



The Bank's dividend policy clearly defines the governance process regarding the distribution of dividends to shareholders. The Board of Directors apply a conservative and consistent approach when recommending a distribution of dividends to shareholders taking into consideration regulatory guidelines, annual net profit, available distributable earnings, and appropriate capital adequacy levels to support the Bank's strategic growth initiatives and risk management framework.

The Board of Directors typically announce the proposed dividends for the financial year ended 31st December to the market on or before 31st January in conjunction with their approval of the unaudited financial statements for the year ended 31 December. The Bank will further announce to the market CBO's approval of the annual financial statements, the proposed cash dividend, and any bonus shares for which the Board may approve. The Board will announce its recommendation to shareholders regarding the distribution of any bonus shares, in addition to the cash dividends approved by CBO. Distribution of cash and bonus shares, through Muscat Clearing and Depository, will follow upon approval of the proposed dividends by the shareholders at the Annual General Meeting, held on or before 31st March.

Regulatory Guidelines

CBO regulations limit on the amount of cash dividends payable based on the Bank's Capital Adequacy Ratio

Capital Adequacy Ratio	Maximum Cash Dividend Payable
> 15%	30% of Paid-up capital or 60% of net profit, whichever is less
>14% and < = 15%	25% of Paid-up capital or 55% of net profit, whichever is less
> =13% but < =14%	15% of Paid-up capital or 50% of net profit, whichever is less
< 13%	No Cash Dividend

Dividend Policy

2



The Bank may choose to distribute bonus shares (stock dividends) in addition to, or instead of, cash dividends. Bonus shares maintain the Bank's capital base, effectively increasing the paid-up share capital of the Bank and reducing retained earnings. Bonus shares may be of higher class (i.e. subject to preferred dividends) and / or may have varying voting rights. The Bank does not currently have any such shares of higher class or with varying voting rights.

All dividends proposed by the Board of Directors, both cash and bonus shares, must be approved by CBO prior to announcement to the market.

The Bank ensures compliance with the Financial Service Authority (FSA) "Rules and Guidelines on Disclosure by issuers of Securities and Insider Trading".

Dividend and Share Price History

3



	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Dividend yield <i>(At 31 Dec)</i>	5.9%	5.6%	4.2%	3.4%	0.0%	2.7%	5.4%
Payout ratio	52.8%	42.8%	59.2%	42.2%	0.0%	20.6%	40.5%
Bonus shares <i>(% of paid up capital)</i>	0.0%	1.95%	0.00%	0.00%	0.00%	3.00%	0.0%
Share price <i>(At 31 Dec) (In RO)</i>	0.135	0.098	0.106	0.116	0.091	0.110	0.111
Cash dividend <i>(baisa/per share)</i>	8.0	5.5	4.5	4.0	0.0*	3.0	6.0
Price to book ratio <i>(At 31 Dec)</i>	0.99	0.76	0.86	0.87	0.67	0.77	0.77
Basic and diluted EPS <i>(for the year, Baisa)</i>	17.0	12.5	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