



SCALING UP
GROWTH
WITH EXCELLENCE

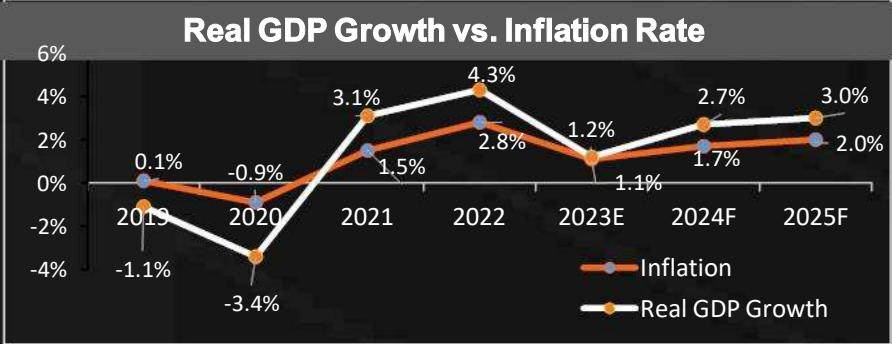
ISHRAAQ

Investor Presentation

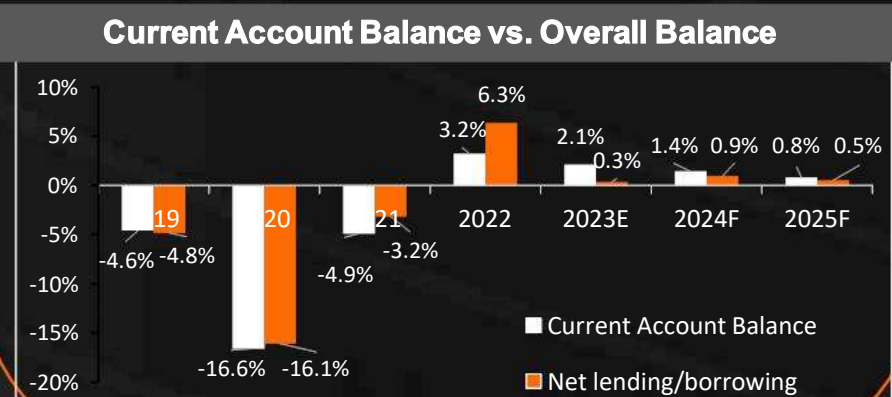
December 10th 2023

Oman Economic Overview

GDP (Current Prices) **RO 44.1 B** GDP Growth **4.3%** Inflation **2.8%**



Overall Balance **6.3%** Current Account **3.2%**



Inflation

2nd GCC
11th Globally

GDP/capita (current US\$) (2022)

\$12,647 Global average **\$25,056** Oman

FDI Net Inflow (% to GDP) (2021)

2.1% World **4.6%** Oman

Budget Surplus

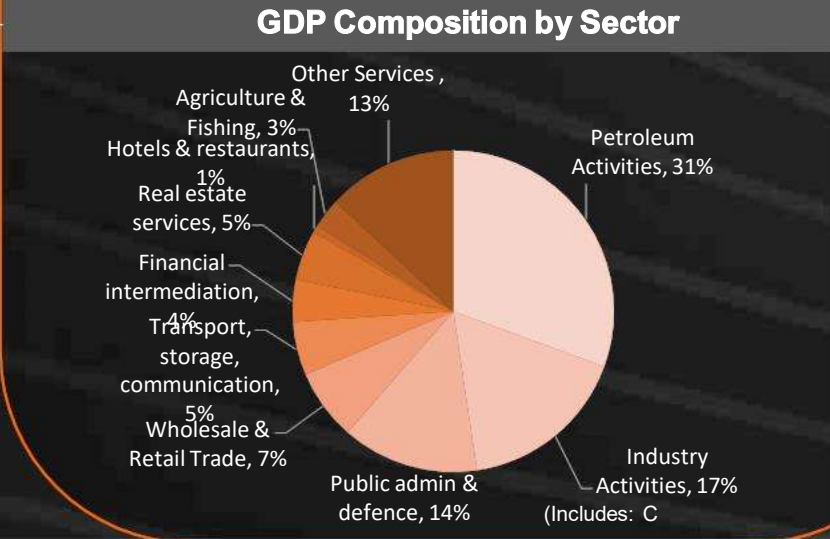
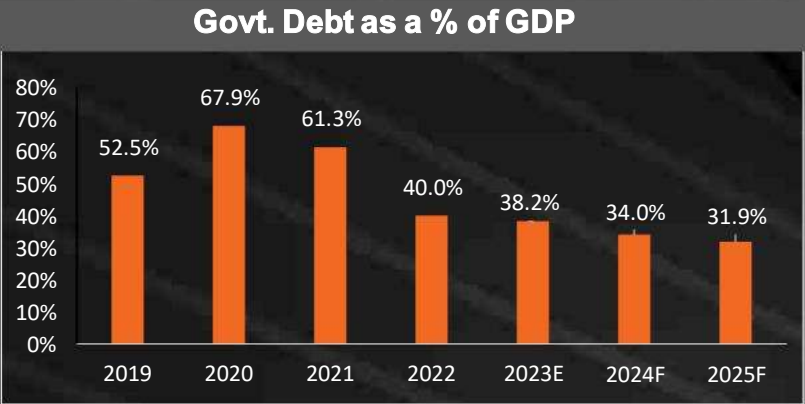
\$924 M Q1 2022 **\$1.16 B** Q1 2023

Moody's
Ba1
(Stable)

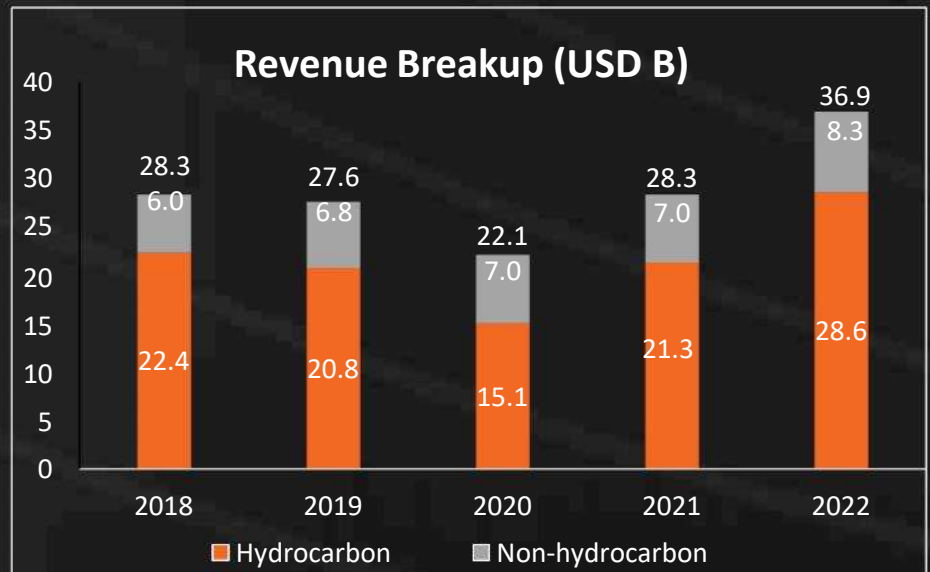
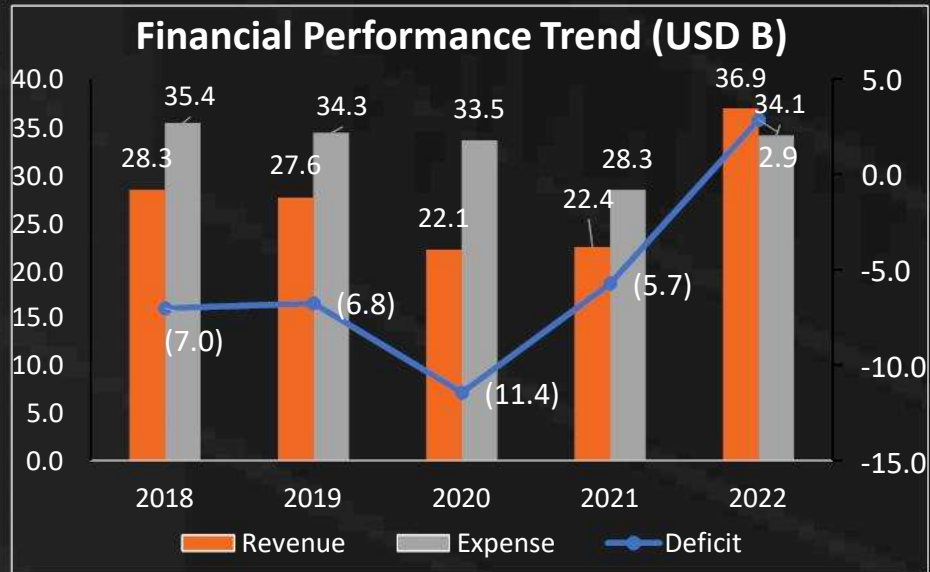
Fitch
BB+
(Stable)

S&P
BB+
(Stable)

Debt **RO 17.7 B** Debt/GDP **40%**



Oman Economic Overview



2023 Budgets

Projected Revenue
OMR 10.1 B

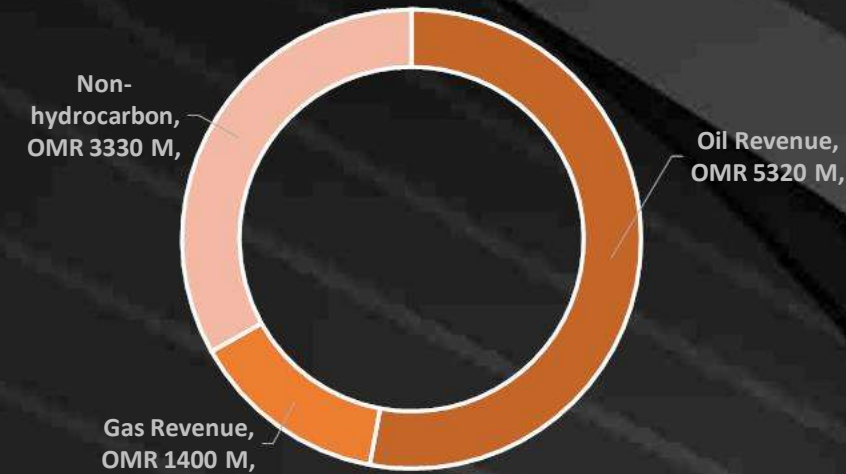
Projected Expenditure
OMR 11.4 B

Projected Deficit
OMR 1.3 B

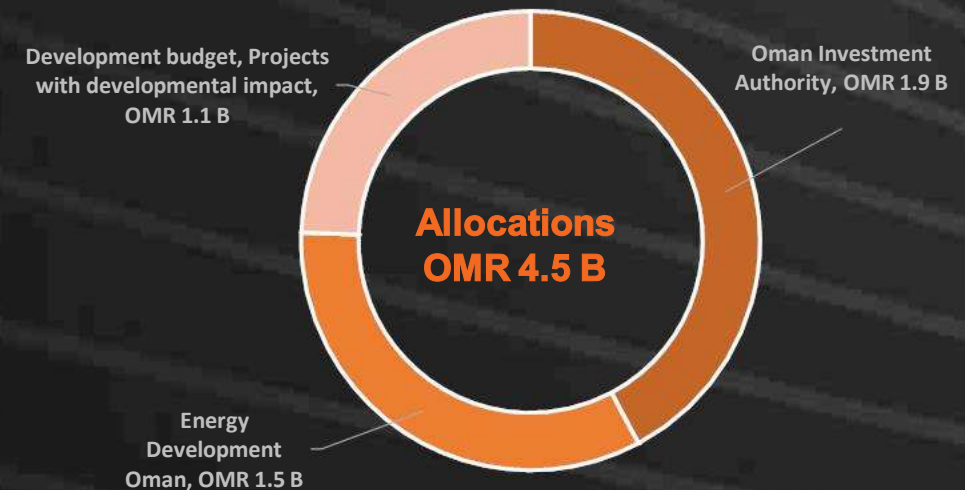
Projected average oil price
\$55

Projected average oil production
1,175
(thousand barrels per day)

2023 Revenues Breakup



2023 Investment Spending



Vision

To be a World Leading Omani Service Company that helps customers, communities and people to prosper and grow

Pillars of Vision

 Purpose We Help People 'WIN'.	 Principles More Vision More Value More Velocity
 Promise Responsive Services to reach your Goal.	 Personality Sharp Human Unstoppable


Pillars of Strategy

 Re-Imagine Banking Business	 Re-Evaluate Value Chains
 Re-connect with Our Customers	 Re-build the Organization

Values

- Be Open Minded.
- Do the Right Thing.
- Be Straight Up.
- Make it Better.

1 2 3 4



The Winning Formula

Creating an Ecosystem of Services




THE VISION GUIDES OUR EFFORTS TO BUILD THE BANK OF THE FUTURE



Internationalize Our Business
a) Kingdom of Saudi Arabia (2023)

Solidify Our Domestic Presence
a) Organic.
b) In-Organic Growth - M&A.





Oman

Fastest Growing Bank in Oman


STRIVING TO HELP YOU WIN








Build Strong Deep Rooted Foundation

 Brand	 People
 Process	 Technology

Built Strong Financial Position (GROWTH Sept. 2018 – Sept. 2023)

115 % ↑ Assets	86 % ↑ Net Loans
169 % ↑ Deposits	332 % ↑ CASA
92% ↑ Operating Profit (before impairment)	Weathered impacts of COVID 

Relevance & Resilience

-  Commit to A Customer Orientated Approach.
-  Commit to Excellence.
-  Put Competitive Advantage First.
-  Make the Trend our Friend.
-  Stay Ahead & Turbo Charge our Core.

5 Year Strategy

- 2022**
Setting Foundation for Growth & Change & Staying Ahead.
- 2021**
Building Market Differentiating capabilities.
- 2020**
Building Strategic Capabilities People, Process, Technology.
- 2019**
Started 5 Year Strategy. Rewire Functions, Build Organizational Capabilities & Brand Position.
- 2018**
Started with a 1 Year Strategy to manage the Legacy Issues, Balance Sheet Management. Defined a 5 year Strategy.



Extensive Digital Channels

- Mobile Banking
- Online Banking
- Corporate Internet Banking
- Transaction Banking
- Business to Business



Sohar International



Fastest Growing Bank in Oman



2nd Largest Bank in Oman



Oman's Vision 2040

Listed on the Muscat Stock Exchange (MSX)
Market Capitalization: ~ **USD 1.5 Billion**

Strong domestic market presence
a) Organic
b) In-Organic Growth - M&A



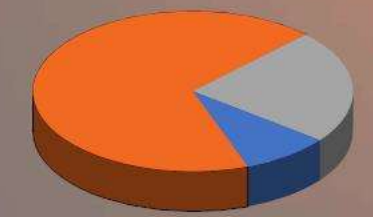
Internationalization of Our Business
> Kingdom of Saudi Arabia (2023)

Ownership

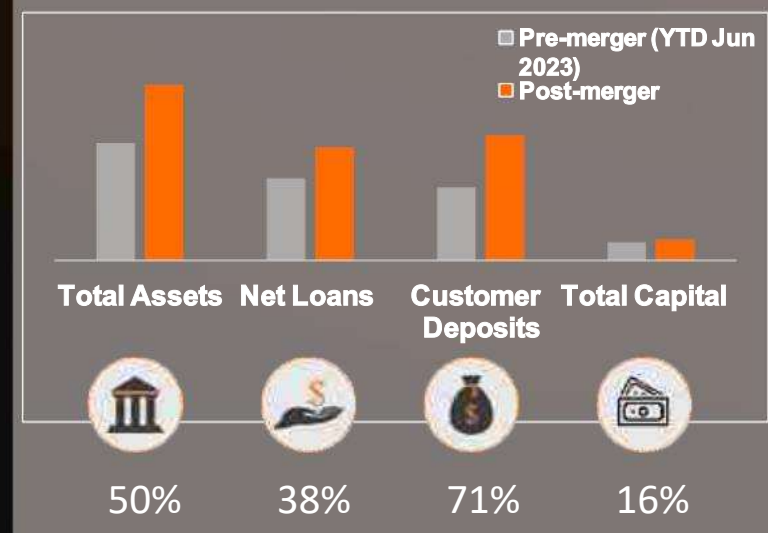
Government & Quasi Govt.
68%

Institutions
23%

Other
9 %



	Pre-merger (YTD Jun 2023)	Post-merger	Growth
Market Share (Total Assets)	12%	18%	50%
No of branches	39	85	118%
No of Staff	884	1,582	79%



ESG Commitment to enable a positive social, environmental and economic impact and change, supporting our stakeholders to prosper and grow



Striving to Achieve Excellence In Sustainability

1. Strategic ESG Focus

- Conducted ESG benchmarking and materiality assessment
- Developed final ESG framework
- ESG framework approved by Sohar International Board 29 October 2023
- Official launch of ESG framework scheduled for Q1 2024



Powered by ESG Framework

2. Sustainable Financing Activities

- Signed mandate with World Bank IFC for USD200 million of climate-related financing
- Pipeline of over RO 450 million sustainable finance opportunities identified to-date



Powered by ESG Framework

3. Thought Leadership & Engagement

- Exclusive Bank sponsor for the Green Hydrogen Summit Oman 2023
- Arab Federation of Capital Markets
- Future Sustainability Futures Forum Dubai
- Solar Week Oman 2023
- 3rd Sustainability Conference Oman
- One of two banks in attendance at Estidamah's Sustainable Finance Workshop
- MSX ESG Metrics ESG Data Platform Workshop

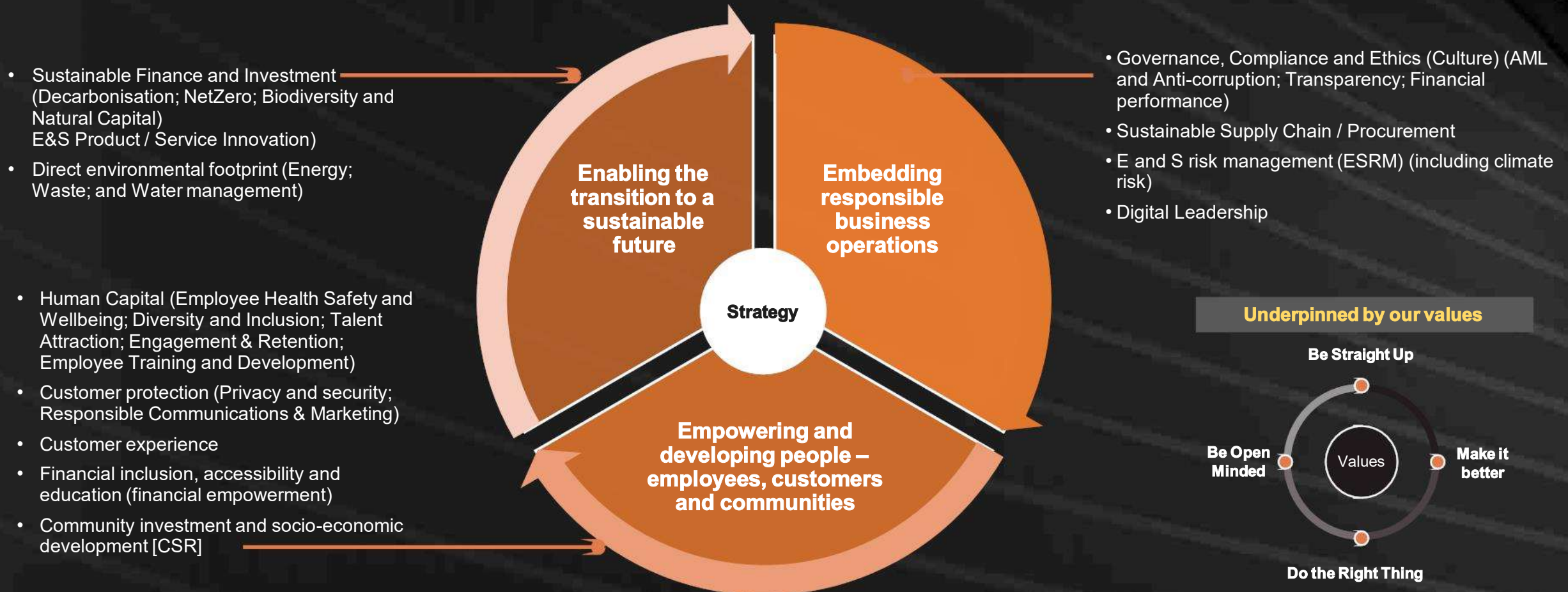


Powered by ESG Framework

Our ESG Framework



Striving to Achieve Excellence In Sustainability





Financial Review

Our Results (September 2023)



Earnings (RO M)

Operating Income
125.9 (+30%) ↑

Net Profit
45.7 (+63%) ↑

Operating Profit
76.5 (+34%) ↑

Balance Sheet (RO M)

Total Assets
6,369 (50%) ↑

Total Equity
689 (23%) ↑

Net Loans
4,131 (48%) ↑

Total Deposits
4,626 (76%) ↑

Earnings & Profitability

Credit Quality

Capitalization ⁽¹⁾

Funding & Liquidity

ROE
9.7%

ROA
1.2%

CIR
39.3%

NPL Ratio
4.9%

NPL Coverage
102%

CET 1
13.5%

Tier 1
15.6%

CAR
16.2%

LCR
138%

NSFR
129%

CASA %
66%

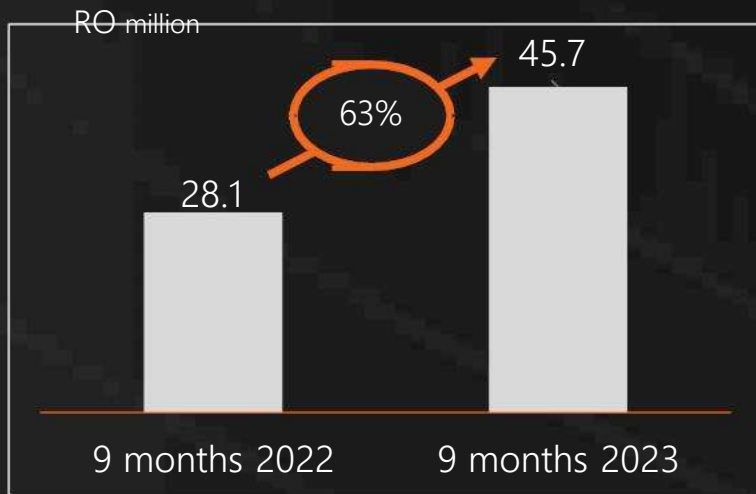
LTD %
89%

Note 1 : Capital Ratios for interim reporting periods exclude interim profits

Our Results: Key Highlights (September 2023)



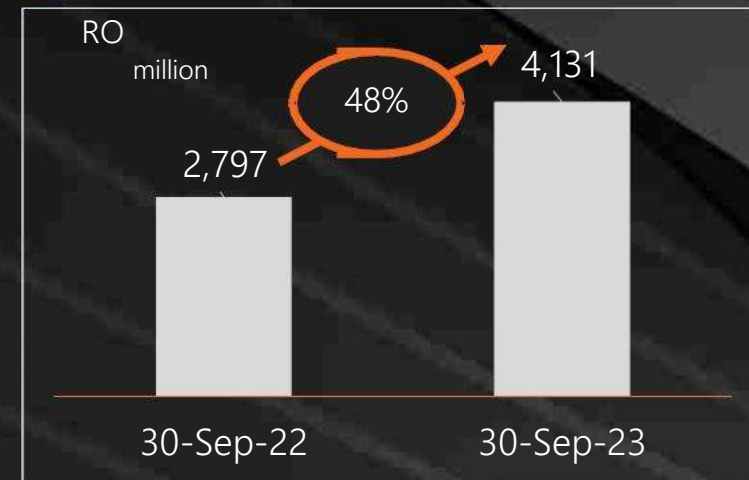
1 Profit for the period



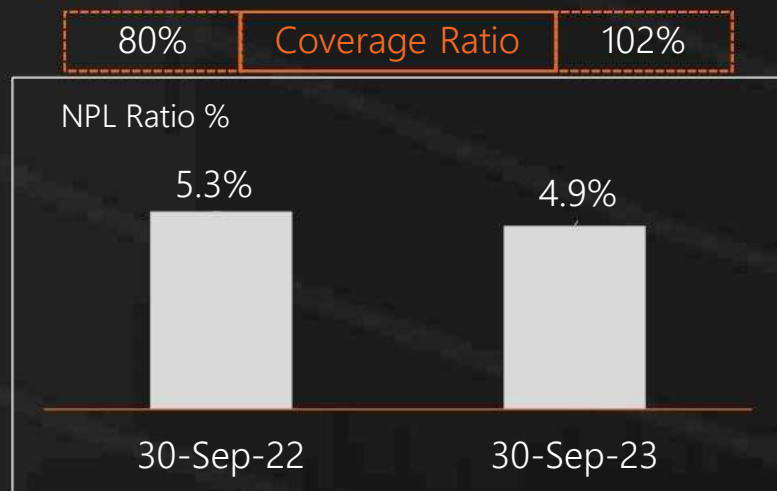
2 Return on Equity



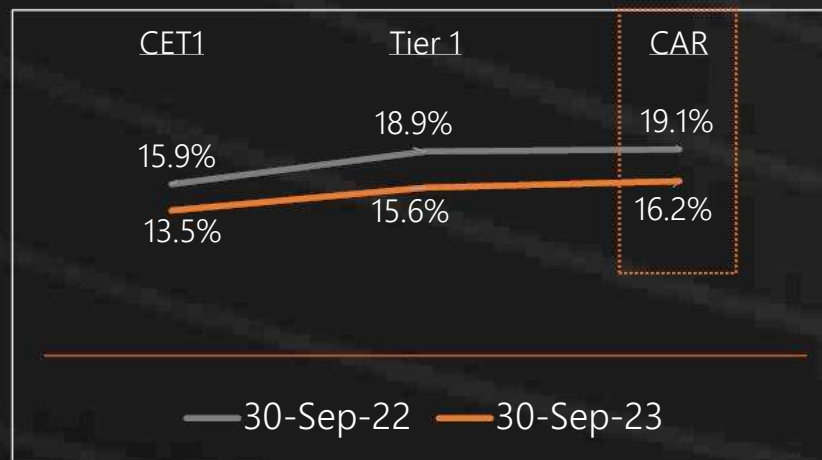
3 Net Loans and Advances



4 Asset Quality



5 Capital Ratios



6 Credit Ratings

Credit Rating Outlook



Profit for the 9 month period ended 30 September



RO Million	9 months	9 months	Variance Sept 2023 v Sept 2022	
	<u>2023</u>	<u>2022</u>	Amount	%
Interest income	166.9	120.7	46.2	38 %
Interest expense	(88.3)	(51.5)	(36.8)	(71) %
Net interest income	78.6	69.2	9.4	13.6 %
Net income from Islamic financing and investing activities	5.7	6.8	(1.1)	(16) %
Other operating income	25.0	20.6	4.4	21 %
Gain on bargain purchase	16.6	0.0	16.6	n/a
Total operating income	125.9	96.6	29.3	30.3 %
Total operating expenses	(49.4)	(39.7)	(9.7)	(24) %
Net operating income before impairment provisions	76.5	56.9	19.6	34.4 %
Loan impairment charges and other credit risk provisions (net)	(22.8)	(23.9)	1.1	4.6 %
Profit before tax	53.7	33.0	20.7	62.7 %
Tax expense	(8.0)	(4.9)	(3.1)	(63) %
Profit for the period	45.7	28.1	17.6	62.7 %
<i>Return on assets (ROA) %</i>	<i>1.2%</i>	<i>0.9%</i>		<i>0.3 %</i>
<i>Return on equity (ROE) %</i>	<i>9.7%</i>	<i>7.8%</i>		<i>1.9 %</i>
<i>Cost to income ratio (CIR) %</i>	<i>39.3%</i>	<i>41.1%</i>		<i>1.8 %</i>
<i>Cost of risk</i>	<i>0.7%</i>	<i>1.1%</i>		<i>0.4 %</i>

Balance Sheet as at 30 September

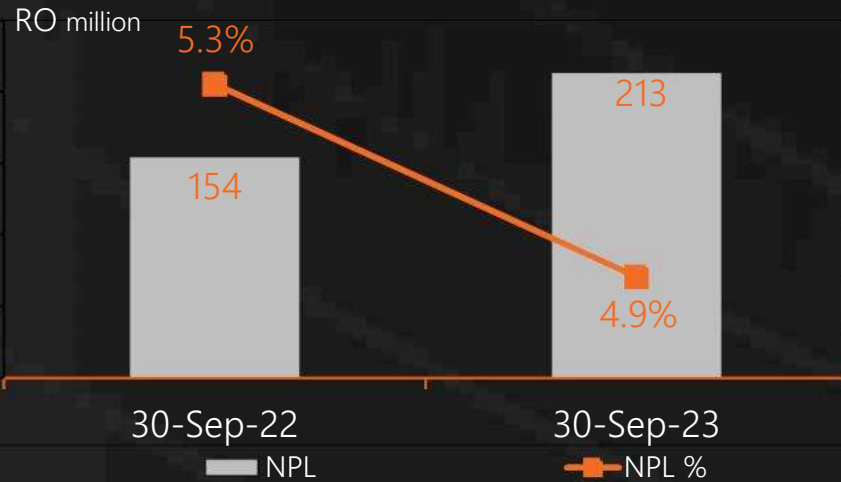


RO Million	30-Sep-23	% of Total	31-Dec-22	% of Total	30-Sep-22	% of Total	Variance	
							Sep 23 vs Sep 22	
							Amount	%
<u>ASSETS</u>								
Cash and balances with Central Bank	249.5	3.9%	125.9	3.0%	83.7	2.0%	165.8	198 %
Due from banks	361.3	5.7%	104.0	2.5%	281.1	6.6%	80.2	29 %
Investment securities	1,448.1	22.7%	853.8	20.7%	874.9	20.6%	573.2	66 %
Loans, advances and Islamic financings (net)	4,131.2	65.0%	2,924.3	70.8%	2,796.6	65.8%	1,334.6	48 %
Other assets	103.2	1.6%	66.7	1.6%	154.5	3.6%	(51.3)	(33) %
Investment properties	2.9	0.0%	2.9	0.1%	2.9	0.1%	-	0 %
Property and equipment	73.0	1.1%	53.4	1.3%	54.5	1.3%	18.5	34 %
TOTAL ASSETS	6,369.2	100.0%	4,131.0	100.0%	4,248.2	100.0%	2,121.0	49.9 %
<u>LIABILITIES</u>								
Due to banks	782.1	12.3%	806.0	19.5%	738.9	17.4%	43.2	6 %
Customer deposits	4,625.9	72.6%	2,560.1	62.0%	2,626.0	61.8%	1,999.9	76 %
Other liabilities	171.9	2.7%	98.9	2.4%	189.3	4.5%	(17.4)	(9) %
Subordinated loans	-	0.0%	0.5	0.0%	35.6	0.8%	(35.6)	(100) %
Total liabilities	5,579.9	87.6%	3,465.5	83.9%	3,589.8	84.5%	1,990.1	55.4 %
Total shareholders' equity	689.3	10.8%	565.5	13.7%	558.4	13.1%	130.9	23 %
Perpetual tier 1 capital securities	100.0	1.6%	100.0	2.4%	100.0	2.4%	-	0 %
Total equity	789.3	12.4%	665.5	16.1%	658.4	15.5%	130.9	19.9 %
TOTAL LIABILITIES AND EQUITY	6,369.2	100.0%	4,131.0	100.0%	4,248.2	100.0%	2,121.0	49.9%
Net loans / deposits	89.3%		114.2%		106.5%			
CASA ratio	65.5%		63.8%		65.2%			

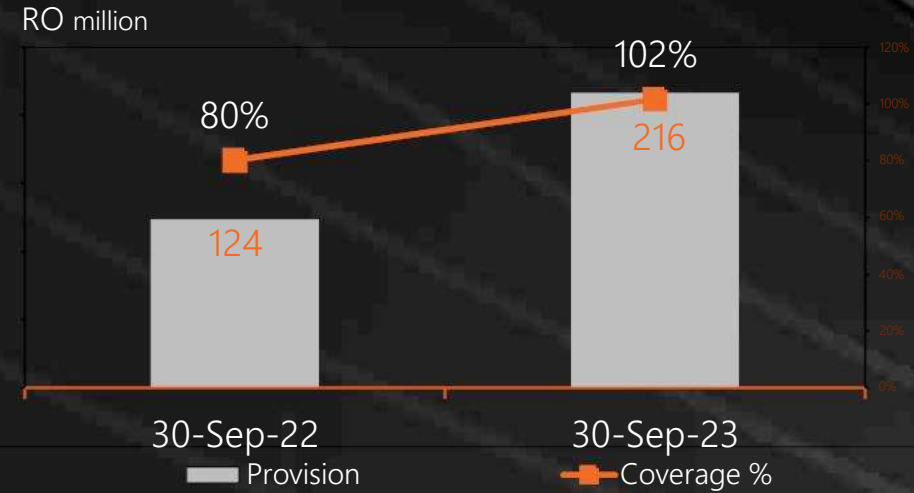
Credit Quality



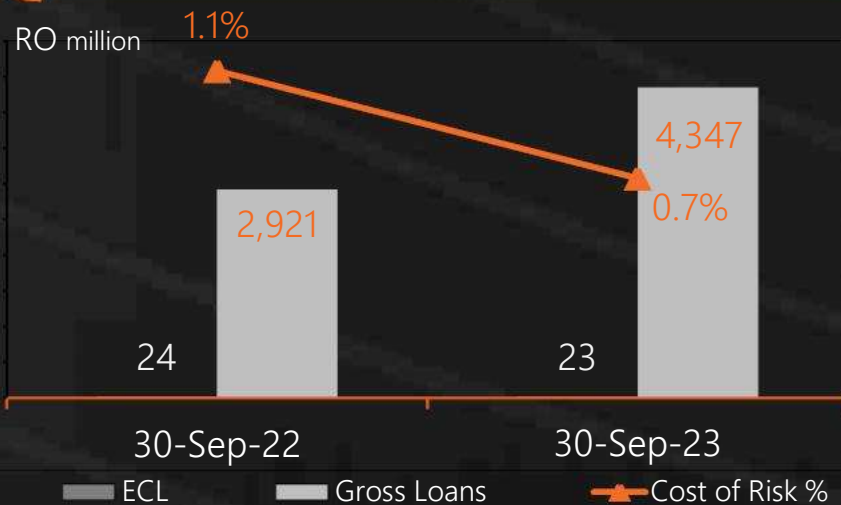
1 Non Performing Loans (NPL)



2 NPL Coverage

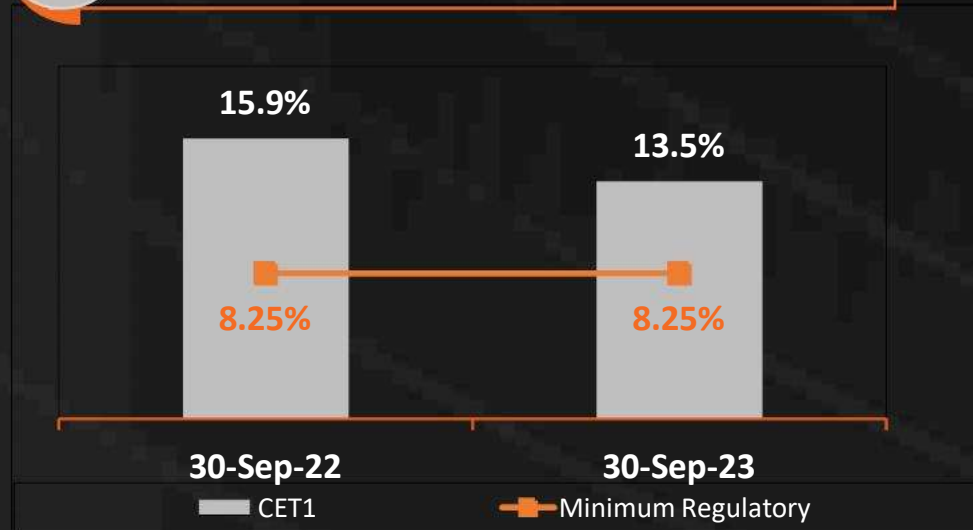


3 Cost of Risk

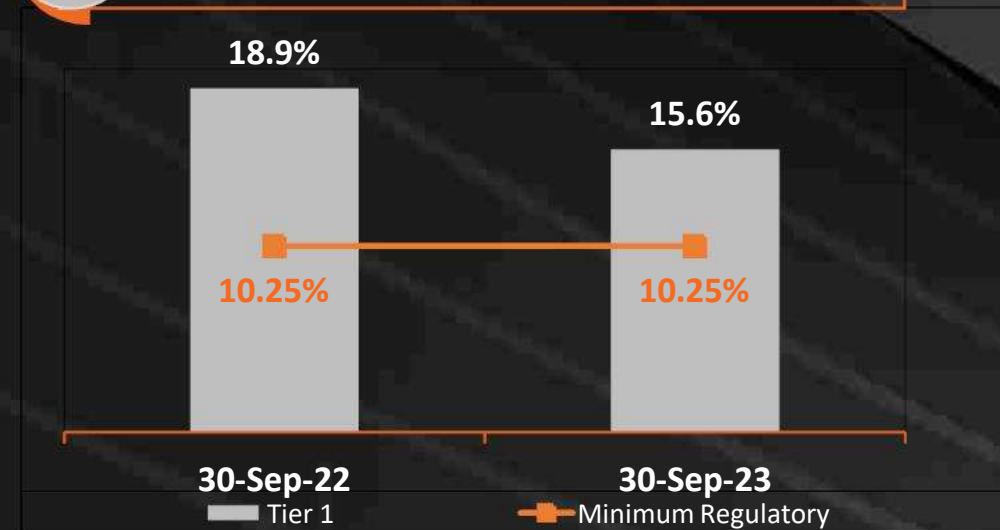


Capital & Leverage

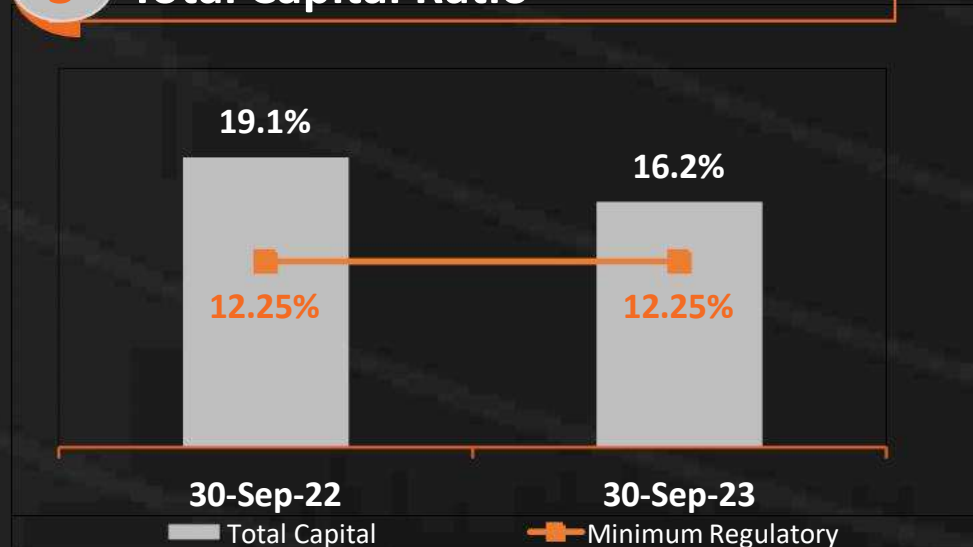
1 CET 1 Ratio



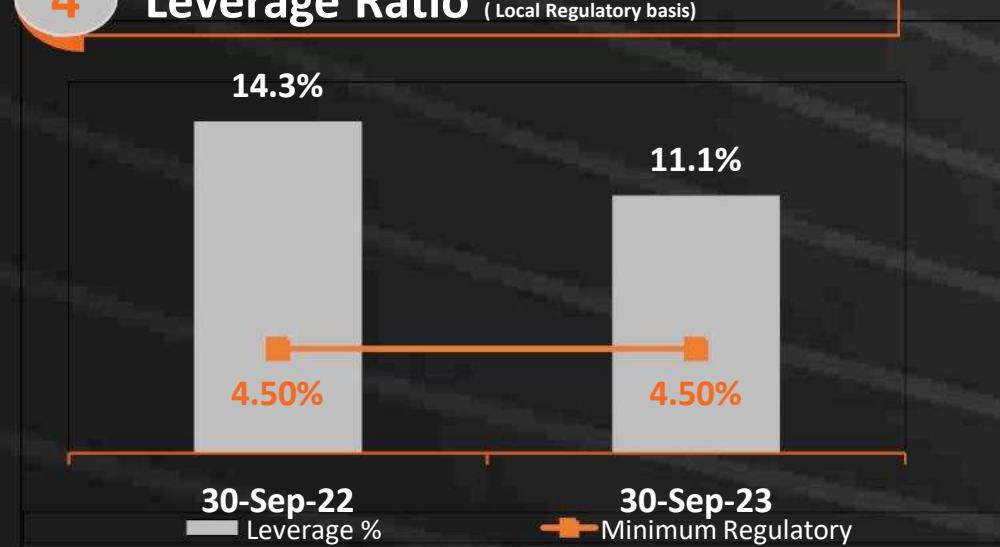
2 Tier 1 Ratio



3 Total Capital Ratio



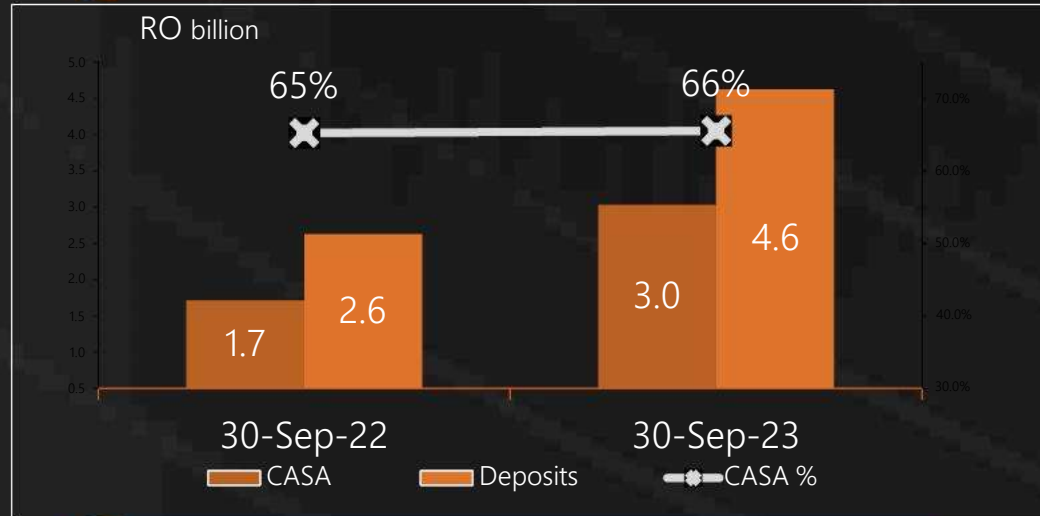
4 Leverage Ratio (Local Regulatory basis)



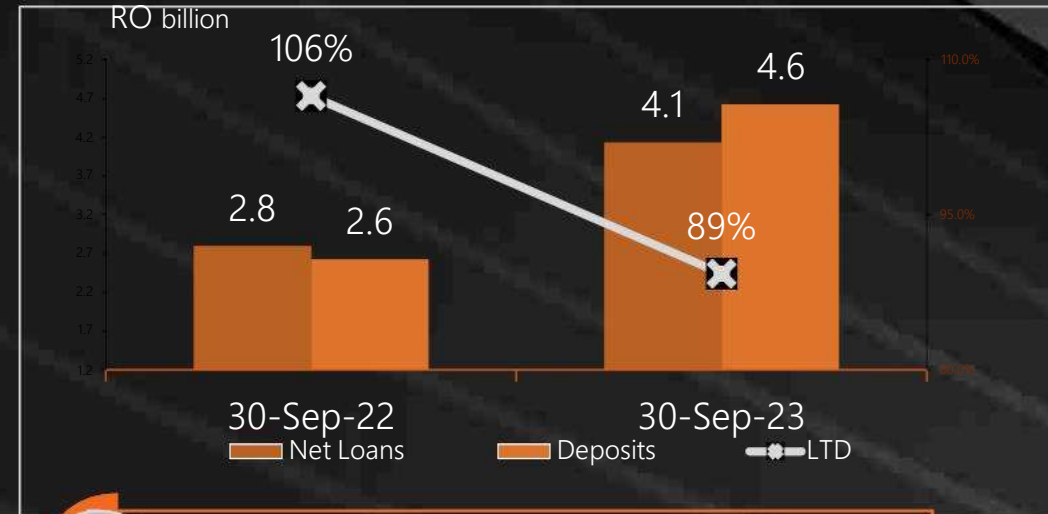
Funding & Liquidity



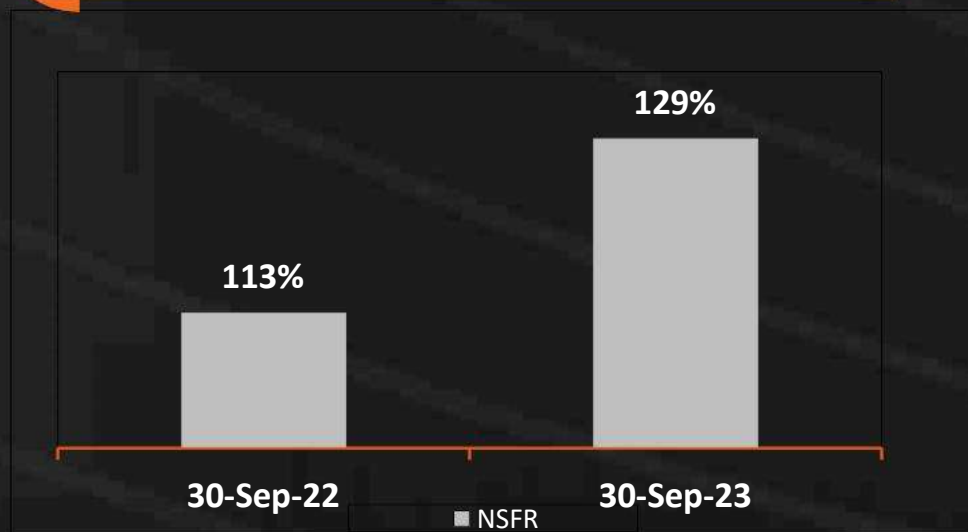
1 CASA / Customer Deposits %



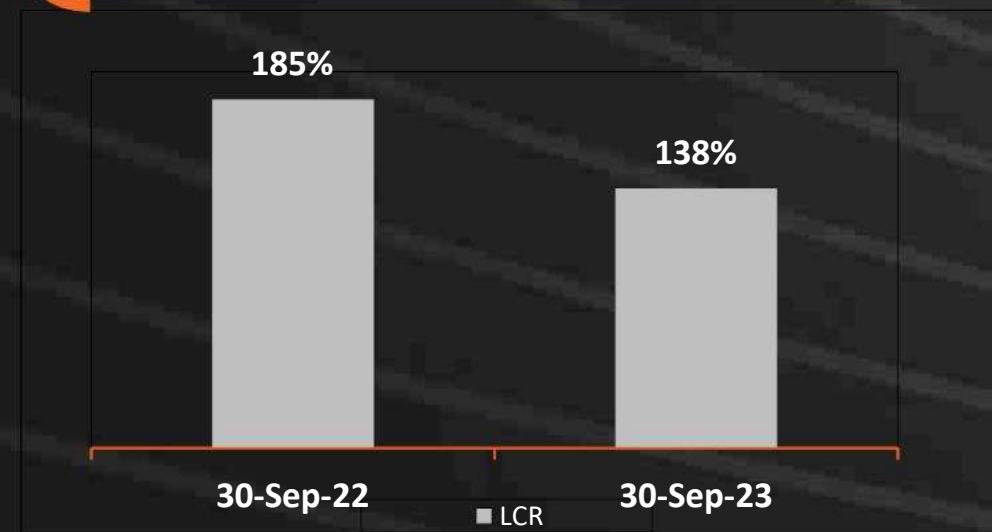
2 Net Loans to Deposits %



3 Net Stable Funding Ratio (NSFR)



4 Liquidity Coverage Ratio (LCR)



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Q & A