
Chairman’s report for the three months ended 31 March 2026

Strategic execution characterised our progress during the first quarter of 2026, marked by continued advancement of our international connectivity and institutional positioning.

A key milestone during the period was receiving approval from the Hong Kong Monetary Authority to establish a Representative Office in the Special Administrative Region Hong Kong of the People’s Republic of China (“Hong Kong”), supporting our internationalization strategy and strengthening connectivity to Asian markets.

In parallel, our proposed acquisition of Neo Group in Saudi Arabia represents an additional step in expanding our regional footprint and enhancing cross-border capabilities, reinforcing our ambition to strengthen international connectivity and deliver sustainable shareholder value.

While advancing our international agenda, we remained firmly anchored within the Sultanate, supporting sectors contributing to economic diversification and capital formation in line with the objectives of Oman Vision 2040.

During the quarter, Sohar International was recognised as Best Brand in Oman at the Alam Al-Iktisaad Awards 2026, reinforcing the strength of our institutional positioning and the consistency of our strategic execution.

Financial Performance

The profit for the three-month period ended 31 March 2026 increased by 21% to 26.1 million compared to the same period last year.

Total operating income increased by 30% to 71.3 million with increases in net interest income, net profit income and other operating income.

Total operating expenses increased by 35% to 33.3 million reflecting the Bank’s continued investment in our branch operation in the Kingdom of Saudi Arabia as well as continued strategic investments in Omani talent, technology and expanding our international reach.

Total assets increased by 32% to 9,638 million compared to 31 March 2025 of which loans, advances and financing (net) increased by 45% to 6,516 million. Customer deposits increased by 33% to 7,433 million resulting in an 88% net loan/deposit ratio.

The 35% increase in total equity of 302 million compared to 31 March 2025 includes 200 million from the perpetual tier 1 capital issuance in September 2025 and 31 million net unrealized gains on equity investments.

Growth and Market Expansion.

Sector-led enablement remained central to our growth trajectory as we continued to support industries contributing to long-term productive capacity. We acted as the main lender, account bank, and security agent in a renewable energy manufacturing project forming part of a broader financing structure of a leading polysilicon production facility. Such participation strengthens clean energy value chains and reinforces Oman’s positioning within global renewable energy supply networks.

We proudly participated in structured financing across fisheries, logistics, telecommunications, tourism-related real estate, and agri-food sectors, including advisory on a strategic agri-food investment supporting domestic production capacity and food security value chains.

Our institutional franchise was further strengthened through our role as Lead Collecting Agent for the Oman Gateway Fund e-IPO, enhancing accessibility to capital markets through fully digital subscription journeys.

International connectivity continued to expand through correspondent banking relationships across 83 countries and clearing capabilities across 31 currencies. Progress towards establishing our representative office in Hong Kong further strengthens connectivity to Asian markets, while bilateral funding arrangements supported diversification of funding sources and balance sheet optimisation.

Strategic Partnerships

Alignment with national development priorities continued to guide our partnership agenda across sectors contributing to economic diversification and institutional resilience. During the quarter, we supported residential development activity through mortgage partnerships contributing to expansion of housing supply and strengthening real estate sector activity.

We maintained active participation across investment and institutional dialogue platforms, including Suhar Investment Forum and specialised forums addressing risk management and business continuity, supporting knowledge exchange and strengthening resilience frameworks across the financial ecosystem.

Our participation in the 17th IFSB Summit further reinforced engagement with global Islamic finance developments and international regulatory dialogue shaping the industry.

Our partnerships also extended to national platforms supporting tourism, culture, sports, and the creative economy.

As main partner of Muscat Nights 2026, we contributed to activation of tourism-linked economic activity and local business participation, while participation in Oman Design Week supported engagement with innovation-driven sectors.

We continued participation in industry platforms including OPAL Best Practices Awards, contributing to development of professional standards across the energy sector.

Digital-First Transformation

Digital capability development continued to focus on strengthening infrastructure supporting scalability, security, and operational efficiency. During the quarter, we expanded digital onboarding journeys targeting youth segments, supporting long-term customer lifecycle growth.

We introduced single non-OMR debit cards and MAAL prepaid cards, expanding payment flexibility and contributing to development of domestic payment infrastructure. Security architecture was further strengthened through implementation of facial biometric authentication across mobile banking journeys.

Enterprise deployment of artificial intelligence capabilities continues to enhance automation and support data-led decision-making across operational processes. These developments translated into 44% year-on-year growth in corporate mobile banking transactions, while digital channels accounted for nearly 100% of corporate transactions. Transaction banking penetration reached over 80% of active accounts, reflecting sustained migration towards digital service models.

We also continued financial literacy and fraud awareness initiatives supporting responsible banking practices and strengthening trust in digital financial services.

ESG & Sustainability

Our ESG agenda continued to advance through structured initiatives supporting financial inclusion, entrepreneurship, and community resilience. During the quarter, we published our second ESG report incorporating double materiality assessment methodology, strengthening integration of environmental and social considerations within strategic decision-making.

Serving Our Customers

Customer activity during the quarter reflected continued strengthening of funding quality, relationship depth, and product utilisation across segments. Retail deposits increased, supported by growth in CASA balances contributing to a stable funding structure, while lending volumes expanded through targeted financing solutions aligned with customer requirements.

Customer acquisition remained strong during the period with the card's portfolio notably increasing by 75% year-on-year and transaction volumes growing

by 92%.

Active card penetration reached 94%, reflecting sustained adoption of digital payment solutions and continued relevance of our value proposition within everyday financial activity.

Our distribution strategy continued to balance physical accessibility with digital adoption through the opening of Al Mouj branch, expansion of Sohar Islamic presence through new branches in Bowsher and Jaalan Bani Bu Hassan, and relocation of Al Buraimi branch to enhance accessibility across key growth locations.

Customer experience indicators remained strong, with contact center satisfaction, service level performance, and call answer rates exceeding our target levels. Automated channels supported 41% of customer interactions, reflecting continued migration towards scalable service models, supported by ongoing enhancements including chatbot capabilities, voice biometric authentication, and expanded remote servicing journeys.

Serving our Community

Through structured sponsorships and long-term partnerships, we continued to support initiatives contributing to tourism activity, sports participation, youth development, and creative economic growth.

As main partner of Muscat Nights 2026, we contributed to strengthening cultural and economic activity across the Sultanate and supporting local business participation. Our presence across national sports platforms, including Muscat Marathon, heritage race initiatives, and sponsorship of His Majesty the Sultan’s Football Cup Final, reflects continued engagement with platforms promoting community participation and tourism-linked economic activity.

We supported national talent development through sponsorship of Omani athlete Omar Al Ghailani, reinforcing our commitment to enabling Omani talent to compete internationally, while participation in Oman Design Week contributed to strengthening creative industries and local enterprise ecosystems.

We supported entrepreneurship development through collaboration with Visa on the She’s Next initiative, strengthening participation of women-led enterprises within the economic ecosystem. Our social contribution included support for Fak Kurbah, alongside partnerships with Al Noor Association and Takaful Sohar Charity Team supporting initiatives focused on economic participation and community wellbeing.

Digital charitable contributions through the My Charity platform recorded a notable increase during the quarter, while the Sohar Al Atta volunteer programme engaged 80 employees in community initiatives. We once again proactively extended support towards relief efforts assisting communities affected by weather-related conditions.

Serving our People

We continued to invest in organisational capability through structured leadership development and national talent integration programmes delivered through SI Academy, strengthening leadership continuity and workforce readiness aligned with evolving business requirements.

During the quarter, we launched the KAFA’A High Potential Programme, reinforcing succession pipelines through targeted development of future leaders. The IZDIHAR Women’s Leadership Programme progressed into its advanced coaching phase, supporting progression of female leaders into senior management roles, while the introduction of a Master’s Programme Sponsorship initiative reflects continued investment in advanced academic development aligned with global banking standards. The Tomohi Graduate Programme, now in its fifth cohort, continues to support development of Omani professionals equipped with practical banking capabilities aligned with Oman Vision 2040.

SI Academy delivered training to 584 employees, representing 34% of the annual participation target, with 5,601 learning hours completed. Digital learning adoption continued to increase, supporting scalable capability development aligned with the Bank’s long-term growth priorities.

Recognition

I extend my 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 sustainable 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.

I 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 whose visionary leadership continues to guide the nation towards lasting prosperity and socio-economic advancement.

Said Mohamed Al-Aufi

Chairman