

CONSTANTLY INNOVATING & MOVING FORWARD

‘Innovation has been a cornerstone for Bank Nizwa. Through the vital task of Financial Engineering, the bank has been at the forefront of developing unique Sharia-compliant solutions that serve as an alternative to conventional banking,’ says Mr. R. Narasimhan, General Manager - Wholesale Banking, Bank Nizwa. Excerpts of the conversation with him:

How is Islamic wholesale banking shaping up in Oman and what role Bank Nizwa is playing in it?

The Islamic wholesale banking sector has witnessed sustained growth over the past few years despite economic downturns, challenges due to the pandemic, and phases of increased market volatility. The segment has consistently been a significant contributor to the socio-economic progress of the nation.

As the pioneer Islamic bank in Oman, Bank Nizwa’s Wholesale Banking Group has been at the forefront of supporting SMEs through incubation facilities and advisory services, conceptualising innovative solutions to meet the dynamic needs of Public and Private Participation (PPP), and delivering trade finance options to help businesses become more resilient in a competitive market. Apart from being the trusted Islamic financial partner for leading local projects, the bank has also acted as a strong advocate of Sharia-compliant banking practices. Through a series of seminars, campaigns, and workshops, Bank Nizwa has meaningfully engaged with the local community to increase awareness about the benefits of Islamic finance. In recognition of its efforts, Global Business Outlook also awarded Bank Nizwa the coveted title of the ‘Best Wholesale Banking Service Provider - Oman 2021’.

What is Bank Nizwa’s wholesale banking strategy and how does it align with Oman’s Vision 2040?

Bank Nizwa’s Wholesale Banking Group’s multi-industry portfolio and an ever-increasing customer base are a testament to its growing preference in the local community. With a keen focus on enhancing the efficiency of its operations while providing superior levels of product and service customisation, Bank Nizwa has segmented its wholesale banking customers into public and government sector entities, financial institutions, and private-sector clients. Backed by a team of experts who reserve the industry knowledge to service clients with different backgrounds, needs, and demands, Bank Nizwa currently has 10 divisions to address varying client requirements across all business segments.

With a focused strategy, a refined organisational structure, and an enhanced emphasis on convenience, coverage, and efficiency, Bank Nizwa has been able to offer the necessary financial support to its wholesale clients. In line with the diversification goals outlined in Oman Vision 2040, the bank has been the preferred Islamic financial partner for key national projects in the country that have the potential to have a sustainable impact on the economy while also supporting SMEs to thrive.

What is Bank Nizwa’s approach to wholesale banking and how is it helping meet the diverse needs of the customers?

Bank Nizwa focuses on a universal banking model that promotes

inclusivity, excellence, and transparency. Its innovative, tailor-made solutions are geared at green financing, food security projects, Public-Private Partnership models, infrastructure-related projects, tourism projects, aviation industry projects, and core manufacturing industries including steel, cement, plastics, chemicals, oil and gas, amongst others. With well-diversified exposure to 23 major economic sectors, its comprehensive suite of Sharia-compliant financial solutions offers stable, reliable, and sustainable financing options to a diverse clientele base. Meanwhile, its expert team of financial advisors offers the latest insights into the market, suggests prudent investment avenues, and helps clients make more informed decisions with regard to their funds. With an uncomplicated, efficient, and customer-centric approach to banking, Bank Nizwa believes in driving meaningful engagement with its clients to understand their respective business models better. Owing to its years of experience in the industry, the bank is strongly positioned to then customise value-driven solutions to address these financial needs.

Bank Nizwa takes great pride in offering 360-degree solutions to its customers. Tell us more about it and also share in brief your key and innovative Shari’ah-compliant products and services for the wholesale banking customers.

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**Mr. R. Narasimhan, General
Manager - Wholesale Banking,
Bank Nizwa**

for Bank Nizwa. Through the vital task of Financial Engineering, the bank has been at the forefront of developing unique Sharia-compliant solutions that serve as an alternative to conventional banking. Whether it is SMEs, mid-size corporate companies, or large business houses, the bank goes the extra mile to offer customised solutions to meet the diverse needs of clients. Its asset product offerings include working capital finance, Islamic trade finance, retail products to promoters, and dedicated long-term finance. Meanwhile, its deposit product offerings include digital transaction banking services, current or checking accounts, call accounts, term investment accounts, and Islamic foreign exchange services. The bank also has a host of other services like treasury, transaction banking, advisory, and investment banking geared at providing customers the added support to make prudent financial decisions.

As a pioneer in its field, Bank Nizwa was also the first Islamic bank to introduce sustainable finance to Oman. Built on strong values of Sharia, the bank highlighted the importance of following sustainable business practices that have a positive environmental and social impact. Taking a holistic approach to promoting sustainability, the program focused on climate change, protection of the environment, and enhancing the lives of people, while also encouraging projects that were geared at transitioning to a green, circular economy.

As the market is recovering from the pandemic-related challenges, what are the prospects for growth of Islamic wholesale banking in Oman? And how do you plan to optimize on the emerging opportunities?

Bank Nizwa's Wholesale Banking Group has been recording commendable progress with strong financial indicators attesting to its success. While stronger economic growth is expected to boost overall industry assets, the resilience

demonstrated by Islamic banking products in an increasingly volatile market has been a key factor in its rising preference amongst the community. At Bank Nizwa, we will continue to contribute toward the nation's goals while helping our customers thrive.

With sustainability and diversification being identified as critical pillars of economic growth, Bank Nizwa signed a sustainable finance agreement with Shanfari Special Projects. Through the agreement, the bank also reiterated its commitment to the logistics sector, thereby contributing to the diversification agenda of the nation.

Moreover, the country's keen focus on energy transition has made companies realise the importance of integrating Environment, Social and Governance (ESG) norms into business. Bank Nizwa has been at the forefront of addressing this rising demand through sustainable finance options like green Sukuk.

Meanwhile, regarding SMEs as propellers of economic growth, Bank Nizwa has formed a separate unit to cater to the needs of SME clients and has been providing them with the needed financial assistance and advice.

How are you serving the needs of the wholesale banking customers in the Dhofar region?

The Dhofar region, with its abundant natural resources and tourist spots, plays a vital role in contributing to the growth of the national economy. Of late, it has been attracting significant capital and several key projects are also underway. To cater to the projected rise in demand, Bank Nizwa has not only established a strong presence in the region but has hosted seminars to raise awareness about the benefits of Sharia-compliant products. With a keen understanding of the market, Bank Nizwa has been able to highlight important investment prospects in Dhofar. At the same time, through its

wide gamut of innovative products and services, excellent customer service, and strong advisory solutions, the bank has been further helping customers to capitalise on market opportunities in the region.

The bank has also honoured its commitment to investing in the local workforce. Its Salalah branch employs an excellent team of talented Omanis who have not only been trained to address the various needs of the clients but also reserve an inherent understanding of the local culture, mindset, and preferences. This helps Bank Nizwa to engage more meaningfully with the local community.

Tell us about the adoption of the latest digital technologies by Bank Nizwa in achieving better customer experience and creation of new products/solutions in wholesale banking.

While we continue to implement innovative ways to better serve our clients, Bank Nizwa has always made it a priority to stay abreast of technological developments and integrate the latest digital advancements into its processes. FinTech collaborations have played an instrumental role in advancing the bank's digital agenda through which Bank Nizwa has been able to deliver a more seamless banking experience for its customers.

Focusing on convenience, relevance, and security, the Bank Nizwa app has also been gaining increasing popularity amongst clients. The user-friendly, feature-packed app has elevated the digital banking experience for clients and the bank was recently also awarded 'Excellence in Mobile Banking' at the New Age Banking Summit.

Aided by increased use of big data and improved customer research, the bank has successfully introduced a number of unique capabilities to its digital platforms that add value to its clients.