

Transitioning Towards a Sustainable Tomorrow



SUSTAINABILITY
REPORT **2024**


الوطنية للتمويل
national finance

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ABOUT THIS REPORT

We are pleased to present our third sustainability report, prepared in accordance with the GRI Standards. This report details our environmental, social, and governance (ESG) activities and achievements across all our Oman-based branches and offices, covering the period from 01st January to 31st December 2024.

 **Global Reporting Initiative Accordance**
This report adheres to the GRI Standards: Core option.

 **Alignments**
The report aligns with the United Nations Global Compact (UNGC) Principles, the United Nations Sustainable Development Goals (SDGs), the Omani Vision 2040, and to the MSX ESG 30 metrics.

 **Comparable Data**
To clearly illustrate our progress, we have included performance trends for 2022, 2023, and 2024 in specific disclosures, highlighting key achievements and developments.

 **Assurance**
We chose an internal assurance process for this report. This reflects our confidence in the accuracy of the information, as our employees are bound by our code of ethics, which mandates integrity and transparency.

 **Contact Point**
For inquiries regarding this report, please contact our Sustainability Department at
(+968) 24470145 or **sara.alnabhani@nationalfinance.co.om**.
(+968) 24470173 or **wisam.alsaid@nationalfinance.co.om**.

To align with the GRI Standards, we have followed the eight established GRI principles in preparing this report.



ACCURACY

All reported qualitative and quantitative information is correct and displayed as detailed and as up to date as possible.



BALANCE

The report outlines our achievements throughout the year and gives a transparent insight into our negative impacts and current shortcomings.



CLARITY

All information is presented in an understandable and accessible manner that allows all stakeholders to comprehend the report.



COMPARABILITY

We display data from the previous year to ensure comparability, clearly state our calculation methods and use internationally recognised metrics and conversion factors.



COMPLETENESS

We provide sufficient information for stakeholders to understand and assess our impact.



SUSTAINABILITY CONTEXT

All information is reported in the wider context of sustainable development and additional frameworks to GRI were considered.



TIMELINESS

High quality information is provided to our stakeholders in the timeliest manner.



VERIFIABILITY

All information has been thoroughly verified by internal departments and all data is accessible for assurance.

SCOPE OF THE REPORT



YEAR

This report details our environmental, social, and governance performance for 2024, unless otherwise specified.



ENTITIES

Our operational performance and activities within the Sultanate of Oman are the exclusive focus of this report.



FINANCIAL PERFORMANCE

For detailed financial performance, please refer to our 2024 and previous years' annual financial reports, available on our website.



MONETARY VALUES

Unless stated otherwise, all monetary values are expressed in OMR.



TERMINOLOGY

The use of the terms such as "Company", "Our" and "We" in this report all refer to National Finance.



MESSAGE FROM CEO



Beyond financial services, we continue to drive positive change in the community.

Dear Stakeholders,

It is with great pleasure that I present National Finance's third Sustainability Report, which reflects our ongoing dedication to develop and grow our sustainable business practices. As we expand our presence across Oman to better serve the communities across our nation, we remain focused on accessibility, customer-centricity, and creating long-term value for our different stakeholders.

This year, we focussed heavily on our digitalisation efforts with the aim of providing our customers with a seamless experience. Through a series of strategic partnerships, we have been able to digitalise and automate numerous processes, which has contributed to a more efficient and streamlined customer journey.

In line with our customer-centric focused approach and our focus on creating more accessible and inclusive financial services, we continued our partnership with SignBook Oman. This initiative provides instant translation services at our branches for customers with hearing disabilities, allowing them to seamlessly access our services and fulfil their needs.

Beyond financial services, we continue to drive positive change in the community. Initiatives such as the Green Campus Programme empower students to introduce sustainability practices at their universities, equipping the next generation with the tools to lead the charge on creating positive environmental impact.

We also played a key role in advancing Oman's industrial and economic diversification by financing the country's first solar panel manufacturer. This has enabled the procurement of essential raw materials, further strengthening Oman's renewable energy sector.

Within our own operations, we launched the "Be Green" initiative dedicated to shaping more responsible consumption habits amongst our employees. BeGreen focuses on raising awareness and developing green habits such as recycling, shaping our employees to be more mindful when interacting with energy, waste, and water.

Looking ahead, we are refining our approach to responsible lending through the planned implementation of an Environmental and Social Management System (ESMS) in 2025. This framework is intended to enable us to integrate ESG due diligence into our decision-making processes, providing a structured methodology for assessing our customers based on environmental, social, and governance considerations. We believe this will allow us to make financing choices that have a positive impact on the environment and society.

As a financial institution, we acknowledge our role in shaping a future that balances economic progress with societal and environmental responsibility. The steps we take today will define the path ahead, and we welcome the collaboration of our customers, employees, and stakeholders in this journey.

We extend our gratitude to all our stakeholders and count on their continued support as we look forward to the prospect of another successful year ahead.

Sincerely,

Tariq Al-Farsi
Chief Executive Officer

ABOUT NATIONAL FINANCE

Business Overview

Founded in 1987, National Finance has established itself as the leading finance company in Oman. Over the years, we have built a strong reputation, earning the trust of thousands of customers across the Sultanate. Originally registered as Capital Leasing Company LLC in September 1987, we became a public limited company in December 1998. Our growth was further strengthened in 2018 through the merger with Oman Orix Leasing Company.

Headquartered in Muscat, we offer a diverse range of financial products and services, designed to meet the needs of both retail and SME clients. This is delivered through our network of 23 branches across Oman, as well as our digital platforms, ensuring accessibility for our robust customer base.

	SERVICES OFFERED	
Individual Financing	Corporate Financing	Green Financing
New Vehicles	New and Used Vehicles	
Used Vehicles	Equipment and Machinery	
Consumer Durables	Working Capital	
	Warehouse, Factory and Workshops	
	Sale and Lease Back	
	Debt Factoring	



Our Vision

Be the provider of choice for comprehensive financial and leasing solutions in our markets of operation.



Our Values

- **Integrity:** by building trust through transparency and honesty.
- **Care:** ensuring our performance and actions help to take care of our customers, our staff and our community.
- **Growth:** by providing an environment that fosters personal development and commercial growth.
- **Relationships:** by working proactively in partnership with customers and stakeholders to help them achieve their goals.
- **Service:** by offering market leading service that consistently exceeds expectations.
- **Empowerment:** by trusting our staff to make the right decisions for both the company and our customers.



Our Mission

To deliver the right financial solutions on time, exceed our customer expectations through partnership and continuous improvement, and provide an inspiring workplace for hard-working and dedicated people who believe in the company.

These principles direct our operations and strategy, allowing us to meet market needs while maintaining high standards of service and responsibility.

Our Presence

MUSCAT

- Airport Heights
- Al Khuwair
- Wattayah
- Seeb
- Mabellah
- Sandan
- Azaiba

AL DAKHILIYAH (Ash Sharqiyah North)

- Ibra
- Nizwa
- Sinaw
- Samail

AL WUSATA (Ash Sharqiya South)

- Jalan Bani Bu Ali
- Sur
- Duqm

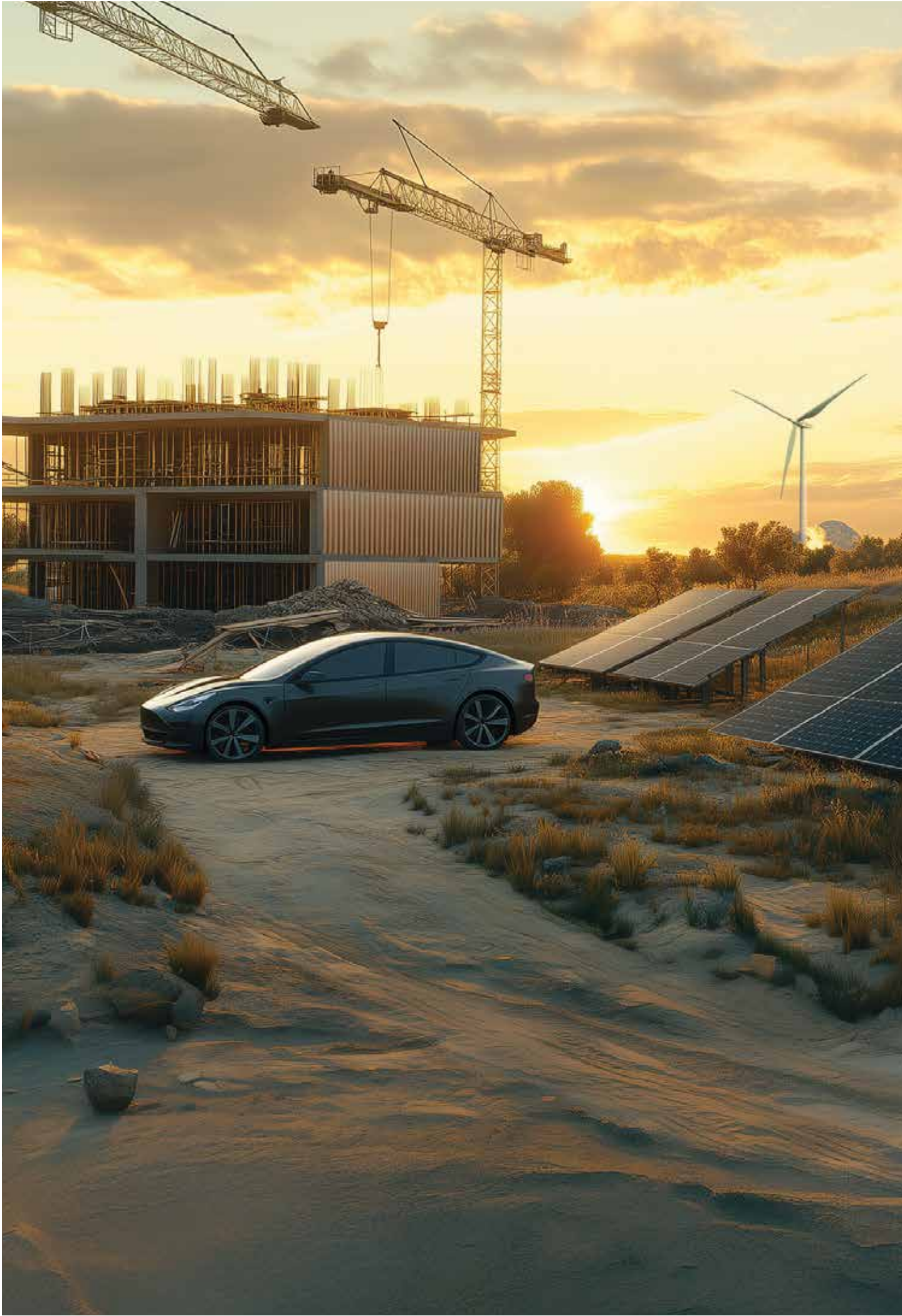
AL BATINAH (AL Dhahirah – AL Buraimi)

- Sohar 1
- Sohar 2
- Suwaiq
- Barka
- Ibri
- Buraimi
- Al Mussanah
- Al Rustaq

DHOFAR

- Salalah





Sustainability Highlights 2024



9% increase in net profit compared to 2023



Over 15,000 kgs of paper sent for recycling as part of our BeGreen initiative



Achieved employee satisfaction score of 80% in 2024



Developed E&S Management System for our SME clients



Maintained over 90% Omanisation rate over last 3 years

Financial Performance

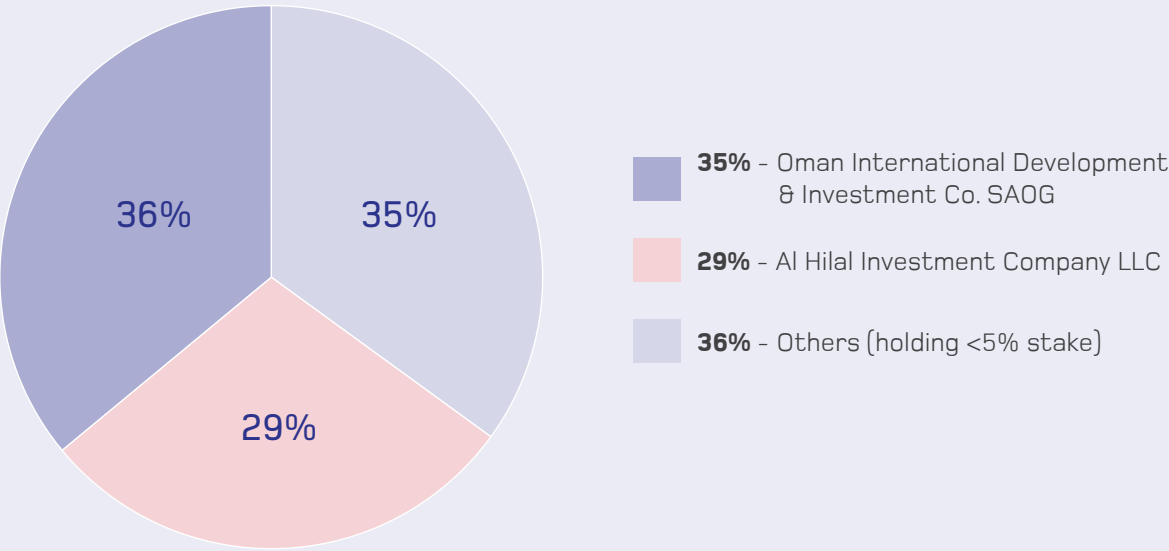
We aim to deliver consistent financial performance, ensuring sustainable value for our stakeholders. The following is an overview of our 2024 financial performance. For detailed financial information, please refer to our Annual Report.

	2022	2023	2024
Net profit	10,134	11,106	12,114
Increase in Net Profit Y-o-Y	17.54%	9.59%	9.08%
Net Finance Income	25,495	25,845	31,387
Total Income	46,209	51,427	63,285
Total Assets	451,144	512,486	606,491
Growth in Shareholders' Equity	6.6%	5.8%	4.1%
Employee Wages and Benefits	7,757	9,026	10,490
Community Investments	150	150	188
Community Investments as % of pre-tax profits	1.26%	1.15%	1.32%

Note: All amounts in OMR '000

Our Shareholders

The shareholding pattern as of 31st December 2024 is as follows:



AWARDS AND ACCOLADES



Most Innovate Retail Finance-Automobile – Oman

The 2024 international Finance
Awards, Dubai



Best Employer Brand

The Employer Branding Awards -
Oman 2024 ceremony



Best Brand Evolution

Transform Awards MEA 2024, Dubai



ETHICS AND GOVERNANCE



For National Finance, effective governance

is essential to ensuring we meet our obligations and safeguard the interests of all stakeholders.

Our governance architecture plays a pivotal role in our mission to deliver exceptional financial services and is designed to maintain the highest standards of regulatory compliance and ethical business practices, facilitating transparency and accountability across all levels of the organisation.



Board of Directors

The Board of Directors are fully authorised to manage the Company and perform all the acts required for the management of the Company in the course of achieving its objectives and implementing the resolutions of the general meeting, unless restricted by the Commercial Companies Law or the articles of association. To ensure ongoing oversight and strategic consistency, the Board convenes at least five times annually. This proactive governance strengthens National Finance’s resilience and ensures we remain well-positioned for sustainable growth.

In 2024, by approval of the shareholders, National Finance’s Board of Directors received a total remuneration of OMR 300,000.

BOARD STRUCTURE - BY GENDER	2022	2023	2024
Number of Male board members	9	9	9
Number of Female board members	0	0	0
Total number ALL board members	9	9	9
Total number board seats occupied by independents	7	7	7



Hani Al Zubair
Chairman



AbdulAziz Al Balushi
Deputy Chairman



Taya Jandal Ali
Director



Sanjay Kawatra
Director



Muhammad Husam Al Zubair
Director



Dr. Rashid Al Balushi
Director



Subrata Kumar Mitra
Director



His Honorable
Dr. Dhafir Al Shanfari
Director



Anand Budhia
Director

NAME OF DIRECTOR	STATUS	POSITION
Mr. Hani Muhammad Al Zubair	Independent	Chairman
Mr. AbdulAziz Mohammed Al Balushi	Non-Independent	Deputy Chairman
Mr. Taya Jandal Ali	Independent	Director
Mr. Sanjay Kawatra	Non-Independent	Director
Mr. Muhammad Husam Al Zubair	Independent	Director
Dr. Rashid Al Balushi	Independent	Director
Mr. Subrata Kumar Mitra	Independent	Director
Honourable Dr. Dhafir Al Shanfari	Independent	Director
Mr. Anand Budhia	Independent	Director

Governing Bodies and Committees

The Board of Directors at National Finance are supported by specialised committees that play a crucial role in our governance framework. These committees are essential for overseeing diverse bank functions, ensuring we create optimal value for the bank and our stakeholders. Through their detailed analysis and recommendations, they significantly enhance the Board's decision-making capabilities.

Nomination, Remuneration and Executive Committee	Type: Board Level
Responsibilities: The Nomination, Remuneration and Executive Committee is responsible for recommending new Directors for approval by the Shareholders, identification and remuneration of the key management, approval of banking facilities and credit facilities within the authority levels delegated by the Board. This committee also reviews and recommends to the Board; the annual budget of the Company, its strategic plans, and monitors the ongoing performance of the Company.	
Audit Committee	Type: Board Level
Responsibilities: The Audit Committee oversees the financial reporting process, our internal control systems, and coordinates audits, operating within its established Manual of Authority and Procedures.	
Risk Committee	Type: Board Level
Responsibilities: The Risk Committee oversees the management of overall risks and our processes for monitoring legal and regulatory compliance.	
Management Committee	Type: Executive Management Level
Responsibilities: The Management Committee functions as an advisory committee, designed to provide insights that support decision-making on critical matters. While the committee contributes to the process, the CEO remains responsible for final decisions.	
HR Committee	Type: Executive Management Level
Responsibilities: The HR Committee, made up of senior management, handles all staff-related concerns.	
Asset Liability Committee	Type: Executive Management Level
Responsibilities: The Asset Liability Committee (ALCO), comprised of senior management, manages the balance sheet within Board-set performance and risk parameters. ALCO ensures interest rate and liquidity risks are continuously measured, monitored, and integrated into our business strategies.	

Anti-Corruption

We maintain a zero-tolerance approach to bribery and corruption of any kind. In addition, we ensure that all operations comply with the highest ethical standards and applicable laws.

To reinforce this, we provide regular mandatory training for all employees on critical business and ethical matters, including risk, fraud, governance, compliance, customer safeguarding, and ESG. This training, mandated by the Central Bank, includes anti-corruption measures, and all employees acknowledge their awareness of our policy annually. Our training sessions are delivered through a combination of e-learning modules and interactive workshops to maximise engagement and understanding.

We also keep our Board of Directors informed of any updates to our fraud and anti-money laundering training. Our Code of Ethics, integrated into our HR Policy, is periodically reviewed and updated to ensure ongoing adherence to ethical standards, and is communicated to all employees and business partners. Any change is immediately communicated to all employees and business partners, reinforcing our commitment to compliance.



100%
of our employees are trained and
formally certified in compliance
with our anti-corruption policy.



Risk Management

At National Finance, we recognise that effective risk management is fundamental to achieving sustainable financial stability. As the largest Finance and Leasing Company in Oman, we are in the process of pioneering the integration of sustainability principles into our risk framework to mitigate potential risks associated with credit, market, operational, and fraud activities. By proactively addressing these risks, we aim to enhance our resilience, ensure regulatory compliance, and contribute to long-term value creation.

Key Sustainability Risks and Mitigation Strategies

1. Credit Risk

Risks: Credit risk arises from borrowers' inability to meet their financial obligations, which can be exacerbated by economic downturns, climate-related financial shocks, and changing regulatory requirements.

Our Mitigation Strategy: We are in the process of incorporating ESG factors into our credit assessment models, developing sustainable lending criteria, and promoting responsible financing. Additionally, we maintain diversified loan portfolios, stress-test credit exposures, and implement early warning systems to detect potential defaults.

2. Market Risk

Risks: At National Finance, Interest Rate Risk in the banking book is the main market sensitive risk. Our foreign currency borrowings are fully hedged at present.

Our Mitigation Strategy: We continuously monitor market trends for fluctuations in interest rates, we are in the process of integration ESG risk factors in both our borrowing and investment decision-making, and expanding our financial products to include green and sustainable investments. Our risk-adjusted pricing strategies help balance risk exposure while maintaining competitive market positioning.

3. Operational Risk

Risks: Disruptions in business processes, cyber threats, technological failures, and inefficient resource management may pose significant risks to operational continuity and sustainability goals.

Our Mitigation Strategy: We strengthen our risk management framework by implementing robust IT infrastructure, ensuring compliance with sustainability regulations, and investing in employee training on ESG best practices. Additionally, we enhance our disaster recovery plans and maintain transparent reporting on operational risks.

4. Fraud Risk

Risks: Fraudulent activities, including identity theft, financial misrepresentation, and cyber fraud, can result in financial losses, regulatory penalties, and reputational damage.

Our Mitigation Strategy: We are in the process of rolling out a fully-fledged fraud control unit which will include detection technologies, conduct regular reviews, and enhance internal controls to minimise fraud exposure. Our commitment to ethical business practices is reinforced through stringent compliance policies, employee awareness programmes, and partnerships with regulatory authorities to combat financial crimes.

5. Liquidity Risk

Risks: Liquidity risk arises when the company is unable to meet its short-term financial obligations due to funding constraints, economic downturns, or shifts in market conditions.

Our Mitigation Strategy: We maintain a robust liquidity management framework that includes stress testing, contingency funding plans, and diversified funding sources. Additionally, we align our liquidity risk policies with regulatory guidelines and monitor cash flow positions to ensure financial stability during periods of uncertainty.

Governance and Oversight

Our risk management framework is governed by the Risk and Compliance Committee, which reports to the Board of Directors. Furthermore, we also integrate ESG risk considerations into strategic planning, adopt global best practices, and engage with stakeholders to foster a culture of responsible finance. By embedding sustainability into our risk management approach, we strengthen our ability to navigate financial uncertainties while ensuring ethical and responsible business operations.

We remain dedicated to continuous improvement, transparency, and resilience in addressing sustainability-related risks.

Whistleblowing and Compliance



Whistleblowing Policy

We maintain a transparent and accountable culture through our comprehensive Whistleblower Policy. This policy, central to our ethical framework, provides a secure and independent channel for employees to report any wrongdoing or unethical behaviour, such as bribery and corruption.

We actively encourage employees to voice their concerns and seek advice, ensuring they are protected from any retaliation. All reported complaints are managed diligently and resolved promptly, safeguarding whistle-blowers from potential repercussions.

In addition, this policy is rigorously reviewed by the Audit Committee and approved by the Board of Directors periodically, ensuring its continued relevance and effectiveness.

Compliance

For a financial institution like National Finance, having a sound compliance framework is fundamental to maintaining stability and the trust of our stakeholders. Our compliance function significantly contributes to National Finance's success by guaranteeing adherence to both regulatory mandates and our internal policies.

We achieve this through regular audits, specialised function wise compliance reports, and thorough gap analyses, all of which are essential for upholding ethical business practices and minimising the risks associated with non-compliance.

Furthermore, our compliance team works closely with all departments, providing continuous training and engaging in open communication. This collaborative approach ensures that compliance is integrated into every aspect of our business, particularly during the launch of new products, thereby protecting our stakeholders and ensuring our long-term sustainability.

Business Continuity Plan

To protect our customers, workforce, and stakeholders from the impact of significant operational disruptions, National Finance has established a comprehensive Business Continuity Plan. This plan enables us to maintain essential business functions during unforeseen events. We have implemented a range of measures to ensure the plan's effectiveness, proactively addressing the risks associated with unexpected interruptions. Our systems and procedures are designed to handle crisis situations, and we conduct regular technical, operational, and safety exercises to guarantee our readiness to restore critical operations swiftly and with minimal impact.

Annually, we perform a company-wide Disaster Recovery Drill to validate the integrity of customer data, core processing, and other vital sub-systems. We also maintain an off-site Disaster Recovery Site with mirrored data, server backups, and regularly copied transaction logs.

We are committed to the continuous improvement of our Business Continuity and Disaster Recovery Plan, which involves frequent updates and documentation of key personnel contact information. These actions help us in ensuring operational resilience, protecting stakeholder interests, and preserving confidence during challenging circumstances.



SUSTAINABILITY APPROACH

In today's constantly evolving climate and financial landscape, a dedicated sustainability strategy is no longer a mere option, but an imperative for financial institutions like National Finance. Having an effective strategy allows us to proactively address ESG risks and opportunities, thereby enhancing our long-term value creation. By integrating sustainability into our core business operations, we not only strengthen our resilience against future challenges, such as climate change and regulatory shifts, but also foster innovation and improve operational efficiency.

A sustainability strategy also enhances our reputation, builds trust among our stakeholders, and positions us as a responsible and forward-thinking leader in the Omani financial sector. This strategic approach allows us to contribute meaningfully to Oman's sustainability goals while ensuring our own long-term success.

Sustainability Framework

Established in December 2023, National Finance's sustainability strategy is anchored in a clear vision - to be the leading provider of financial and leasing solutions while integrating high ESG and sustainability standards. This vision is driven by three core objectives:

1. Contribute to Sustainable Economic Growth
2. Contribute to Building Strong Communities
3. Reduce our Environmental Impact while Contributing to create positive Environmental Impact

To effectively achieve these objectives, we have structured our sustainability strategy around four key pillars:

PILLAR	PRIORITY	OBJECTIVE
 Environment	#1 Environmental Footprint and Impact Management	Track, measure, manage, and assess the impact of our operations and lending activities with the goal to reduce our negative footprint and contribute to the achievement of Net zero.
	#2 Supporting Environmental Initiatives	Commit to the protection and conservation of biodiversity in Oman by supporting environmental programmes
 Social	#3 Youth and Education	Empower youth through education and engagement.
	#4 Empowering Talents	Develop employees and provide meaningful work opportunities to ensure continuous progress and wellbeing.
	#5 Inclusiveness and Women Empowerment	- Consider the needs of PwD in our society and enable them. - Empower female professionals to achieve their potential and acquire leadership roles.
 Operations	#6 Responsible Lending	Integrate Environmental and Social considerations in our lending processes and procedures.
	#7 Sustainable Products and Services	Provide customers with green and responsible products and services. Redesign our existing products and services to integrate E&S factors.
	#8 Empowering SMEs	Focus on lending to SMEs with a sustainable purpose and help them achieve their business objectives.
	#9 Customer Experience and Digitalisation	- Keeping our customers at the core of everything we do. - Leveraging digitalisation and innovation to provide our customers with better products and experience.
 Governance	#10 ESG Risk Management	Integrate environmental and social considerations into our risk management systems and day-to-day operations.
	#11 E&S Governance	Establish a robust E&S governance model that enables the achievement of the framework and establishes accountability.



In 2024, we made continued progress in implementing our sustainability strategy priorities, focusing on key areas such as offering sustainable products and services, promoting responsible lending practices, and supporting environmental initiatives.

To expand our sustainable product offerings, we introduced green auto finance options for electric and hybrid vehicles, and we now finance solar energy and water recycling units under our consumer durable finance division. These initiatives aim to make sustainable choices more accessible and affordable for our customers.

We also strengthened our responsible lending practices by developing a robust Environmental and Social Management

System (ESMS). This system includes a standardised procedure for conducting ESG due diligence on all projects. We have appointed an environmental coordinator within our Central Processing Unit to assess projects against ESG criteria and an environmental manager to review and approve all sustainable finance projects.

Furthermore, we demonstrated our commitment to supporting environmental initiatives by partnering with the Environment Society of Oman (ESO) to launch the Green Campus Programme. This programme empowers colleges and universities to establish eco-clubs and develop innovative ideas to enhance the sustainability of their campuses.

Critical Success Factors

The successful implementation of our sustainability strategy hinges on certain critical success factors. These key elements, integral to our framework and integration process, require dedicated focus to guarantee we meet our ESG objectives.

ELEMENT	DESCRIPTION
Policies	Our policies reflect our ESG framework and summarise our internal and external ESG commitments. They provide clear guidelines for all employees, ensuring they understand our approach to ESG and execute operations diligently and compliantly.
Capacity Building	A key challenge in integrating ESG is the availability of skilled professionals. To address this, we are committed to training and the capacity building for our employees and management. This investment will not only enable effective ESG management but also develop a sense of ownership and commitment, leading to a strong return on investment.
Stakeholder Engagement	Stakeholder engagement is crucial for our sustainability efforts. As we transform our business and strive to positively impact our communities, ongoing dialogue with stakeholders is essential. This collaborative approach ensures we understand their perspectives, address their concerns, and work together towards a sustainable future.
Effective Systems Implementation	Developing and integrating an Environmental and Social Management Systems is a core element of our framework and a high priority. These systems will enable us to effectively identify, assess, and manage environmental and social risks, ensuring compliance with relevant regulations and industry best practices.
Governance and Accountability	A robust governance and accountability structure is essential for embedding ESG principles within our operations. This framework guarantees commitment from all levels, from the Board of Directors to our employees.
Culture and Leadership	We are committed to building a leadership team that prioritises a sustainability-focused culture throughout our operations. This leadership will drive employee performance against ESG key performance indicators (KPIs).

Sustainability Governance

To drive the integration of our sustainability framework, we have established a dedicated Sustainability Taskforce. Led by the CEO, this group coordinates all ESG-related activities and is accountable for overseeing initial ESG initiatives. The Taskforce's detailed responsibilities are outlined below.



Monitor and report on the roadmap and KPIs integration and achievement.



Track and assess the achievement of the ESG strategy. Also, review the strategy when necessary.



Responsible for the publication of sustainability reports and other sustainability related documents.



Develop both near-term and long-term policies and targets/goals to ensure the achievement of the business's ESG ambitions.



Monitor trends and review current and emerging issues in the field of ESG and evaluate their impact on the business.



Ensure sustainability capacity building for the Board and management. Evaluate the needed sustainability knowledge for employees in different departments and divisions, and plan training accordingly.

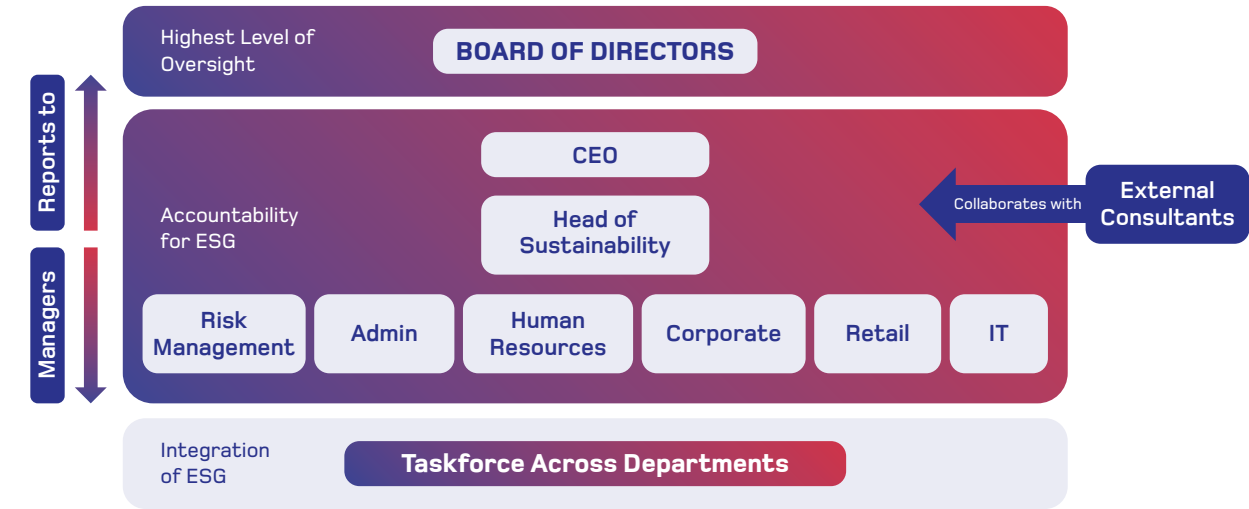


Update the Board on the sustainability performance of the business.



Engage with stakeholders as and when necessary, regarding ESG issues.

Sustainability Taskforce Structure



Our Sustainability Taskforce operates as a cross-departmental team that reports to the Head of Sustainability, who holds accountability for ESG matters and in turn reports to the CEO. The CEO provides a direct link to the Board of Directors, ensuring the highest level of oversight for our sustainability initiatives.

The Head of Sustainability manages a network of departments, including Risk Management, Administration, Human Resources, Corporate, Retail, and IT, facilitating the implementation of ESG strategies across all areas of our business. This structure ensures that sustainability is embedded within our core operations, with clear lines of reporting and accountability at every level.

Stakeholder Engagement

We are committed to integrating sustainability into our operations and actively engage with our stakeholders throughout this process. For our most recent materiality assessment, which was conducted in 2024, we expanded our outreach to include a broader range of external stakeholders. Using tailored communication channels, we conducted a digital survey to gather their perspectives on key sustainability topics.

This exercise provided valuable insights into the priorities of each stakeholder group, enabling us to better understand their unique perspectives and concerns. This information allows us to foster deeper, more effective stakeholder engagement, ensuring our sustainability journey aligns with their expectations. A detailed outline of the stakeholder groups involved in the materiality assessment follows below.

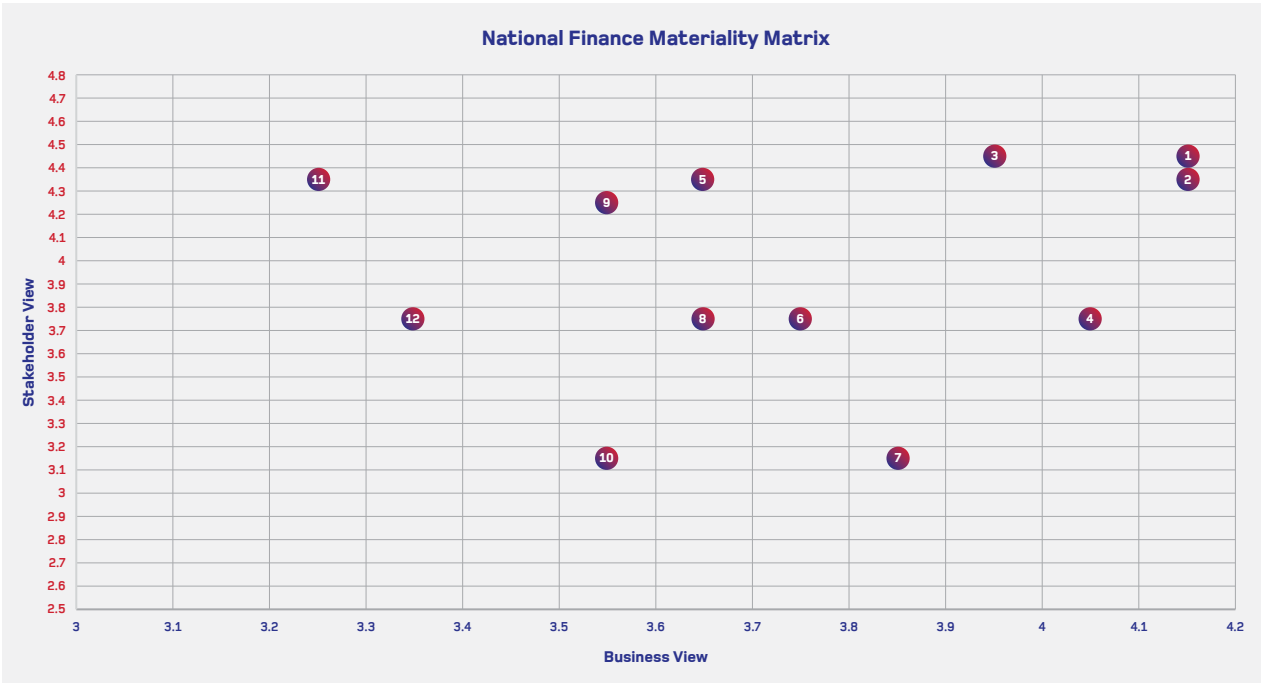


Materiality Analysis

In 2024, we conducted a comprehensive materiality assessment to identify, understand, and prioritise the key topics that have a significant impact on our business and are crucial to our progress in enhancing our sustainability performance. This process enables us to ensure that our sustainability initiatives are aligned with both our business objectives as well as the expectations of our stakeholders.

To develop our materiality matrix, we assessed each material topic from two distinct perspectives: the business view and the stakeholder view. Our materiality survey employed a scoring system ranging from a scale of 1 to 5, where 1 signified topics of low importance and 5 represented topics of the highest importance. The business view, represented along the x-axis, reflects the scores assigned by our internal stakeholders, such as top management; and the stakeholder view, represented along the y-axis, reflects the perceived importance of each topic by our external stakeholders, such as customers, suppliers, business partners etc.

Based on the average scores received from both internal and external stakeholders, we plotted each material topic on the matrix. The upper right-hand corner of the matrix represents the areas deemed most material, indicating the topics of highest importance to both our business and our stakeholders.



Materiality Topics

- 1 ESG Risk Management

4 Omanisation

7 Talent Attraction, Engagement and Retention

10 Diversity and Inclusion
- 2 Governance, Compliance and Accountability

5 Financial & Economic Performance

8 Supporting SMEs

11 Responsible Lending & Investment
- 3 Business Ethics and Prevention of Financial Crime

6 Sustainable Products and Services

9 Privacy and Data Security

12 Digitalisation and Innovation

Local and Global Alignments

Oman Vision 2040

As a key player in Oman's financial landscape, we are deeply invested in the Sultanate's progress, particularly as outlined in Vision 2040. We see our role as more than just a provider of financial services; we are active participants in building a sustainable future for our nation. This commitment is reflected in our strategic initiatives, which are carefully selected to contribute to the economic and social development goals of Oman. As detailed in the following sections, our diverse activities across various sectors demonstrate our dedication to fostering a prosperous and resilient Oman.

VISION PILLAR	OUR CONTRIBUTION	CHAPTER
A Competitive Economy	Maintained omanisation rate over 90% for past 3 years.	People and Culture
An Environment with Sustainable Components	The BeGreen initiative	Corporate Social Responsibility
	The Green Campus initiative	Corporate Social Responsibility
	Supporting Oman's first solar manufacturing project	Corporate Social Responsibility
A Society of Creative Individuals	Tamkeen Oman	Corporate Social Responsibility

The Sustainable Development Goals (SDGs)

In addition to our commitment to Oman's national development objectives, we at National Finance recognise the importance of contributing to broader sustainability efforts. We acknowledge the global significance of the UN Sustainable Development Goals and strive to align our practices with their principles.

INITIATIVE DESCRIPTION	SDGs CONTRIBUTED TO
 Empowering women through beekeeping in partnership with Dar Al Atta'a	   
 The Green Campus initiative in partnership with Environment Society of Oman (ESO)	  
 The BeGreen initiative aimed at promoting environmental sustainability within National Finance	 
 Supporting Sheida Industries in procuring essential raw materials to produce solar panels	  
 Partnership with Dar Al Atta'a to support their 'Tamkeen' programme, designed to prepare candidates for essential roles within the medical sector.	    
 Supporting INJAZ Oman, the world's largest non-profit organisation dedicated to empowering young people through entrepreneurship education.	   
 Partnership with Sharakah to provide mentorship and skill development workshops to SMEs.	   
 Partnership with Dar Al Atta'a to distribute Ramadan boxes filled with essential food items to families in need.	   
 Partnership with the Village of Happiness to amplify the voices and talents of individuals with disabilities, showcasing their abilities and contributions to society.	  

RESPONSIBLE LENDING

At National Finance, we follow responsible lending practices that not only support sustainable economic growth within the Sultanate of Oman but also contribute to long-term interests and the overall financial well-being of our customers and the communities we actively serve.

Products and Services

We offer a broad range of financial products and services designed to meet the diverse needs of our retail and corporate banking customers. Our lending portfolio includes Auto Finance, Consumer Durable Finance, and a wide array of SME and corporate financing options.

In addition, we ensure that we communicate all information about our products and services in a clear and transparent manner, enabling our customers to make informed financial decisions.

We also offer a growing suite of sustainable finance products to support our customers in making environmentally responsible choices. These offerings include:

DIVISION	SERVICES OFFERED
Retail	Auto Finance
	Consumer Durable Finance
Corporate	Fleet Finance
	Warehouse Finance
	Debt Factoring
	Real Estate Financing

EV Financing



We offer attractive financing options for eco-friendly electric vehicles, featuring competitive rates and flexible terms. This initiative aims to make sustainable transportation choices more accessible and appealing to our customers.

Home Solar Panel Financing



We provide specialised financing solutions for homeowners looking to install solar panels. Our competitive rates and flexible terms make it easier for our customers to adopt sustainable energy solutions and reduce their environmental impact.

Boat Engine Financing



We are proud to be the first financial institution in Oman to offer specialised boat engine financing solutions. By providing accessible financing options for fishermen and boat owners to invest in new or upgraded engines, we are supporting the growth and modernisation of the fisheries sector. This service not only helps improve livelihoods within the fishing community but also contributes to the overall sustainability of the sector, enhances food security, and supports economic diversification in Oman.



In 2024, we disbursed over **OMR 174.84 million** in funds to our **retail and small SME customers** through our products and services.



In 2024, we disbursed over **OMR 74.99 million** in funds to our **mid and large SME customers** through our products and services.

Product Development Process

We incorporate ESG considerations into the design and development of our products and services. These factors include carbon footprint reduction, energy efficiency, financial inclusion, community engagement, transparency, and ethical practices.

Our product development process is also centred around the needs of our diverse customers. For our SME clients, this involves understanding their unique financial requirements and challenges. We tailor our products to align with their cash flow cycles, growth strategies, and preferences for flexible repayment options.

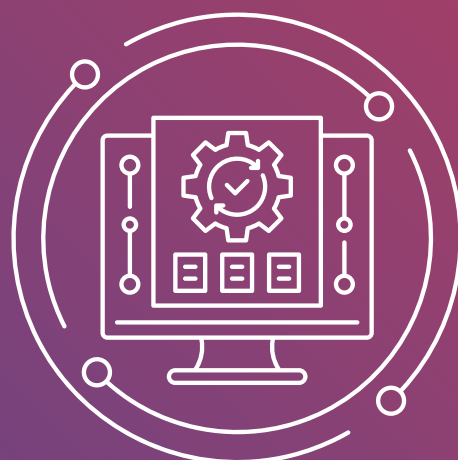
By integrating ESG metrics and prioritising customer needs in our product development process, we are able to create financial solutions that are both innovative and beneficial in creating and contributing to a more diverse and sustainable economy.



ESG Integration

Our workflow based Electronic Document Management System (EDMS) and system-generated agreements which have been in implementation since the previous year has enabled us to significantly minimise our paper usage, resulting in a more sustainable and efficient workflow.

Building on this progress, we have further expanded our digital tools, including a mobile app, self-service kiosks, and an updated website. These platforms allow us to improve accessibility convenience for our customers but also significantly reduce reliance on paper-based transactions and communications.



E&S Management System

Starting in 2025, we plan to implement an Environmental and Social Management System (ESMS), with the aim to enhance our ESG due diligence process for SME clients. This system will enable us to systematically assess and manage ESG risks associated with our lending activities, aligning our financing decisions with our sustainability commitments.

We believe that proactively integrating ESG considerations into our operations will contribute to minimising our environmental impact, promoting social responsibility, and uphold our governance practices.

Our approach is intended to not only support a more sustainable and inclusive financial sector, but also to strengthen our risk management framework and enhance our reputation as a responsible lender.



PEOPLE AND CULTURE



Diversity and Inclusion

We believe that a diverse and inclusive workforce is essential for our success. Our commitment to diversity and inclusion is reflected in our proactive efforts to create a workplace where individuals from all backgrounds feel valued, respected, and empowered to contribute their unique perspectives.

Our diversity initiatives focus on attracting a diverse pool of talent, promoting inclusive

recruitment practices, and ensuring equitable opportunities for career progression. We also strive to increase the representation of underrepresented groups at all levels of our organisation, including leadership positions. Furthermore, a diverse workforce fosters innovation, strengthens our competitive advantage, and contributes to a more dynamic and engaging work environment.

GENDER DIVERSITY	2022	2023	2024
Female employees in the workforce	76	91	106
Male employees in the workforce	245	265	278
% of female employees in the workforce	24%	26%	28%
% of females in Middle Management	22%	18%	20%
% of females in Top Management	0%	9%	17%

TOP COUNTRIES - ALL EMPLOYEES	2022	2023	2024
Oman	290	324	353
India	18	20	20
Iraq	1	1	0
Jordan	1	0	0
Pakistan	4	4	4
Sri Lanka	5	6	6
Sudan	1	1	1
Egypt	1	0	0

Equal Opportunity

We are committed to maintaining a fair and inclusive work environment where equal opportunities are provided to all employees and job applicants. This means that all employment decisions, including recruitment, promotion, and training, are based solely on merit and qualifications. We strictly prohibit discrimination based on gender, ethnicity, age, religion, or any other personal characteristic.

This approach not only aligns with our values but also enhances our ability to attract and retain top talent, ultimately benefiting our business and contributing to a more just and inclusive society.

Gender Pay Ratio

Ratio of median male compensation to median female compensation

1.2:1



NEWLY HIRED FOR THE YEAR	2022	2023	2024
Total Number of ALL NEWLY HIRED employees	34	51	43
Number of NEWLY HIRED LOCAL employees	29	46	41
Number of NEWLY HIRED LOCAL MALE employees	21	27	24
Number of NEWLY HIRED LOCAL FEMALE employees	8	19	17

Omanisation

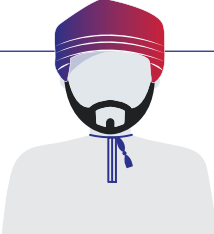


We are dedicated to supporting the development of Omani talent and increasing the representation of Omani nationals within our workforce. This commitment, known as Omanisation, is a key element of our human resources strategy and aligns with national priorities and Oman Vision 2040.

We actively invest in the growth and development of our Omani employees by providing them with access to training programmes, workshops, and career development opportunities. This approach not only empowers local talent but also strengthens our organisation by creating a highly skilled and dedicated workforce.

We believe that a balanced approach that combines Omanisation with our commitment to equal opportunities is essential for building a thriving and inclusive workplace. This strategy allows us to nurture local talent while also leveraging the diverse perspectives and expertise that international professionals bring to our organisation.

LOCALS VS. EXPATS – ALL EMPLOYEES	2022	2023	2024
Number of countries from which we have employees	8	6	5
Number of Local Employees	290	324	353
% of Local Employees	90%	91%	92%
Number of Expat Employees	31	32	31
% of Expat Employees	10%	9%	8%



We achieved a

92%

Omanisation rate
this year

Women Empowerment

At National Finance, we regularly invest in leadership development programmes designed to equip women with the skills and confidence they need to excel in the workplace and in leadership roles.

One such notable initiative is the Springboard Programme, conducted by Ooredoo. This programme, created by women for women, promotes the inclusion of Omani women in the workplace and provides training opportunities across the country. This year, the programme

expanded its reach and saw the participation of 250 individuals, showcasing over 25 projects from various government and private institutions from across the Sultanate.

We are incredibly proud of the achievements of our two teams who participated in this year's Springboard programme. Their innovative projects, Zeela and Oman GIG, were recognised for their potential to address critical challenges and empower individuals.

Learning and Development

We are committed to fostering a culture of continuous learning and development within our organisation. We believe that investing in our employees' growth is not only beneficial for their individual careers but also essential for the overall success of National Finance. Our comprehensive Learning and Development (L&D) strategy reflects

this commitment by providing diverse opportunities for employees to enhance their skills and knowledge across all levels.

Our Learning and Development (L&D) strategy is built upon a foundational model that follows a 70-20-10 learning model. This translates to:

70% ON-THE-JOB TRAINING

We place a strong emphasis on practical, hands-on learning experiences. This allows employees to apply new skills and knowledge directly in their roles, gaining valuable real-world experience and a deeper understanding of their responsibilities.

20% PROFESSIONAL INTERVENTION

This comprises a blend of formal and informal coaching and mentoring sessions, providing employees with personalised guidance and support for their professional development. We believe in fostering strong relationships between colleagues and creating opportunities for knowledge transfer and shared learning.

10% FORMAL TRAINING PROGRAMMES

We offer a range of structured training programmes, conducted both internally and externally. These programmes are carefully curated and sponsored by us to cover a wide range of topics relevant to our business needs and industry best practices.

To ensure the effectiveness of our L&D initiatives and maximise their impact, we utilise a variety of assessment tools. These include post-training evaluations, one-on-one discussions with supervisors, and performance reviews that consider the application of newly acquired skills and knowledge. We also conduct regular Training Needs Analyses to identify skill gaps and future development opportunities, and we track key performance indicators (KPIs) to measure the impact of our L&D programs on individual and organisational performance.

We also prioritise the personal and professional growth of our employees, offering sessions on topics such as leadership development, emotional intelligence, and stress management. We believe in fostering a holistic approach to employee well-being, recognising that a healthy and engaged workforce is a productive workforce. We actively collaborate with external organisations, such as Injaz Oman, to contribute to the development of national talent and support the growth of the Omani workforce.

Furthermore, we provide opportunities for aspiring professionals to gain valuable experience and launch their careers. Our trainee programme offers recent graduates the chance to develop essential skills and knowledge through on-the-job training and mentorship. We provide our trainees with a stipend and consider them for permanent positions within the company based on their performance and potential.

TOTAL TRAINING DAYS - BY GENDER - ALL EMPLOYEES	2023	2024
Total training days for MALE employees	831	503
Total training days for FEMALE employees	544	305
Total training days for ALL employees	1375	808

TOTAL TRAINING DAYS - TOP MANAGEMENT	2023	2024
Total training days for MALE employees in TOP MANAGEMENT	17	3
Total training days for FEMALE employees in TOP MANAGEMENT	0	2
Total training days for ALL employees in TOP MANAGEMENT	17	5

INVESTMENT IN TRAINING	2023	2024
Total cost of training (OMR)	80,000	120,000
Average costs of training per individual (OMR)	267	315

By providing comprehensive and accessible L&D opportunities, we aim to empower our employees to reach their full potential, enhance their performance, and contribute to the ongoing success of National Finance. We believe that a culture of continuous learning is essential for innovation, adaptability, and sustained growth in today's dynamic business environment.

Employee Wellbeing

The well-being of our employees is a top priority as we strive to create a supportive and rewarding work environment. We offer a comprehensive benefits package that encompasses several key areas designed to promote both professional and personal well-being.

Our compensation structure is designed to recognise and reward employee contributions. All staff members are eligible for bonuses or incentives based on their roles and performance, nurturing a culture of meritocracy that encourages high achievement. We also understand the importance of supporting our employees' families, and therefore, General Managers and above receive financial assistance with schooling fees for their dependents.

Health and wellness are paramount to our employee well-being strategy. As a result, we provide comprehensive medical and life insurance coverage

to all employees, ensuring they have access to necessary healthcare and financial security. To further promote physical well-being, we offer a gym allowance, with the amount varying based on employee grade. We believe that encouraging a healthy lifestyle contributes to a more productive and engaged workforce.

We regularly review our benefits package to ensure it remains competitive and meets the evolving needs of our employees. While updates typically occur every 2-3 years, we are committed to providing a comprehensive and supportive benefits programme that contributes to the overall well-being and satisfaction of our valued team members.



Parental Leave

We understand the importance of supporting our employees during significant life events, such as starting a family. We offer comprehensive parental leave benefits that provides both mothers and fathers with the time and resources they need to care for their newborns and adjust to parenthood.

In accordance with Omani Labour Law, we provide 98 days of fully paid maternity leave for female employees, ensuring they have ample time to recover from childbirth. We also offer seven days of paternity leave for male employees, recognising the importance of their role in supporting their partners and newborns.

To further support working mothers, we offer the option of taking up to one year of unpaid leave following maternity leave. This allows for greater flexibility in managing childcare arrangements and returning to work. Additionally, we provide nursing mothers with one hour per day for nursing, ensuring they have the time and space they need to care for their infants.



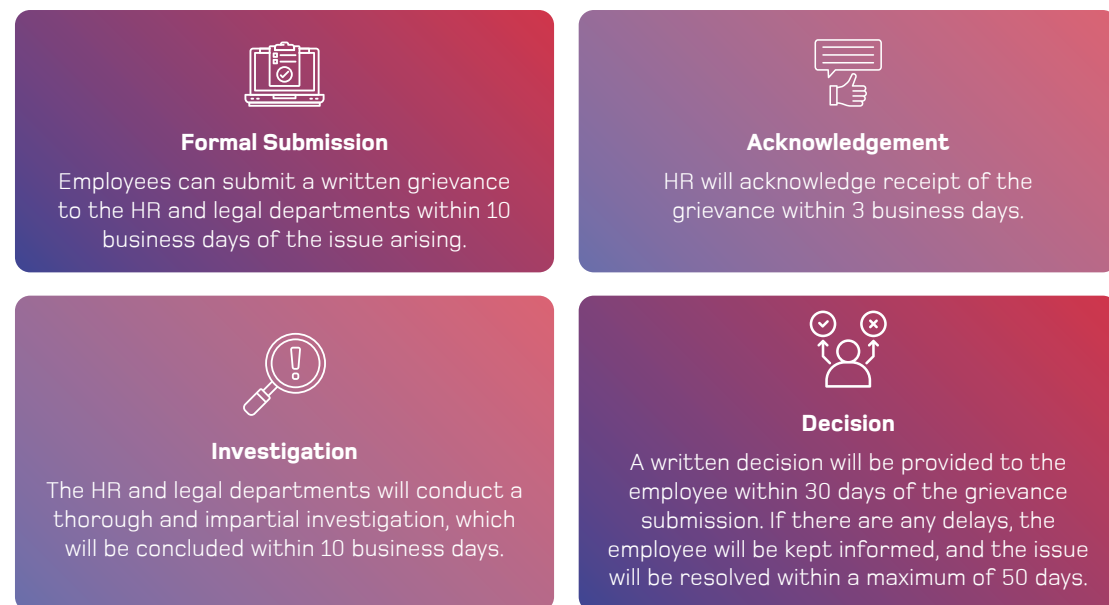
PARENTAL LEAVE	2023	2024
Number of MALE employees that were ENTITLED to parental leave	8	30
Number of MALE employees that ACTUALLY TOOK parental leave	8	30
Number of MALE employees that CAME BACK TO WORK after completion of parental leave	8	30
Number of MALE employees who returned to work after parental leave ended who were still employed 12 months after their return to work.	8	30
Retention rate for MALE employees who went on Parental Leave	100%	100%
Number of FEMALE employees that were ENTITLED to parental leave	7	7
Number of FEMALE employees that ACTUALLY TOOK parental leave	7	7
Number of FEMALE employees that CAME BACK TO WORK after completion of parental leave	7	4*
Number of FEMALE employees who returned to work after parental leave ended who were still employed 12 months after their return to work.	7	7
Retention rate for FEMALE employees who went on Parental Leave	100%	100%

***Disclaimer:** There are some employees who are yet to conclude their leave period.

Employee Grievance Process

Our employee grievance process ensures that all employees have a formal channel to voice their concerns and seek resolution fairly and efficiently.

We encourage open communication and believe that many issues can be resolved informally. Employees are encouraged to discuss concerns directly with their line manager to facilitate a swift and amicable resolution. However, if the matter cannot be resolved informally, employees can initiate a formal grievance process. Our formal grievance process involves the following steps:



Throughout the entire process, confidentiality is maintained, and employees are protected from any form of retaliation for raising concerns in good faith. We believe that a transparent and accessible grievance process is essential for maintaining a fair and supportive work environment where employees feel valued and empowered.

Our People in Numbers

WORKFORCE PROFILE	2022	2023	2024
Total Number of full-time employees	321	356	384
Total Number of Employees with Disabilities (PwD)	1	1	1
Number of MALE employees	245	265	278
Number of FEMALE employees	76	91	106
% of FEMALE employees out of total workforce	24%	26%	28%

TURNOVER RATE - FULL TIME EMPLOYEES	2022	2023	2024
Turnover rate for all MALE employees (%)	4.5%	4.5%	4.7%
Turnover rate for all FEMALE employees (%)	2.6%	4.4%	1.9%
Turnover rate for ALL employees (%)	4%	4.5%	3.9%

TOP MANAGEMENT - BY GENDER	2022	2023	2024
Number of MALE employees in TOP MANAGEMENT	8	10	10
% of MALE employees in TOP MANAGEMENT	100%	91%	83%
Number of FEMALE employees in TOP MANAGEMENT	0	1	2
% of FEMALE employees in TOP MANAGEMENT	0%	9%	17%
Total number for ALL employees in TOP MANAGEMENT	8	11	12

MIDDLE MANAGEMENT - BY GENDER	2022	2023	2024
Number of MALE employees in MIDDLE MANAGEMENT	36	37	37
% of MALE employees in MIDDLE MANAGEMENT	78%	82%	80%
Number of FEMALE employees in MIDDLE MANAGEMENT	10	8	9
% of FEMALE employees in MIDDLE MANAGEMENT	22%	18%	20%
Total number for ALL employees in MIDDLE MANAGEMENT	46	45	46

ENTRY LEVEL - BY GENDER	2022	2023	2024
Number of MALE employees in ENTRY LEVEL positions	201	218	231
% of MALE employees in ENTRY LEVEL positions	75%	73%	71%
Number of FEMALE employees in ENTRY LEVEL positions	66	82	95
% of FEMALE employees in ENTRY LEVEL positions	25%	27%	29%
Total number for ALL employees in ENTRY LEVEL positions	267	300	326

NEWLY HIRED FOR THE YEAR	2022	2023	2024
Total Number of ALL NEWLY HIRED employees	34	51	43
Number of NEWLY HIRED LOCAL employees	29	46	41
Number of NEWLY HIRED LOCAL MALE employees	21	27	24
Number of NEWLY HIRED LOCAL FEMALE employees	8	19	17

OUR TRAINEES	2024
Number of Trainees hired	43
Number of Trainees converted to Full Time Employees (FTE)	21

CUSTOMER EXPERIENCE AND SATISFACTION



At National Finance, we recognise that exceptional customer experience is imperative to our success as a leading financial institution in Oman. In today's competitive landscape, customer-centricity is not merely a service offering, but a core business principle that drives growth, loyalty, and trust.

By prioritising the needs and expectations of our customers, we aim to create positive, lasting relationships that strengthen our brand reputation and contribute to our long-term sustainability. A seamless, efficient, and personalised experience builds customer satisfaction, which in turn fuels our continued success as we work towards becoming the preferred financial partner for individuals and businesses across Oman.

Complaints Management

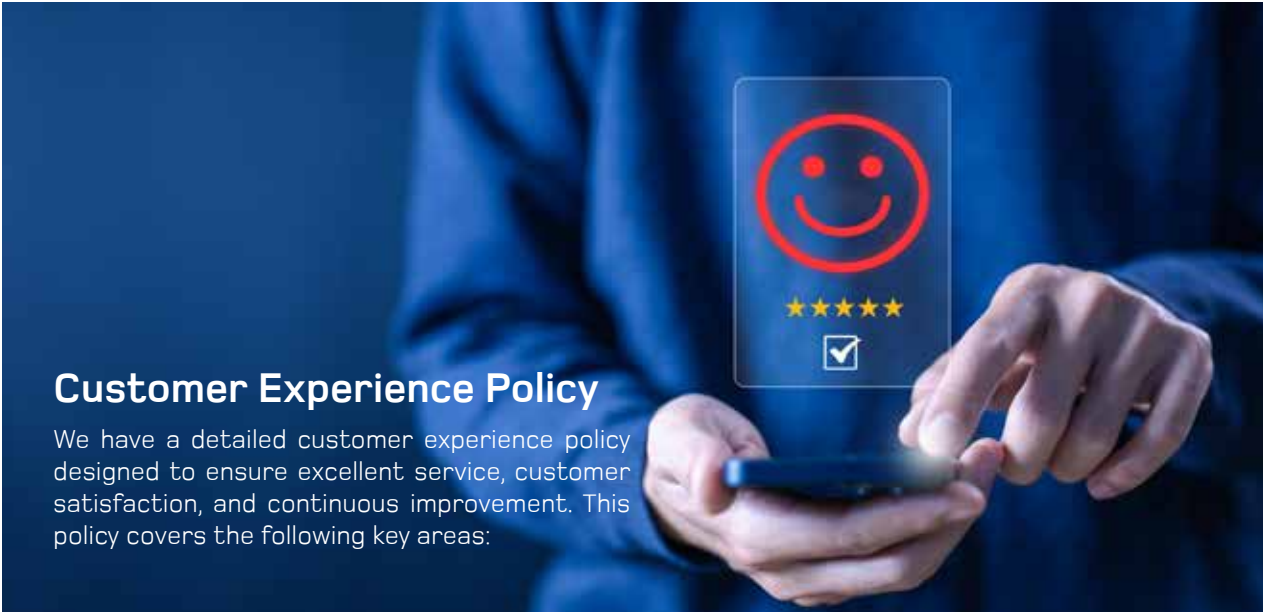
We provide multiple convenient channels for our customers to submit their feedback or complaints. These include in-person communication at any of our branches, online platforms, dedicated call centre, and direct engagement with any member of our staff. This multi-channel approach ensures accessibility and offers our customers flexibility in choosing their preferred method of communication.

When a customer submits a complaint, we follow a clear process to ensure it is handled efficiently and effectively. Firstly, every complaint undergoes multiple filtration steps to verify its authenticity. In cases where complaints are found to be non-genuine or duplicated, the complaint will be marked as invalid, and the staff member who logged the case will contact the customer directly.

For genuine complaints, the process outlined below is designed to acknowledge the complaint, investigate the issue, and provide a timely resolution while keeping the customer informed at every stage.



STAGE	DESCRIPTION
Received on Digital Platform	We utilise a digital platform that streamlines complaint management capturing it in a transparent and structured manner.
Establishing Clear Turnaround Time (TAT)	We establish an estimated resolution date for each complaint based on predefined turnaround times and generate a unique reference number. This reference number is immediately shared with the customer via SMS.
Streamlined Routing of Complaint	Our system automatically routes complaints to the relevant department or branch based on the issue raised. Each branch and department have trained Quality Champions, and designated backups, who take ownership of each complaint to ensure it is resolved promptly within the defined timeframe.
Resolution	If an issue isn't resolved within the specified timeframe, it is escalated to the line manager and, if needed, to higher management. Once resolved, the Quality Assurance team verifies that the complaint has been addressed satisfactorily. If not, it is returned to the relevant department or branch for further action.
Customer Notification	Once we resolve a complaint, our Quality Assurance team approves its closure, and we notify the customer of the resolution.



Customer Experience Policy

We have a detailed customer experience policy designed to ensure excellent service, customer satisfaction, and continuous improvement. This policy covers the following key areas:



	2022	2023	2024
Customer Complaints Received	23	76	787*
Customer Complaints Resolved	23	76	785**

*We implemented a robust complaint management system in 2024 to ensure that customer complaints and grievances are accurately captured and resolved within a standardised timeframe.

**All pending complaints were resolved subsequently.

Financial Inclusion

We believe that financial inclusion is the hallmark of a just and equitable society. As a leading financial institution in Oman, National Finance is committed to ensuring that all individuals and businesses have access to the financial products and services they need to succeed. This commitment extends beyond simply providing access to accounts and credit; we strive to empower our customers with the knowledge and tools to manage their finances responsibly.

We also work to ensure our products and services are accessible to all segments of society, including those with special needs. Our ongoing partnership with SignBook Oman, offering instant translation services at our branches for people with hearing disabilities, exemplifies this commitment. This service has assisted 42 customers till date. We are also actively working to enhance the accessibility of our websites for individuals with special needs.



National Finance signed an agreement with Signbook Oman to provide instant sign language translation services across branches

Digitalisation

We recognise that in today's rapidly evolving technological landscape, digitalisation is vital for remaining competitive and meeting customer expectations. Embracing digital advancements allows us to enhance operational efficiency, improve the customer experience, and drive innovation.

This year, we have launched several initiatives to digitise our processes and enhance the customer experience. Some of the key initiatives include:



Self Service Kiosks

We launched new self-service kiosks at our branches to enhance customer experience and provide faster service. These kiosks enable customers to make loan payments, inquire about loans, request loans, place cheque holds, and deposit cash or pay via debit card for EMLs and charges.



24/7 Automated IVR Systems

We have implemented an automated IVR system to provide our customers with 24/7 access to loan information. This system enhances convenience by allowing customers to access details such as information on different types of loans, outstanding balances, repayment schedules, and due dates at any time, without the need to contact our staff directly.



Partnership with a leading provider of digital solutions

To accelerate our digital transformation, we have partnered with a leading provider of digital solutions for financial institutions. This collaboration has enabled us to implement several key initiatives, including PowerPay for collection incentives, automated retail and corporate agreement processing, and the integration of an auto-dialer for streamlined collection calls.



Partnership with IT Solutions Provider

Paperless transformation refers to the process of transitioning from paper-based systems to digital solutions for managing documents, workflows, and communications. This transformation leverages technology to reduce the reliance on paper in businesses, organisations, and even personal spaces. The goal is to enhance efficiency, reduce costs, improve accessibility, and minimise environmental impact. National Finance has automated 25 plus workflows and automated ROP and Enforcement letters.



Regulatory Application Using APIs

National Finance has connected with various applications of CBO using APIs like Malaa, Huriya, and Murshid, etc. for faster and authentic data of customers for

- Faster Loan Approvals** (from days to minutes)
- Lower Operational Costs** (fewer manual interventions)
- Enhanced Compliance & Fraud Prevention**
- Seamless Customer Experience**



Complaint Management System

A Customer Complaints Application for NFC is a specialised digital platform designed to manage, track, and resolve customer grievances related to financial services. It ensures compliance with regulatory requirements while enhancing customer trust and satisfaction

Secure Complaint Submission, Automated Case Management, Enhanced Customer Trust, Operational Efficiency, Data-Driven Decision Making



Agreement Prefill

Agreement Prefill Automation is done for retail and corporate agreements refers to the use of technology to automatically populate business agreements with pre-defined data, reducing the manual effort involved in filling out repetitive fields. This automation streamlines the process of creating, reviewing, and finalising contracts, making it faster, more accurate, and more efficient. By leveraging data from core systems, databases, and user inputs, agreement prefill automation ensures that all necessary information is accurately populated into the document template before it is presented for review or signing.

Cyber Security and Data Privacy

Cybersecurity and privacy are fundamental imperatives for National Finance, driven by our belief that technology is the backbone of modern business operations. As digital transformation accelerates, security and privacy serve as core pillars in ensuring resilience, innovation, and trustworthiness.

Our commitment to pioneering trusted online services is reinforced by a cybersecurity framework that includes identity and access management, data encryption, cyber threat intelligence, and incident response measures. Compliance with regulatory mandates from the Central Bank of Oman (CBO) and the Financial Services Authority

(FSA) is integral to our strategy, ensuring stringent data protection, cyber risk management, and security monitoring.

We have a Cyber Security and Privacy Policy in place to regulate and safeguard our digital assets, customer data, and critical systems. Our policy is designed to minimise risks associated with security breaches by implementing proactive measures to protect against cyber threats and unauthorised access, ensuring that effective security controls are in place to protect sensitive information and maintain operational integrity. The other key objectives of our policy are:



Ensure that security controls are in place to protect data confidentiality, integrity, and availability.

Maintain effective network security controls and protocols to safeguard against cyber-attacks, vulnerabilities, and unauthorised activities.

Comply with applicable laws and regulations, including the cybersecurity mandates set by the Central Bank of Oman (CBO) and other regulatory bodies.

Ensure business continuity and system availability by implementing risk mitigation strategies, disaster recovery mechanisms, and incident response protocols to minimise downtime and service disruptions.

Furthermore, we ensure the proper implementation of the policy through a multi-layered approach.

APPROACH	DESCRIPTION
Governance and Compliance	Regular audits and assessments are carried out to ensure alignment with industry best practices and regulatory standards using independent audits which are conducted by internal audit team and externally recognised audit firms.
Technical Control	This involves deployment of firewalls, intrusion detection systems, encryption mechanisms, and secure authentication measures to protect systems and networks.
Access Management	Strict identity and access management protocols are in place to limit unauthorised access to critical systems and data.
Incident Response and Risk Management	We have established a structured incident response plan to detect, respond to, and mitigate security incidents in a timely manner.
Employee Awareness and Training	We conduct regular cyber security awareness programmes to educate employees on the best practices and their role in safeguarding sensitive data.

Cyber Security Management Framework

As a Central Bank of Oman (CBO) regulated entity, we comply with the required cyber security standards mandated by the CBO to safeguard our financial assets, customer data, and critical systems. We have adopted CBO's Cyber Security and Resilience Framework as the foundation for our own cyber security management framework which is in line with globally recognised standards such as ISO/IEC 27001, PCI DSS, BASEL, and the NIST Cyber Security Framework.

The CBO's Cyber Security and Resilience Framework is structured around six key domains, each containing essential security controls to enhance cyber resilience and regulatory compliance.



The importance of addressing data breaches proactively cannot be understated. To ensure that we effectively respond to any threat, we have implemented comprehensive measures to strengthen our cybersecurity posture, enhance threat detection, and mitigate risks associated with potential security incidents. These efforts

ensure that our systems, processes, and employees are well-equipped to prevent, detect, and respond to cyber threats effectively.

This year, we have undertaken the following actions to ensure the highest level of protection for our systems, data, and stakeholders.

- 

Operational Enhancements

To reinforce our defences against internet-based threats, we implemented a web internet proxy, providing an additional security layer that protects our staff from malicious web activities while enhancing network security against external threats.
- 

Management and Process Revisions

We conducted a thorough review and enhancement of our cyber security management practices to ensure a more structured and proactive stance against emerging cyber threats. This included strengthening our incident response framework to minimise the impact and response time for potential security breaches.
- 

Product and Technology Upgrades

To further protect our digital assets and customer information, we invested in advanced security solutions such as Web Application Firewall (WAF) that was deployed to secure our website and mobile applications from cyber threats and Email Security Gateway which was implemented to protect against phishing, spoofing, and malware-based attacks, recognising email as a critical threat vector ensuring the safety of sensitive financial transactions.
- 

Collaborative Business Partnerships

We recognise the importance of strong cyber security partnerships and have actively worked with our cyber security services partners to enhance our cyber security resilience. Our efforts include sharing best practices and security intelligence with industry peers and regulators to stay ahead of emerging threats.
- 

Continuous Training Initiatives

We expanded our cyber security awareness programmes, keeping employees informed about the latest cyber threats, security best practices, and preventive measures. We also conducted phishing simulation campaigns to strengthen our staff's ability to detect and respond to cyber threats.
- 

Governance and Compliance

As part of our commitment to strong governance, we continuously update and enforce our Information Security Policy to align with regulatory mandates. Our efforts this year focused on maintaining strict security controls and data protection measures, enforcing security policies across all business units, covering staff practices, asset management, and third-party collaborations. Integrating cybersecurity into our project governance framework, ensuring that security is embedded in all technological initiatives.



Zero Incidents

of data breach, data loss or unauthorised data disclosure, identified in 2024.



Maintaining Data Privacy

At National Finance, we adhere to the Financial Consumer Protection Regulatory Framework (FCPRF) issued by the Central Bank of Oman (CBO) to maintain compliance with data privacy regulations.

To safeguard personal data, we have implemented a Privacy Policy that outlines the principles and guidelines for handling customer information securely. We have also reinforced our data protection measures through Data Loss Prevention (DLP) solutions and Data Classification controls, strengthening our ability to prevent unauthorised access and protect sensitive information.

Furthermore, we have a comprehensive compliance programme in place to continuously monitor and assess our adherence to data privacy regulations and security standards. This programme is managed independently by our Compliance Department, ensuring an objective approach to oversight and governance.

Cyber Security Training and Awareness

We believe cyber security and data privacy is a shared responsibility at National Finance. To ensure all employees and vendors are well-informed and equipped to protect sensitive data, we have implemented a comprehensive and engaging training programme.

We use diverse delivery methods to cater to different learning styles and schedules. These include regular security alerts via email, a mandatory cybersecurity induction programme for new joiners, an interactive e-learning platform accessible to all employees, and targeted live training sessions for 'Risk Champions' who serve as security ambassadors across the company.

Our training covers a wide range of essential topics, including information security fundamentals, threat awareness, data protection, social engineering, and regulatory compliance. We provide practical guidance on topics such as password protection, email security, safe internet practices, and proper media disposal.

Through these initiatives, we aim to enhance cyber threat awareness, promote safe online behaviour, build a security-conscious culture across all departments, and ensure compliance with regulatory requirements. By investing in our people, we are building a knowledgeable human firewall and strengthening our overall cybersecurity posture.



CORPORATE SOCIAL RESPONSIBILITY



At National Finance, we are committed to responsible practices that benefit both our stakeholders and the wider community. Our CSR strategy prioritises ethical conduct, active community involvement, and sustainable practices, focusing on creating value for all stakeholders while fostering long-term development and positive social and environmental impact.

We believe in actively contributing to the communities we serve. We achieve this through a variety of initiatives, including strategic partnerships with organisations that align with our values, sponsorships of community projects and events, and programmes that provide volunteering opportunities for our employees, encouraging them to dedicate their time and skills to meaningful causes.

Moreover, our comprehensive CSR Policy provides a clear framework for our operations and interactions with the community, setting clear standards for responsible behaviour and environmental stewardship.

This policy applies to all employees ensuring that our commitment to CSR is embedded throughout our organisation. It is also regularly reviewed and updated to reflect current best practices, with the latest revision completed in December 2022.

Environmental Initiatives



Empowering Women Through Beekeeping

We once again joined forces with the charitable organisation Dar Al Atta'a on a unique initiative aimed at empowering Omani women in several Governorates (Musandam, Al Dhahirah, Al Dakhiliyah, Ash Sharqiyah North, Ash Sharqiyah South, and Dhofar).

This initiative focused on beekeeping and honey cultivation, aiming to provide women, particularly those from disadvantaged backgrounds, with valuable skills and self-employment opportunities. The initiative involved two key components:

Beekeeping Training

We provided comprehensive beekeeping training to 50 participants, equipping them with the knowledge and skills needed to establish and manage their own beekeeping ventures.

Honey-Based Cosmetics Workshops

We conducted workshops for 35 participants on crafting handmade cosmetics using honey and other natural ingredients. These workshops empowered participants to create marketable products, further enhancing their income-generating potential and contributing to the growth of local businesses.

By investing in the skills and potential of these women, we aim to support their economic empowerment and contribute to the sustainable development of their communities.

**SDGs contributed to
through this initiative**



The Green Campus Initiative

We have partnered with the Environment Society of Oman (ESO) to launch the Green Campus Educational Initiative; a programme designed to raise environmental awareness and empower young people to become leaders in sustainability. This initiative reflects our commitment to environmental responsibility and our belief in the power of education to drive positive change.

The Green Campus Initiative is the first competition of its kind in Oman, challenging colleges and universities to reduce their environmental impact and promote sustainable practices on their campuses. Participating institutions will conduct assessments, plan, and implement projects aimed at minimising their carbon footprint and contributing to environmental conservation.

Through this initiative, we aim to inspire and empower the next generation of leaders to champion sustainability and create a greener future for Oman. We believe that by investing in environmental education, we are fostering a sense of responsibility and encouraging innovative solutions to address the pressing environmental challenges facing our planet.



SDGs contributed to through this initiative



The BeGreen Initiative

Our "Be Green" initiative is a multifaceted approach to promoting environmental sustainability within the organisation. Recognising the importance of waste reduction, we have implemented comprehensive recycling programmes, including the placement of paper recycling bins across all departments and the encouragement of plastic bottle recycling through strategically located "PLASBIN" bins in Muscat. Furthermore, practical measures such as providing printer tips to minimise paper usage and replacing disposable plastic water bottles with reusable alternatives, including glass bottles in meeting rooms, have been adopted to directly reduce our environmental footprint.

Beyond physical changes, the "Be Green" initiative emphasises communication and awareness. Emailers are used to disseminate information about sustainability initiatives and encourage employee participation. Through this initiative, we aim to cultivate a culture of collective responsibility, empowering employees to actively contribute to a greener workplace. By engaging staff in these efforts, the company demonstrates its commitment to responsible corporate citizenship and strives to make a tangible, positive impact on the environment.

SDGs contributed to through this initiative



Supporting Oman's First Solar Panel Manufacturing Project

In line with our commitment to supporting the growth of renewable energy in Oman, we have provided crucial backing to Sheida Industries, a 100% Omani-owned enterprise and the nation's first solar panel manufacturer. Our funding has enabled Sheida Industries to procure essential raw materials to produce solar panels at their state-of-the-art manufacturing facility in Sohar Industrial Area, spanning over 11,250 square meters.

This initiative reflects our dedication to sustainable development and aligns with Oman Vision 2040 as well as the nation's Net Zero 2050 ambitions. By

supporting Sheida Industries, we are contributing to the diversification of Oman's energy sector and promoting the adoption of renewable energy sources.

SDGs contributed to through this initiative



Social Initiatives

The Tamkeen Programme

We renewed our partnership with Dar Al Atta'a to further support their 'Tamkeen' programme, which aims to empower individuals from underprivileged backgrounds by providing them with the skills and qualifications needed to become certified dental assistants.

This programme offers a comprehensive training course designed to prepare candidates for essential roles within the medical sector. By equipping these individuals with valuable skills and knowledge, we aim to create sustainable income opportunities for them and their families. This initiative aligns with Oman's commitment to developing a skilled and productive workforce, as outlined in Oman Vision 2040.

We believe that investing in education and professional development is crucial for driving economic growth and social progress. Through our support of the 'Tamkeen' programme, we are contributing to the development of a resilient and capable workforce that can contribute to Oman's continued success.



SDGs contributed to through this initiative



The Company Programme – Injaz Oman

We are proud to support INJAZ Oman, a member of Junior Achievements Worldwide, the world's largest non-profit organisation dedicated to empowering young people through entrepreneurship education. INJAZ Oman's programmes provide valuable opportunities for high school and university students to gain practical experience in business and entrepreneurship.

Through the Company Programme, students from diverse academic backgrounds launch and manage real businesses in their communities. This hands-on experience allows them to develop essential business skills, understand the challenges and rewards of entrepreneurship, and contribute to the economic and social development of the MENA region.

To further enhance the learning experience, INJAZ Oman hosts a series of workshops, both online and in-person, led by subject-matter experts. These workshops supplement the core curriculum, introducing new concepts and providing additional materials to deepen students' understanding of business and entrepreneurship. The students with the best pitches are further invited to market their ideas at the Injaz Oman Exhibition.

This year's exhibition showcased the achievements of 72 student companies (60 from universities and 12 from schools) over three days, attracting over 8,000 visitors. The event provided a platform for students to present their business ideas and marketing pitches, with a judging panel evaluating their projects. Forty student companies qualified for the next phase of the programme, demonstrating the programme's success in nurturing entrepreneurial talent.



SDGs contributed to through this initiative



Sharakah Programme

Sharakah, also known as the Fund for Development of Youth Projects SAOC, was founded by Royal Decree in 1998 to support SMEs through financial and post-financial assistance.

Our collaboration with Sharakah began in 2017 with a series of one-day workshops titled "Calculate It

Right," conducted across various regions in Oman. Building on the success of these workshops, we launched the Imtidad SME Growth Programme in 2021, aligning with our broader CSR objectives.

In 2024, the Imtidad programme entered its third edition, featuring two distinct phases:



Phase Two: Skills Development Workshops

This phase included workshops designed to enhance participants' knowledge and skills:

- **Zaad Al Ruwad Workshop:** This dynamic two-day simulation equipped 28 participants, including the 6 Imtidad projects, with practical tools for pricing, resource allocation, operational expenses, and marketing strategy development.

- **In-house Workshop:** This one-day workshop, tailored to address specific weaknesses identified through BPMT results, focused on marketing and financial management. All six Imtidad projects and some of their team members participated.

These workshops, totalling 15 hours of training, provided valuable insights and practical skills in business management, marketing, and financial planning.

The programme overall provides various benefits in the form of comprehensive support to its participants, including detailed business assessments, tailored mentorship, and enhanced business skills development in areas such as marketing, finance, and strategy. This empowers participants to improve their operations, increase profitability and sustainability, and gain access to valuable resources and networks. The programme also fosters stronger team capacity, boosts confidence, and helps participants develop actionable business plans for long-term success.

Phase One: Business Assessment and Mentorship

This phase focused on six local SMEs, particularly micro and home-based businesses. Using Sharakah's Business Performance Monitoring Tool (BPMT), we conducted SWOT analyses to evaluate each SME's performance, identify areas for improvement, and provide tailored recommendations. This process involved rigorous screening of 156 applications, narrowing down to 20 through interviews, and ultimately selecting 6 promising projects.

We provided comprehensive mentorship through monthly follow-ups, totalling 48 meetings, 144 consultancy hours, and 24 life coaching sessions. This support enabled participants to implement growth strategies, improve efficiency, and overcome challenges.

SDGs contributed to through this initiative



Food Distribution Programme

During Ramadan, we partnered with Dar Al Atta'a to distribute Ramadan boxes filled with essential food items to families in need in the Al Amerat, Barka and Rustaq regions. This initiative also marked the launch of Himmah, our dedicated employee volunteer team.

Himmah, which means 'determination' in Arabic, signifies our commitment to social responsibility and community engagement. The team's logo, featuring three interconnected circles, represents the values of unity, solidarity, and cooperation, as well as our aim to create a lasting, positive impact on Oman's social landscape.

For their inaugural initiative, Himmah volunteers actively participated in the distribution of Ramadan boxes, ensuring that disadvantaged families had access to essential provisions during the holy month. This initiative reflects our dedication to supporting our community and embodying the spirit of giving, especially during significant cultural moments like Ramadan.



SDGs contributed to through this initiative



Village of Happiness Carnival

We are dedicated to promoting inclusivity and empowering individuals of all abilities. In line with this commitment, we supported the Village of Happiness Carnival, a two-day event celebrating individuals with disabilities and their families. The carnival provided a welcoming space with educational, interactive, and entertaining activities, fostering a sense of community and belonging.

Through our partnership with the Village of Happiness, we aim to amplify the voices and talents of individuals with disabilities, showcasing their abilities and contributions to society. We believe in creating an inclusive environment where everyone feels valued and respected. By supporting initiatives like the Village of Happiness Carnival, we are actively working to challenge stereotypes and cultivate a culture of empathy, understanding, and acceptance.

SDGs contributed to through this initiative



Employee Volunteering Programmes

We are dedicated to making a positive contribution to our community through active participation in various volunteer programmes. In 2024, our employees demonstrated this commitment by dedicating their time and effort to a range of initiatives focused on environmental conservation, health awareness, and support for vulnerable groups. A summary of these volunteering efforts is provided below.



PROGRAMME	DESCRIPTION	NO. OF HOURS	NO. OF EMPLOYEES	TOTAL HOUR
Distributing Ramadan Food Packs	During Ramadan, we partnered with Dar Al Atta'a to distribute food packs to families in need across three different locations.	20	11	76
Organising food packages on World Food Day	Our volunteer team partnered with Dar Al Atta'a Association to prepare food boxes in honour with World Food Day	8	3	24
Omani Agricultural Day	We collaborated with Muscat Municipality to plant trees on Omani Agricultural Day, contributing to a greener community	3	2	6
Dahareez Beach Cleanup with ESO	Our Himmah volunteer team joined forces with the Environment Society of Oman to clean up Al Dahareez beach, helping to preserve the natural beauty of this coastal area.	10	3	30



National Finance contributed over **188,000 OMR** towards community investments in 2024

ENVIRONMENTAL STEWARDSHIP



As a financial institution, our direct environmental impact from daily operations is minimal, primarily involving resource consumption such as fuel, water, and electricity. However, we recognise the significant indirect impact of our financing and investment decisions. This indirect impact, often referred to as Scope 3 emissions, represents a substantial portion of our overall environmental footprint.

We are currently in the process of developing the necessary systems and protocols required to measure our scope 3 emissions , and we anticipate reporting on these emissions in future sustainability reports. Doing so will provide valuable insights into our financed emissions, enabling us to manage our overall environmental impact more effectively. Our goal is to promote responsible environmental practices throughout our investment portfolio and collaborate with our clients to transition towards a more sustainable future.

Resource Consumption

Our primary source of transportation-related energy consumption comes from the two leased vehicles we use to provide transportation for our employees. We do not currently lease any buses for this purpose.

RESOURCE	2022	2023	2024
Petrol purchase (Liters)	0	5,038	3,900
Electricity Consumption (Kwh)	12,251	12,932	13,730

WATER CONSUMPTION	2022	2023	2024
Chilled Water Consumption (Liters)	123.77	126.50	116.73
Utility Water Consumption (Liters)	831	1,044	1,436
Total Water Consumption (Liters)	954.77	1,170.5	1,552.73

Materials and Waste Management

Our "Be Green" initiative encompasses several key actions to promote responsible consumption. To enable circularity, we have implemented a recycling programme, including providing dedicated bins for paper and plastic, and are actively transitioning to reusable water bottles and glass alternatives in meeting rooms.

Additionally, we are reducing paper consumption through efficient printer practices and raising awareness through internal communication campaigns.



MATERIAL	2022	2023	2024
Paper sent for recycling (Kg)	2,579	30,000*	15,682

Disclaimer: The significant increase observed in the 2023 data is attributed to the enhancements implemented in the recycling process. These improvements include the provision of dedicated recycling bins, raising employee awareness regarding recycling practices, and the recycling of archived documents.

GHG Emissions

We are committed to understanding and managing our environmental impact comprehensively. This includes actively measuring and analysing our greenhouse gas (GHG) emissions across all relevant scopes, including those stemming from our operational activities (Scope 1 and 2) and our financing and investment decisions (Scope 3).

By developing reliable data collection processes and expanding our emissions inventory, we aim to gain a clear picture of our overall environmental footprint. This will enable us to develop effective mitigation strategies, demonstrate our commitment to environmental responsibility, and work towards a more sustainable future.

	2022	2023	2024
Direct Emissions - Scope 1 (tco2e)	-	12.44	9.63
Indirect Emissions - Scope 2 (tco2e)	6.33	6.69	7.10

Procurement

Our procurement strategy prioritises sourcing products and services from within the Sultanate with a strong emphasis on supporting local businesses and contributing to the sustainable development of Oman's economy.

Our due diligence process ensures that we engage suppliers with a proven track record and a history of positive collaboration. We conduct annual performance evaluations of our existing suppliers and maintain high operational standards through

clear procurement policies and procedures, including confidentiality agreements and contractual obligations. To further strengthen our procurement process, we are dedicated to continuous improvement. This includes regular policy reviews, ongoing vendor performance assessments, market trend analysis, and investment in our procurement team's training and development.



INDICATOR	2022	2023	2024
Total number of suppliers	171	185	211
Total budget spent on suppliers (in OMR)	2,653,502	3,651,357	4,356,651
Number of LOCAL (Oman based) suppliers	154	170	183
% of Budget spend on LOCAL (Oman based) suppliers	93%	84%	88%
Number of SME suppliers	N/A	N/A	5