
Chairman’s report for the nine months ended 30 September 2025

Sohar International Bank SAOG (the "Bank") continues to lead Oman's banking sector through a proven strategy built on digital innovation, operational excellence, sound risk management, strong governance, and a people-first culture. This approach has established the Bank as a preferred financial partner, driving sustainable growth while maintaining the highest standards of excellence.

Aligned with Oman Vision 2040, we are advancing the nation's capital market development and economic diversification. The successful closure of our perpetual tier 1 bond issuance, which was met with strong market demand, underscores investor confidence in our strategic direction and enhances our capacity to support future growth initiatives enabling us to actively shape Oman's economic future while creating lasting stakeholder value.

Financial Performance

Compared to the same period last year total assets increased by 10% to RO 8,324 million mainly driven by a 20% increase in loans, advances and Islamic financings (net) to RO 5,069 million. Customer deposits increased by 10% to RO 6,499 million. The Bank’s net loan-to-customer deposit ratio of 78% demonstrates our funding and liquidity strength.

The 50% increase in total equity, from RO 744 million as of 30 September 2024 to RO 1,119 million, includes a RO 130 million rights issue completed in December 2024 and a RO 200 million perpetual tier 1 bond issuance completed in September 2025, positioning the Bank for future growth with a market leading total capital ratio of 18.35%.

Compared to the same period last year, total operating income decreased by 1% to RO 180.8 million, mainly due to a decrease in net interest income.

Total operating expenses increased by 10% to RO 80.7 million, reflecting the Bank’s continued investment in our Branch operation in the Kingdom of Saudi Arabia (KSA) as well as continued strategic investments in Omani talent, technology and expanding our international reach.

Loan impairment charges and other credit risk provisions decreased to RO 20.1 million compared to RO 28.2 million for the same period last year. The Bank’s coverage ratio of 153% reflects the Bank’s prudence in credit risk management.

The resulting profit for the period of RO 70.7 million was 7% below the same period last year and 6% ahead of last year excluding the gain on bargain purchase.

Strategic Growth Initiatives

Our strategic expansion into the GCC market through the establishment of our KSA Branch represents a deliberate move to capture cross-border opportunities and extend our value proposition beyond Oman's borders. This calculated geographic diversification not only strengthens our regional footprint but also creates new pathways for trade finance, investment flows, and knowledge transfer between Oman and the Kingdom of Saudi Arabia.

Strategic Partnerships

The partnership ecosystem we have built continues to generate substantial value across multiple sectors, reinforcing the Bank’s position as a key enabler of Oman’s economic development. Growth momentum was further strengthened by the landmark USD 500 million financing agreement for the GCC Power Interconnection Project, a major milestone in advancing regional energy cooperation.

Our OMR 63 million credit facility extended to Al Mouj Muscat reflects a sustained commitment to strategic urban development, while collaboration with Dhofar Municipality focuses on innovative digital banking solutions that enhance public service accessibility and efficiency.

Digital Transformation

Our "Digital-First" philosophy continues to deliver new industry benchmarks and redefine banking excellence in Oman. The successful launch of the nation's first fully integrated Open Banking Platform represents a quantum leap in financial innovation, setting new standards for inter-operability and customer-centric banking solutions.

Through an expanding API ecosystem, we've enabled seamless connectivity with multiple third-party providers, creating an environment where innovation and collaboration thrive.

The Aqari platform, developed in partnership with the Ministry of Housing & Urban Planning, has transformed the real estate experience.

Our dedicated SME mobile banking application is empowering small businesses with secure, accessible financial services. This digital journey reached new heights with nearly 100% of transactions now taking place through digital channels, a clear reflection of customer trust.

Our strong presence at COMEX 2025 further underscored our leadership, as we showcased cutting-edge AI solutions and advanced cybersecurity capabilities.

These advances are also being used to empower customers through specialized digital banking solutions, enabling more accessible and tailored financial services that support their economic ambitions and leadership journeys.

To strengthen digital identity, we launched redesigned corporate websites under the unified domains www.sib.om and www.soharislamic.om.

Serving Our Investors

As the third largest MSX listed entity in Oman, we have established an investor relations framework based on transparency, strategic dialogue, and governance. Our enhanced communication initiatives, including institutional investor sessions, have reinforced market confidence.

Our role as mega sponsor of the Middle East Investor Relations Association (MEIRA) Conference 2025 further demonstrates our leadership in advancing Oman's capital market development and strengthening the region's investment landscape.

Serving Our Customers

Our introduction of expatriate housing loans attracted foreign capital and supported Oman's economic diversification goals under Vision 2040 by enabling GCC nationals and foreign residents to secure property ownership in the Sultanate. We also expanded into automotive financing and strategically relocated key branches, significantly enhancing customer excellence and accessibility.

To enhance customer engagement, we adopted a more segmented approach by introducing an exclusive private banking proposition, which has evolved into a holistic ecosystem offering integrated wealth management, exclusive lifestyle privileges, and multi-generational legacy planning.

Strategic partnerships with leading organizations such as Omantel and MetLife have further strengthened our value proposition, enabling advanced digital solutions, enhanced cybersecurity, and specialized insurance and wealth management services.

Within Sohar Islamic, partnerships were reinforced with entities such as the Health Endowment Foundation (Athar) to support Waqf-based development, and with real estate developers to provide housing finance for major residential projects. These initiatives benefit both Omanis and non-Omanis while contributing to the sustained growth of the real estate sector.

We continue to strengthen the Bank’s foundation to deliver a seamless and differentiated customer experience.

During the quarter, service channels were integrated under a unified framework, enabling faster decisions, consistent standards, and clearer visibility of customer feedback. The Voice of Customer initiative progressed toward rollout for real-time insights, while targeted enhancements across branches and digital channels further elevated satisfaction and responsiveness.

Serving Our Community

Our comprehensive Environmental, Social, and Governance (ESG) framework continues to drive meaningful impact across the nation. Strategic partnerships with Lahunna Oman for the Sidrah Leadership Programme and with the Ministry of Social Development for vocational training initiatives underscore our steadfast commitment to women’s empowerment and social inclusion.

Our sponsorship of major national events, including Khareef Dhofar and Sports Spark 2025, reflects our continued support for cultural enrichment and sporting excellence. We take pride in celebrating the achievements of our sponsored athlete, Hamed Al Harthi, and in supporting the Oman Balloons initiative, which promotes sustainable tourism while showcasing Oman’s natural beauty. In addition, the provision of four electric vehicles to Dhofar Municipality reaffirms our dedication to environmental stewardship and sustainable mobility solutions.

Serving Our People

Building on the successful graduation of the third cohort of the “Tomohi” programme and our sponsorship of the “Leadership from the Heart” forum, we are proud to announce the launch of a new edition of the “IZDIHAR” Women’s Leadership Programme through Sohar|Academy.

Complementing these efforts, we continue to implement an extensive range of advanced training initiatives designed to elevate staff competencies and strengthen both technical and professional capabilities. This includes the expanded adoption of our AI-powered Sohar|GPT, which has become an instrumental tool in driving operational efficiency and supporting informed decision-making across the organization.

In parallel, our Rewards and Recognition Programme continues to honour and celebrate the exceptional contributions and achievements of our employees. By recognizing excellence across all levels, the programme reinforces a culture of motivation, belonging, and continuous improvement.

Awards and Accolades

Sohar International's relentless pursuit of excellence has been recognized through numerous prestigious awards, including the "Leadership in Enabling National Initiatives and Progress" and the "Best Performing Large Cap Company" at the 14th Alam Al-Iktisaad Awards. The recognition as the "Leading Corporate for Investor Relations in the Financial Sector" at the MEIRA Annual Conference 2025 serves as a testament to our dedication to creating sustainable shareholder value.

Reaffirming our leadership in delivering innovative and client-centric solutions, we were also honored with the distinguished Visa award for “Highest Growth in Corporate Card

Business in Oman,” underscoring our growing strength in digital payments and corporate banking services.

Recognition

I extend our heartfelt appreciation to all our stakeholders for their ongoing trust and confidence, an enduring source of strength in our journey of transformation and long-term growth. The dedication and shared purpose demonstrated by our people remain central to delivering on our strategic goals and upholding the values that define Sohar International.

We also acknowledge with gratitude the vital role of our regulators, the Central Bank of Oman and the Financial Services Authority, whose strong governance, transparent frameworks, and steadfast guidance have enabled sustained progress within the sector.

On behalf of the Board of Directors and the entire team, I express our sincere gratitude to His Majesty Sultan Haitham Bin Tarik. His visionary leadership continues to guide the nation towards lasting prosperity and socio-economic advancement.

Said Mohamed Al-Aufi

Chairman