figures and analysis.



[1] IMF WEO, Chapter 1, October 2026

[2] World Bank, Oman Macro Poverty Outlook, October 2026

[3] CBO, Monthly Statistical Bulletin, August 2026, pp. 8–10, 25, 36, 39

[4] Bank Muscat, Q3 2026 financial statements

[5] Sohar International, Q3 2026 statements

[6] Oman Arab Bank, Q3 2026 MSX filing

[7] Bank Nizwa, Q3 2026 MSX filing

[8] Federal Reserve · FOMC statement, 16 September 2026

[9] Federal Reserve, FOMC statement, 28 October 2026

[10] ONA, CBO repo-rate increase, 16 September 2026

[11] NCSI · Consumer price inflation, August 2026

[12] NCSI, October 2026 consumer price inflation, released 12 November 2026, English pp. 1–2

[13] US EIA · Global oil markets, November 2026

[14] US EIA, Short-Term Energy Outlook, 10 November 2026

[15] Sohar Port and Freezone · H1 results, 19 August 2026

[16] IMF, World Economic Outlook, October 2026

[17] China State Council / PBOC, Oman swap, 4 November 2026

[18] UK Government · UK–Oman joint statement, 23 October 2026

[19] Oman Ministry of Finance, Fiscal Performance Q3 2026

[20] Ministry of Economy · Eleventh Five-Year Plan, 2026–2030

[21] Oman Foreign Ministry, IMF mission conclusions, 10 November 2026

[22] Masdar, Ibri III financial close, 16 January 2026

[23] Dentons · Ibri III lenders, 30 January 2026

[24] European Commission, CBAM definitive regime

[25] National Bank of Oman, Q3 2026 statements

[26] Bank Dhofar, Q3 2026 statements

[27] Ahli Bank, Q3 2026 financial statements, pp. 7, 11

[28] Sohar International · Shareholder information, Q3 2026

13 · Sources · Funding / Conversion / Relationship

Sources and reference periods

Source institutions, publication dates and reference periods for the figures and analysis.



[29] Bank Dhofar · Dhofar Islamic capital, 28 September 2026

[30] Bank Muscat · Shareholder resolutions, 18 March 2026

[31] Fitch Ratings · Oman upgrade, 8 December 2025

[32] Projects, Tenders and Local Content Authority, contracts

[33] Royal Decree 2/2025, Official Gazette, Article 129, p. 89

[34] CBO, Regulatory Framework for Digital Banks
Decision 25/2025, effective 1 June 2025.

[35] CBO, Regulatory Framework for Open Banking
Decision 26/2025, effective 4 June 2025.

[36] NCSI, Statistical Year Book 2026, Table 15-4, end-2025 lending

[37] CBO · BM1213 annex, 13 February 2025
Clauses 1.7 and 2.5: salary-linked lending caps.

[38] CBO, buy-now-pay-later regulation, 18 February 2026

[39] Oman Tax Authority, personal income tax law

[40] CBO · Major milestones in Islamic finance

[41] CMS, Islamic banking under the new Banking Law, 5 October 2026

[42] CBO, Islamic Liquidity Management Products

[43] NBO, corporate API catalogue

[44] Dynatrace, Bank Muscat customer case study

[45] CBO, Interbank Statistics: Payment Clearing Systems, MPCSS, 2025

[46] MOCIIP · CBO payment results for 2025, 10 May 2026

[47] CBO, national payment-system fee reforms, June 2026

[48] NCSI, Monthly Statistical Bulletin, October 2026
Table 11: August 2026 banking data. Population: September 2026.

[49] Tax Authority · Fawtara FAQs, October 2026

[50] Oman newspaper · Tax Authority project-director interview, 19 September 2026

[51] MTCIT, National Digital Economy Programme, phase two

[52] NCSI, public AI opinion survey, 4 November 2026

[53] ILO–NASK, generative AI and occupational exposure

[54] Omantel, Annual Report 2024

[55] ONA, CBO Financial Stability Report release, 7 November 2026

[56] Ahli Bank, FY2025 financial statements, capital adequacy, p. 79

[57] Bank Muscat, March 2026 investor presentation, capital requirement, p. 25

Reading guide · Funding / Conversion / Relationship

Methods and author

Reporting periods, comparison methods and author background.

How to read this outlook

Reported results retain their measurement periods; external forecasts retain their issuer and date. The 2027 scenarios are hypothetical planning cases without assigned probabilities. The matrix tests a supply shock; the accompanying text also considers weaker global demand. Management gates are illustrative and remain separate from regulatory requirements.

Profit compares the nine months to September 2026 and 2025. Figure 3 credit and customer deposits compare September 2026 with December 2025 and combine conventional and Islamic balances. OAB includes Alizz; Nizwa funding includes unrestricted investment accounts. The seven-bank profit sum is a selected-group total. Page 9 compares year-on-year income with closing credit balances, which differ from average assets used in margin calculations.

The receivables example assumes evenly billed sales and a 360-day year. Sensitivities show annual pre-tax arithmetic on hypothetical portfolios before repricing, hedging, behavioural responses and tax. Credit and deposit growth rates measure changes from different starting balances; funding assessment also requires levels, mix, maturity and liquidity. Digital comparisons distinguish availability, use, completed work, customer outcomes and returns.

18

years

Mahmood Al Hattali

About the author

Mahmood Al Hattali is the founder of Mahmood Insight and an Omani banking practitioner with 18 years of experience. His work covers strategy, products and customer experience across conventional and Islamic finance.

Disclosure: The author advises an institution discussed in this report. Views are his own. Contact: mahmoodssh@gmail.com · linkedin.com/in/mahmoodinsights

General analysis for professional discussion; not investment advice. © 2026 Mahmood Insight. All rights reserved.

الاستشارات
محمود إنسايت
ADVISORY
MAHMOOD INSIGHT

About Mahmood Insight

Mahmood Insight is an independent Omani research, strategic advisory and executive-education practice focused on banking, payments, financial infrastructure and institutional transformation across Oman and the GCC.



It was founded by Mahmood Al Hattali, an Omani banking and payments practitioner with nearly two decades of experience across conventional and Islamic retail banking, products and segments, deposits, cards, digital channels, customer propositions, operations and complex transformation programmes.

Mahmood Insight supports banks, fintechs, public-sector institutions, industry bodies and education partners through evidence-led research, market and institutional analysis, banking and product strategy, payments advisory, digital transformation, SME and merchant-acceptance insight, operating-model design, executive briefings, professional certificates and bespoke learning programmes.

Its work is grounded in primary sources, practical Omani market knowledge, clear separation between evidence and judgement, and the ability to translate complex regulatory, commercial, technological and operational issues into clear decisions and executable action.

To arrange a briefing on this outlook, contact Mahmood Insight.

Mahmood Insight Advisory · CR 1571015 · Muscat, Oman
mahmoodssh@gmail.com · linkedin.com/in/mahmoodinsights

Disclosure: The author advises an institution discussed in this report. Views are his own.

Illustrations created with AI assistance for this edition.

© 2026 Mahmood Insight. All rights reserved.