

Dividend Policy Disclosure

Key takeaways



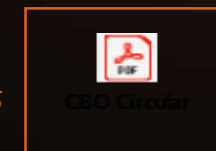
At Sohar International, we prioritize the sustainable growth and prosperity of our business, while also ensuring that our shareholders receive fair and consistent returns on their investments. Our dividend policy is carefully formulated to strike a balance between rewarding our shareholders and retaining capital for future growth opportunities. Our dividend policy is designed to strike a balance between rewarding shareholders and retaining earnings to support our future loan growth.

Our dividend payments are determined after a thorough evaluation of several key factors including:

- 1) Profitability:** We consider our profits for the year, ensuring that dividend payments are supported by our financial performance. This ensures that dividends are paid out responsibly and in line with our financial health and ensuring that sufficient capital buffers are maintained to absorb any foreseen market shocks.
- 2) Projected Loan Growth:** We take into account our projected loan growth in the coming years. This ensures that we have adequate capital reserves to support our lending activities and maintain our position as a reliable financial institution.
- 3) Regulatory Requirements:** We adhere to the rules and regulations set out by the Central Bank of Oman. Compliance with regulatory requirements is a top priority for us, and our dividend policy reflects our commitment to operating within the framework.

It is important to note and emphasize that our dividend policy is subject to change based on various factors, including market conditions, economic outlook and regulatory developments. We aim to provide consistent and transparent communication regarding any changes to our dividend policy.

For more details about Dividend payment by Banks, kindly refer to the attached CBO Circular: BSD/2015/BKUP/All Banks/455, dated: 09APR2015



Dividend history: 2023 – 2018

Performance

2



	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash dividend <i>(baisa/per share)</i>	5.5	4.5	4.0	0.0*	3.0	6.0
Shares price <i>(At 31 Dec)</i>	98	106	116	91	110	111
Dividend yield <i>(At 31 Dec)</i>	5.6%	4.2%	3.4%	0.0%	2.7%	5.4%
Payout ratio	42.8%	59.2%	42.2%	0.0%	20.6%	40.5%
Bonus shares <i>(% of paid up capital)</i>	1.95%	0.00%	0.00%	0.00%	3.00%	0.0%
Price to book Ratio <i>(PBR)</i>	0.76	0.86	0.87	0.67	0.77	0.77
Net assets per share <i>(Baisa)</i>	128.4	123.2	132.6	136.3	142.2	144.0
Basic and diluted EPS <i>(for the year, Baisa)</i>	12.8	5.7	5.0	2.0	10.2	10.9

* The Board of Directors has not proposed a cash dividend for 2020 due to the unprecedented circumstances of COVID-19 pandemic