RIGHTS ISSUE PROSPECTUS

Subscription Opening Date: 21 July 2026
Subscription Closing Date: 26 July 2026

Sohar International Bank SAOG
PO Box 44, PC 114, Hai Al Mina, Sultanate of Oman
Tel: +968 24730000 Fax: +968 24730010
www.sib.om

RIGHTS ISSUE PROSPECTUS

Rights Issue of 1,058,759,403 shares at a price of Baisa 141 per Offer Share
(including issue expense of Baisa 2 per Offer Share)

Rights Trading Period
Opening Date: 21 July 2026
Closing Date: 22 July 2026

Rights Subscription Period
Opening Date: 21 July 2026
Closing Date: 26 July 2026

Issue Managers

Sohar International Bank SAOG
P.O. Box 44, PC 114
Hai Al Mina, Sultanate of Oman
Tel: +968 2473 0000, Fax: +968 2473 0010
Email: advisory@sib.om

Oman Investment Bank SAOC
P.O. Box 10, PC 133
South Al Khuwair, Muscat, Sultanate of Oman
Email: info@oib.om

Financial Advisors

Sohar International Bank SAOG
P.O. Box 44, PC 114
Hai Al Mina, Sultanate of Oman
Tel: +968 2473 0000, Fax: +968 2473 0010
Email: advisory@sib.om

Oman Investment Bank SAOC
P.O. Box 10, PC 133
South Al Khuwair, Muscat, Sultanate of Oman
Email: info@oib.om

Collecting Bank
Sohar International Bank SAOG
P.O. Box 44, PC 114
Hai Al Mina, Sultanate of Oman
Tel: +968 2473 0000, Fax: +968 2473 0010
Email: advisory@sib.om

Legal Advisor
Al Maamary, Al Abri & Co. (MAQ Legal)
P.O. Box 1963, PC 130
Suite No. 321 / 322, 1991 Office Building (Aqar),
Bousher, Muscat, Sultanate of Oman
Tel: +968 2411 2474
Email: info@maqlegal.com

This Prospectus has been prepared in accordance with the applicable guidelines stipulated by the Financial Services Authority (FSA) of the Sultanate of Oman. This is an unofficial English version of the original Prospectus prepared in Arabic and approved by the Financial Services Authority vide its Administrative Decision No. FSAP - 2026/772 dated 2 July 2026 2026. In the event of any conflict between the English and Arabic versions, the Arabic version will prevail. The Financial Services Authority assumes no responsibility for the accuracy and adequacy of the statements and information contained in this Prospectus nor shall it have any liability for any damage or loss resulting from the reliance upon or use of any part of the same by any person.

This Prospectus is dated 2 July 2026

HIS MAJESTY
SULTAN HAITHAM BIN TARIK

"The past years saw the launch of Oman Vision 2040, the vision of all Omanis, and set their clear path towards the future. Thanks to the grace of Allah the Almighty, continuous progress was made towards the goals of this phase of the Renewed Renaissance, including improvement in many national and international indicators. This would not have been achieved without the solidarity and support extended by all the people of this country to the government's efforts and endeavors."

SPEECH OF HIS MAJESTY
SULTAN HAITHAM BIN TARIK

11 January 2025

IMPORTANT NOTICE TO INVESTORS

All prospective subscribers/investors should read this notice.

The aim of this Prospectus is to present all material information that may assist investors to make an appropriate decision as to whether or not to invest in the shares of Sohar International Bank SAOG (the Bank) that are the subject of the rights issue hereunder (the Offer Shares).

This Prospectus includes all material information and data and does not contain any misleading information or omit any material information that would have a positive or negative impact on an investor's decision as to whether or not to invest in the Offer Shares.

The members of the Board of Directors of the Bank are jointly and severally responsible for the integrity and adequacy of the information contained in this Prospectus and confirm that, to their knowledge, appropriate due diligence had been observed in the preparation of this Prospectus and further confirm that no material information has been omitted, the omission of which would render this Prospectus misleading.

All investors should examine and carefully review this Prospectus to decide whether it would be appropriate to invest in the Offer Shares by taking into consideration all the information contained in this Prospectus in this context. Investors should not consider this Prospectus to be a recommendation by the Bank to subscribe for the Offer Shares. Each investor is responsible for obtaining their own independent professional advice on an investment in Offer Shares and should conduct an independent evaluation of the information and assumptions contained herein using whatever analysis or projections they see fit as to whether or not to invest in the Offer Shares.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISOR, LEGAL ADVISOR AND FINANCIAL ADVISOR AS TO TAX, LEGAL, FINANCIAL AND RELATED MATTERS CONCERNING THE OFFER SHARES.

No person has been authorised to make any statement or provide any information in relation to the Bank or the Offer Shares other than the Chief Executive Officer of the Bank, and no person has been authorised to make any such statement or provide any such information which is not contained in, or which is inconsistent with, this Prospectus. Where any person makes any such statement or provides any such information, it must not be relied upon as having been authorised by the Bank or the Issue Managers or the Legal Advisor.

IMPORTANT POINTS

This Prospectus includes relevant information that is deemed important and neither includes any misleading information nor excludes any material information, the omission of which may materially influence any investor's decision pertaining to the investment in the Offer Shares through this Prospectus.

All market investments carry various risks including market risks to varying degrees. The value of any security can fall as well as rise, depending on the market conditions.

ADDITIONAL IMPORTANT POINTS TO BE NOTED

References to documents

Summaries of documents, or of extracts or provisions thereof, contained in this Prospectus may not provide a complete summary thereof, and statements in this Prospectus relating to such documents or extracts or provisions may not be exact reproductions of such documents, extracts or provisions, and should not be relied upon as being comprehensive summaries/statements in respect of such documents, extracts or provisions.

Scope of information

The information contained in this Prospectus is intended to provide a prospective Applicant with adequate information relating to the investment opportunity and background information on the rights issue contemplated hereby. However, this Prospectus does not necessarily contain all the information that a prospective Applicant may consider material. The content of this Prospectus is not to be construed as legal, business or tax advice. Each prospective Applicant should consult their own lawyer, financial advisor or tax advisor for legal, financial or tax advice in relation to any purchase of or proposed subscription for Offer Shares.

Investor due diligence

Prior to making any decision as to whether to subscribe for Offer Shares or not, prospective Applicants should read this Prospectus in its entirety. In making an investment decision, prospective Applicants must rely upon their own examination of the terms of this Prospectus and the risks involved in making an investment.

Restrictions on the distribution of this Prospectus

The distribution of this Prospectus and the issue of the Offer Shares may, in certain jurisdictions, be restricted by law or may be subject to prior regulatory approvals. This Prospectus does not constitute an offer or an invitation by or on behalf of the Bank to any person in any jurisdiction outside Oman to subscribe for any of the Offer Shares where such offer or invitation would be unlawful. The Bank and the Issue Managers require people into whose possession this Prospectus comes to inform themselves of, and to observe, all such restrictions. Neither the Bank nor the Issue Managers nor any of their respective directors, managers, accountants, advisers, lawyers or employees accepts any legal responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to subscribe for Offer Shares by any person, whether or not a prospective Applicant, in any jurisdiction outside Oman where such sale, offer to sell or solicitation to subscribe, would be unlawful.

Restrictions on the use of information contained in this Prospectus

The information contained in this Prospectus may not be published, duplicated, copied or disclosed in whole or in part or otherwise used for any purpose other than in connection with the issue of the Offer Shares, without the prior written approval of the Bank and the Issue Managers.

Publication of Preliminary Financial Results

As at the date of this Prospectus, the Bank has not published its unaudited interim financial statements for the six-month period ended 30 June 2026. The Bank expects to announce its initial unaudited preliminary financial results for the six-month period ended 30 June 2026 prior to the commencement of the Rights Trading Period and the Subscription Period, and such information will be available publicly through the websites of the Bank and the MSX. The Bank's unaudited interim financial statements for the six-month period ended 30 June 2026 will be published in due course in accordance with applicable laws and regulatory requirements.

Disclaimer of implied warranties

Save and except as required under applicable Omani law and regulations, no representation or warranty, express or implied, is given by the Bank or the Issue Managers, or any of their respective directors, managers, accountants, advisers, lawyers, employees or any other person as to the completeness of the contents of this Prospectus; or of any other document or information supplied at any time in connection with the Offer Shares; or that this Prospectus or any other such document or information has remained unchanged after the issue thereof.

FORWARD-LOOKING STATEMENTS

This Prospectus contains statements that relate to intentions, future acts, and future events. These statements generally can be classified as forward-looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from the way in which they are presented in this Prospectus. The use of any of the words "aim", "anticipate", "continue", "estimate", "objective", "plan", "schedule", "intend", "expect", "may", "will", "project", "propose", "should", "believe", "will continue", "will pursue", and other words of similar import, are intended to identify forward-looking statements. Similarly, statements that describe the Bank's strategies, objectives, plans or goals are also forward-looking statements. These forward-looking statements are not historical facts but reflect current expectations regarding future results or events, and are based on various estimates, factors and assumptions. No assurance can be given that these expectations will prove to be correct. Moreover, forward-looking statements involve inherent risks, assumptions and uncertainties that could cause actual outcomes (including, among other things, the Bank's result of operations, financial condition, cash flows, liquidity, financial projects and growth) to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements speak only as of the date they are made and should not be relied upon reflecting the Bank's expectations as of any subsequent date.

The Bank draws the attention of investors to a number of important factors that could cause actual results to differ materially from the Bank's expectations, including but not limited to:

- inability to estimate future performance.
- inability of the Bank to meet its debt service obligations.
- inability of the Bank to meet its payment obligations.
- certain financing and/or operational and maintenance risks.
- access to adequate insurance to cover all potential losses.
- change in monetary and/or interest policies of Oman, local and/or international inflation, local and/ or international interest rates.
- fluctuations in foreign exchange rates, equity prices or other rates or prices.
- the performance of the financial markets and the economy of Oman.
- general political, economic and business conditions in Oman which may have an impact on the Bank's business activities.
- changes in laws and/or regulations and/or conditions (including fiscal developments) that may have a bearing on the position of the Bank's clients, and/or suppliers, or the banking sector in Oman.

- increased competition in the banking sector in Oman, changes in the economic and/or financial conditions of the Bank's clients, suppliers and the banking sector.
- level of demand for the Bank's products and services; and
- other factors described in Chapter 9 of this Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated.

The Bank offers no assurance that forward-looking statements will materialise. Neither the Bank nor the Issue Managers nor any of their respective affiliates intend to nor have any obligation to update or revise any forward-looking statements because of new information, future events or otherwise, unless required by applicable law.

The risk factors described above do not comprise all the important factors that could cause actual results to differ materially from those presented in the forward-looking statements in this Prospectus. For examples of other risk factors, see Chapter 8 "Risk Factors and Mitigants" of this Prospectus. The Bank will adhere to the disclosure rules and regulations issued by the FSA, which include making timely disclosures regarding the Bank's results of operation. The Bank advises investors to track the information or announcements made by the FSA through the MSX website at www.msx.gov.om.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from the Bank's audited financial statements or its unaudited interim financial statements, in each case prepared in accordance with IFRS. Copies of the Bank's financial statements are available on the MSX website or on the Bank's website. The Bank's Financial Year commences on 1 January and ends on 31 December. In this Prospectus, any discrepancy in any table between the total and the sum of the relevant amounts listed is due to rounding.

Currency of Presentation

In this Prospectus, all references to "RO", "OMR", and "Omani Rials" are to Omani Rials, the official currency of Oman.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from third-party industry publications and/or websites. Although it is believed that industry data used in this Prospectus is reliable, it has not been independently verified; therefore, its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Similarly, internal company reports, while believed to be reliable, have not been verified by any independent sources. The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

INDEX

CHAPTER 1
DEFINITIONS AND ABBREVIATIONS

AC	Audit committee of the Board of Directors of the Bank.
Additional Shares	Any Offer Shares applied for by an Applicant in addition to the Rights Entitlement of such Applicant in the Rights Issue.
AGM	Means the annual general meeting of the Bank.
Allotment	Allotment of the Offer Shares to successful Applicants, as approved by the FSA.
Allotment Date	The date on which the FSA approves the allotment of Offer Shares to successful Applicants.
Applicant	An Eligible Shareholder, or a person who has purchased a Rights Entitlement through the MSX, in each case, who submits their completed Application Form to the Collecting Bank on or before the Subscription Closing Date.
Application Form	The application form required is to be completed by an Applicant wishing to subscribe for the Offer Shares.
Articles of Association	The articles of association of the Bank as registered with the MOCIIP and the FSA, as amended from time to time.
Baisa	One thousandth of an Omani Rial (1000 Baisa = 1 Omani Rial).
Bank's Shareholder Register	The register of the Shareholders maintained with the MCD.
Banking Law	The Banking Law of Oman promulgated by Royal Decree 2/2025, as amended from time to time.
Board / Board of Directors	The Bank's Board of Directors elected from time to time in accordance with the Articles of Association, the CCL, the SAOG Regulations, and applicable rules and regulations issued by the FSA and the CBO.
BRCC	Risk & Compliance Committee of the Board of Directors of the Bank.
Business Day	A day, other than a Friday, Saturday or a public holiday, on which banks and the MSX are open for general business in the Sultanate of Oman.
CAC	Credit approval committee of the Board of Directors of the Bank.
CBO	The Central Bank of Oman.
CCL / Commercial Companies Law	The Commercial Companies Law of Oman promulgated by Royal Decree 18/2019, as amended from time to time.
Civil Defence Insurance Policy	Means the insurance policy issued in the Kingdom of Saudi Arabia by Salama Cooperative Insurance Company, maintained for the purpose of complying with the requirements of the Civil Defence authority in the Kingdom of Saudi Arabia.
Code of Corporate Governance	The Code of Corporate Governance for Public Listed Companies issued pursuant to FSA Circular No. E/2015/4.
CSR	Corporate Social Responsibility.
Director	A member of the Board of Directors of the Bank.
Eligible Shareholder	A person registered with the MCD as a Shareholder on the Record Date.
ENRC	The executive, nomination & remuneration committee of the Board of Directors of the Bank.
ESG	Environmental, Social, and Governance.

Financial Year	The financial year of the Bank commences on 1 January and ends on 31 December, as may be amended from time to time.
FSA	The Financial Services Authority of Oman.
Government	The Government of the Sultanate of Oman.
IFRS	International Financial Reporting Standards.
Issue / Rights Issue	The rights issue of the Offer Shares made under this Prospectus.
Issuer / Bank	Sohar International Bank SAOG.
Laws of Oman	The laws of Oman which are issued in the form of Royal Decrees, Ministerial Decisions, CBO regulations or FSA regulations, in each case as issued, enacted, re-enacted or amended from time to time.
MCD	Muscat Clearing and Depository SAOC.
MISA	Ministry of Investment of the Kingdom of Saudi Arabia.
MOCI	Ministry of Commerce of the Kingdom of Saudi Arabia.
MOCIIP	Ministry of Commerce, Industry and Investment Promotion.
MSX	Muscat Stock Exchange SAOC.
NPL	Non-performing loans, the loans granted by the Bank to its customers in respect of which payments of interest, principal or other amounts are more than 90 days in arrear
OCCI	Oman Chamber of Commerce and Industry.
Offer Shares	The Shares that are the subject of the Rights Issue.
Oman	The Sultanate of Oman.
Oman Rial / RO / OMR	The lawful currency of Oman.
Prospectus	This means this prospectus for the Rights Issue, as approved by the FSA.
Record Date	Means the date on which shareholders whose names are recorded in the register maintained by the MCD are entitled to participate in, and subscribe to, the Rights Issue.
Rights Entitlement	Each Eligible Shareholder is entitled to participate in the Rights Issue pro rata based on their percentage shareholding in the Bank as on the Record Date, rounded down in the case of fractional entitlements. Accordingly, each Eligible Shareholder is entitled to approximately 16 Offer Shares for every 100 Shares held by them on the Record Date, duly rounded down, or to 4 Offer Shares for approximately every 25 Shares held by them on the Record Date, duly rounded down.
Rights Trading Period	The period commencing on the Rights Trading Opening Date and ending on the Rights Trading Closing Date.
Riyadh Chamber	Means the chamber of commerce in Riyadh, Kingdom of Saudi Arabia.
Riyadh Municipality	The municipality of the city of Riyadh in the Kingdom of Saudi Arabia.
SAMA	Means Saudi Central Bank, the central bank of the Kingdom of Saudi Arabia.
SAOG Regulations	The Public Joint Stock Companies Regulation issued pursuant to FSA Decision No. 27/2021.
Securities Law	The Securities Law promulgated by Royal Decree 46/2022.
Shareholders	The shareholders of the Bank.
Shareholding Limits	Has the meaning given to it in Chapter 13 of this Prospectus.

Shares	The ordinary shares of the Bank.
SME	Small and medium enterprises.
Sohar Islamic	The Islamic banking window of the Bank.
SPL	Means Saudi Post Logistics Company, the national postal services provider of the Kingdom of Saudi Arabia.
Subscription	Means subscription to the Offer Shares pursuant to this Prospectus.
Subscription Period	The period commencing on the Subscription Opening Date and ending on the Subscription Closing Date.
VAT	Value Added Tax.

CHAPTER 2:
SUMMARY OF THE RIGHTS ISSUE

Issuer	Sohar International Bank SAOG
Commercial registration number	1014333
Establishment Date	4 March 2007
Principal place of business	PO Box 44, PC 114, Hai Al Mina, Muscat, Sultanate of Oman
Bank's duration	Unlimited
Authorised share capital	OMR 1,000,000,000
Issued share capital (pre-Rights Issue	OMR 702,508,187, divided into 6,617,246,270 shares.
Issued share capital (post-Rights Issue	OMR 849,675,744, divided into 7,676,005,673 shares (assuming full subscription of the Rights Issue).
Issue Size	OMR 149 million (Omani Rial one hundred and forty-nine million), divided into 1,058,759,403 shares.
Issue Price	Baisa 141 per Offer Share (including issue expense of Baisa 2 per Offer Share), payable in full on submission of Application Form.
Record Date	12 July 2026
Rights Trading Opening Date	21 July 2026
Rights Trading Closing Date	22 July 2026
Subscription Opening Date	21 July 2026
Subscription Closing Date	26 July 2026
Purpose of the Issue	The purpose of the Rights Issue is to increase the Tier I capital of the Bank by increasing its issued capital, so as to enable its business growth.
Eligibility for Subscription	Subscription for the Rights Issue is open to Shareholders whose names are registered on the Bank's Shareholder Register on the Record Date. People who purchase the rights on the MSX within the Rights Trading Period are also eligible to subscribe to the Offer Shares before the Subscription Closing Date. The 'rights' representing ownership rights of Shareholders to subscribe to the Rights Issue may be traded on the MSX during the Rights Trading Period. A Shareholder has the option to either subscribe to the Rights Issue or sell its Rights Entitlement in part or in full on the MSX. The eligibility to subscribe for Offer Shares shall lapse if the Shareholder neither subscribes to the Rights Issue nor sells their 'rights' (whether partially or fully) on the MSX during the Rights Trading Period.
Application for Additional Shares	An Eligible Shareholder wishing to apply for Additional Shares shall complete the required details in the Application Form and submit them during the Subscription Period to the Collecting Bank together with the requisite subscription amount. A Shareholder who does not subscribe for their full Rights Entitlement during the Subscription Period or who sells their Rights Entitlement (either in part or in full) is not eligible to apply for Additional Shares. An Applicant that is not a Shareholder on the Record Date but that has acquired a Rights Entitlement is not eligible to apply for Additional Shares. The application for Additional Shares shall be subject to the terms and conditions stipulated in Chapter 13.

Allotment	The Offer Shares shall be allotted against valid and approved Application Forms, subject to the provisions of Chapter 13. The Offer Shares shall be allotted, and refunds will be made (if required) within three (3) Business Days of the Allotment Date. The Applicant, after the announcement of the allotment, shall ensure that the allotted shares appear in its account with MCD.
Refund of Application Amount	Refund of application amounts, if any, shall be made to each Applicant's bank account within three (3) Business Days from the Allotment Date.
Listing	The Offer Shares shall be listed on the MSX.
Approvals for the Rights Issue	• Approval of the Board of Directors vide its resolutions dated 30 April 2026; • In-principal approval of the CBO vide CBO letter no. LD/CBS/SIB/2026/460 dated 7 June 2026; and • Approval of the FSA vide its Administrative Decision FSAP - 2026/772 dated 2 July 2026.
Issue Managers and Financial Advisors	Sohar International Bank SAOG PO Box 44, PC 114 Hai Al Mina, Muscat, Sultanate of Oman Tel: +968 24730000 Fax: +968 24730010 Email: advisory@sib.om Oman Investment Bank SAOC PO Box 10, PC 133 South Al Khuwair, Muscat, Sultanate of Oman Email: info@oib.om
Legal Advisor	Al Maamary, Al Abri & Co. (MAQ Legal) PO Box 1963, PC 130 Bousher, Muscat, Sultanate of Oman Tel: +968 2113 2805 Email: info@maqlegal.com
External Auditor	KPMG LLC Children's Public Library Building, 4th floor P.O. Box 641, P.C. 112 Shatti Al Qurum, Sultanate Of Oman
Collecting Bank	Sohar International Bank SAOG PO Box 44, PC 114, Hai Al Mina Muscat, Sultanate of Oman Tel: +968 24730000 Fax: +968 24730010 Email: advisory@sib.om

CHAPTER 3:
USE OF PROCEEDS AND ISSUE EXPENSES

USE OF PROCEEDS

The purpose of the Rights Issue is to increase the Tier I capital of the Bank by increasing its issued capital, so as to enable its business growth.

ISSUE EXPENSES

The issue expenses of the Rights Issue are estimated at OMR 1,260,000, which is equal to approximately 0.84% of the total gross proceeds of the Rights Issue, assuming full subscription. In case the actual issue expenses exceed the amount collected from successful Applicants towards issue expenses, the issue expenses of the Rights Issue will be partly met from the amounts collected from successful Applicants at Baisa 2 per Offer Share and the remainder will be borne by the Bank. Any surplus of the collection towards issue expenses over the actual expenses incurred will be retained by the Bank and credited to its legal reserve or a special reserve to be established pursuant to Article 126 of the CCL.

The estimated issue expenses are set out in the following table:

Item	Amount in OMR
Advisor fees (Issue Managers, Legal Advisor and Collecting Bank fees)	1,140,000
FSA fees	50,000
MCD fees	50,000
Marketing, Advertising, Printing, Postage & Publicity	15,000
Other expenses	5,000
Total estimated Issue expenses	**1,260,000**

*These expenses are estimates and may change as per actual/ The estimates exclude VAT.

CHAPTER 4:
ISSUER'S OBJECTIVES AND APPROVALS

OVERVIEW

The Bank was registered as Bank Sohar SAOG on the Commercial Register maintained by the MOCIIP pursuant to the Commercial Register Law (Royal Decree 3/74) in March of 2007 and received its commercial banking license from CBO in March 2007. As a full-fledged commercial bank, it is active in all banking segments, including corporate banking, investment banking, retail banking, and Islamic banking in Oman. In December 2018, the Bank changed its name from Bank Sohar SAOG to Sohar International Bank SAOG.

In addition to being regulated by CBO, as a public joint stock company whose shares are listed and traded on MSX, the Bank is also regulated by FSA. Apart from this, the Bank's business operations are subject to compliance with the Bank's own policies and procedures and the laws and regulations of the Sultanate of Oman.

In 2023, Sohar International completed a strategic merger with HSBC Bank Oman SAOG, further consolidating its position in the Omani banking landscape. This merger enabled the Bank to enhance its offerings, solidifying its status as one of the leading financial institutions in the Sultanate of Oman.

Sohar International continues to execute a disciplined international expansion strategy aimed at establishing a robust presence across key global financial corridors. A significant milestone was achieved on May 4, 2025, with the official inauguration of the Bank's first overseas branch in Riyadh, the Kingdom of Saudi Arabia. Building on this regional momentum, the Bank received initial approval from CBO on December 25, 2025 and approval from the Hong Kong Monetary Authority on 13 April, 2026 to establish a representative office in Hong Kong.

OBJECTIVES OF THE BANK

Under its Articles of Association, the objectives for which the Bank is established are as stated below:

In accordance with the applicable laws and amendments thereof in the Sultanate of Oman, especially banking authorized activities and restrictions as defined by the regulations and laws of CBO and provisions of the Banking Law, its amendments or alternation thereafter, the objects of the Bank shall be as follows:

(1) To carry on the business of banking in all its fields, and to transact and to do all matters and things incidental thereto, or which may, at any time hereafter, at any place, where the Bank shall carry on business, be usual in connection with the business of banking or dealing in money or securities for money.

(2) To advance and lend money on real, personal and mixed securities, on cash, credit or other accounts, on policies, bonds, debentures, bills of exchanges, promissory notes, letters of credit or other obligations, or on the deposit of title deeds, merchandise, bills of sale and landing, delivery orders, warehousemen and certificates, notes, dock warrants, or other mercantile or tokens, bullion, stocks and shares.

(3) To carry on the business of discounting, dealing in exchanges, in species and securities.

(4) To invest money in such manner as may from time to time be thought proper.

(5) To act as agents for the sale and purchase of any shares or securities or for any other monetary transactions.

(6) To carry on the business of financiers.

(7) To contract for public and private loans, and to negotiate and issue the same.

(8) To act as executors and trustees of wills, settlements and trust deeds of all kinds made by customers and others and to undertake and execute trusts of all kinds,

(9) To deal with all types of bank notes, coins, currencies, receive and to deposit any monies in current accounts, term deposits, savings accounts, and receive precious articles and financial documents for deposit in safes.

(10) To issue and negotiate bank guarantees and letters of credit, cheque payments, money orders and all other negotiable documents and their collection.

(11) To sell bonds, certificates, stocks and all other securities.

(12) To settle negotiable cheques.

(13) To sell, buy and exchange currencies, monies, bullions.

(14) To participate in all investments relating to economic activity, including participation in companies' share capital.

(15) To enter into partnership with companies and organisations transacting activities similar to those transacted by the Bank.

(16) To deposit, lend or advance money with or without security and generally to make or negotiate loans and advances of every kind.

(17) To encourage saving schemes and mobilise deposits to be employed by the Bank for the purposes of its objectives. This includes acceptance of deposits, with or without interest, and the application of regulations deemed fit by the Bank's Board of Directors for the encouragement of saving schemes and mobilisation of deposits, in compliance with licenses and permits issued by the Central Bank of Oman.

(18) To attract local and foreign capital, arranging or obtaining local or international loans for the Bank and the acceptance of foreign deposits and external loans, provided that such activities comply with the regulations stipulated by the Government of the Sultanate of Oman for this purpose.

(19) To finance lease and hire purchase and purchase of debts and other extraordinary finance.

(20) To acquire and discount, hire purchase or other agreements or any rights therein (whether proprietary or contractual) and generally to carry on business and to act as financiers, traders in securities and commission agents or in any other capacity in the Sultanate of Oman and to sell, barter, exchange, pledge, make advances upon or otherwise deal in properties, houses, buildings, flats furnished or otherwise as aforesaid subject to first obtaining the Central Bank of Oman's approval.

(21) To act as insurance agents, intermediaries or financial advisors for the benefit of its customers and to advise, sell and procure the sale of such services to its customers, subject to the Central Bank of Oman's and other necessary regulatory approvals.

(22) Own, lease and rent movable and real estate assets in accordance with the Banking Law and other related and applicable laws of the Sultanate of Oman, and directives of the Central Bank of Oman.

(23) Without prejudice to the afore-mentioned conventional banking activities, the Bank may, consistent with the instructions of the Central Bank of Oman:

a) carry on the business of Islamic banking in all its fields and provide banking services in compliance with Islamic Sharia.

b) carry on all works of finance and investment in accordance with the provisions of Islamic Sharia through different types of Islamic finance and investment, including but not limited to Murabaha, Mudaraba, Musharaka, Ijara, Istisna', etc;

c) accept Zakat and unconditional donations and contributions from third parties for the account of the Zakat fund and to spend and utilise such funds for the benefit of others and to the discharge of the Bank's social responsibilities.

LICENSES

The Bank is required to obtain and maintain certain licenses, permits and memberships which are renewable, where applicable, in accordance with their terms. The Bank presently holds the following material licenses:

Authority	Description	Expiry Date
MOCIIP	Commercial Registration No. 1014333	27/02/2027
OCCI	Membership Certificate No. 1779	26/03/2027
CBO	Commercial Banking License Islamic Banking License	Ongoing as per Banking Law
FSA	Investment related activities*	31/12/2027

*Activities covered are Issue of structured instruments, Issue management, Fund management, Portfolio management, Marketing of non-Omani securities and Investment advice & research.

KSA Branch License

Authority	Description	Expiry Date
MISA	102114401166003	7/10/2026
MOCI	7031653376	28/10/2026
Civil Defence Insurance Policy	2-001206104-46	23/08/2028
SPL	1087843439	7/11/2026
SAMA	43028157	NA
Riyadh Municipality	48990301012	18/06/2027
Riyadh Chamber	769934	25/10/2026

APPROVALS FOR THE RIGHTS ISSUE

The Rights Issue has been approved by:

Approval of the Board of Directors vide its resolutions dated 30 April 2026;

In-principle approval of the CBO vide CBO letter no. LD/CBS/SIB/2026/460 dated 7 June 2026; and

Approval of the FSA vide its Administrative Decision FSAP - 2026/772 dated 2 July 2026.

CHANGES IN THE BANK'S EQUITY CAPITAL[1]

Year	Paid-up capital opening balance (RO '000)	Issue of Rights shares	Share premium transferred to share capital	Bonus Shares	Bonus Shares for every 100 shares held	Issue of shares as part of merger consideration (RO '000)	Paid-up capital end of the period (RO '000)
2022	295,355	160,000					455,355
2023	455,355					106,217	561,572
2024	561,572	130,000		10,936			702,508
2025	702,508						702,508
Q1 2026	702,508						702,508

[1] as of 31st March 2026.

CHAPTER 5: OVERVIEW OF THE OMANI ECONOMY AND BANKING SECTOR

GDP and Economic Growth Trends

Oman is a mid-sized Gulf economy with nominal GDP of approximately USD 108.2 billion in 2024 and an estimated USD 110 billion in 2025 (IMF, WEO October 2025; World Bank). Real GDP growth has fluctuated over the past decade in line with oil price cycles and external shocks. Real GDP contracted in 2020 amid lower oil prices and the COVID-19 pandemic, then expanded by 2.6% in 2021 and 8.0% in 2022, supported by the post-pandemic recovery and higher oil output (NCSI). Growth moderated to 1.2% in 2023 as OPEC+ production cuts limited oil sector activity. Real GDP increased by 1.7% in 2024, with non-hydrocarbon activity growing 3.8% at constant prices through Q3 2024 (IMF, WEO October 2025; NCSI). The IMF projects real GDP growth of 2.9% in 2025 and 3.5% in 2026, reflecting a strong foundation amid regional tensions.

Fiscal Position

Oman recorded sustained fiscal deficits from 2014 through 2020, driven by lower oil prices and elevated public expenditure (IMF, Article IV). The budget deficit peaked at approximately 20% of GDP in 2016 and remained wide through 2020, when it reached an estimated 11.5% of GDP amid the COVID-19 pandemic and a further oil price decline. In response, the government launched the Medium-Term Fiscal Plan (2020–2024), targeting reductions in public spending, higher non-oil revenue, and a lower fiscal breakeven oil price.

The combination of these reforms and a recovery in oil prices reversed the fiscal position. Oman recorded a budget surplus of approximately 3.0% of GDP in 2022 – its first surplus in over a decade – supported by higher hydrocarbon revenues and the introduction of a 5% value-added tax in 2021 (Ministry of Finance). The surplus narrowed to 2.4% of GDP in 2023 as oil prices moderated. Spending was contained through fiscal discipline and subsidy reforms, including the removal of electricity subsidies for expatriates and a phased shift to targeted support for low-income citizens. In 2024, Oman recorded a budget surplus of approximately RO 540 million, equivalent to 1.4% of GDP and the third consecutive annual surplus, supporting further reductions in public debt (Ministry of Finance). Based on preliminary results, the government posted a fiscal deficit of RO 480 million in 2025 (approximately 1.1% of GDP), reflecting a 7.99% decline in public revenues driven by lower oil and gas income, with public spending broadly unchanged (Ministry of Finance).

In January 2026, Oman launched its 11th Five-Year Development Plan (2026–2030). The plan prioritises manufacturing, tourism, and the digital economy as key drivers of diversification, while also supporting employment, quality of life, and the transition to a low-carbon economy. It targets average GDP growth of 4%, stronger non-oil activity, higher private investment, and increased foreign direct investment.

Public Debt

Oman's public debt-to-GDP ratio rose from 4% in 2014 to a peak of 67.9% of GDP in 2020, then declined as fiscal surpluses funded debt reduction (IMF). The Sultanate borrowed domestically and externally to finance shortfalls during this period. Total government debt outstanding reached approximately RO 20 billion at end-2020. The government subsequently used surplus oil revenues over 2021–2023 to prepay loans and redeem bonds, lowering total debt. Public debt fell to 41.7% of GDP in 2022. By end-2024, public debt was approximately RO 15.3 billion, equivalent to 36.5% of GDP (Ministry of Finance; SICO BSC, June 2025). By H1 2025, the ratio had fallen to approximately 35% of GDP, equivalent to approximately RO 14.1 billion in absolute terms (down from RO 17.6 billion in 2022), as per the IMF, with end-2025 public debt reported at approximately 36% of GDP (Fitch Ratings, December 2025; Ministry of Finance).

The debt reduction, along with extended maturities and liability management, has eased Oman's debt servicing costs and improved its credit metrics. The government aims to continue lowering the debt ratio towards ~30% of GDP in the medium term. This improved debt profile has been a key factor in the upgrades of Oman's sovereign credit ratings over 2022–2025 (see Sovereign Credit Ratings below).

Foreign Exchange Reserves and Currency

The Omani rial (RO) has been pegged to the U.S. dollar at 1 RO = USD 2.6008 since 1986 (Central Bank of Oman). The peg has provided monetary stability and limited exchange rate volatility, with Omani interest rates linked to U.S. Federal Reserve policy. The Central Bank of Oman (CBO) holds foreign currency reserves to support the peg. CBO's gross foreign assets (including gold) reached RO 6.73 billion at end-2023 and approximately USD 19.0 billion at end-2024 (CBO; Ministry of Finance). By November 2025, reserves had risen to RO 7.6 billion (approximately USD 19.7 billion), reflecting current account surpluses and capital inflows (CBO, Monthly Statistical Bulletin, November 2025). S&P expects reserve holdings to remain in a USD 19–21 billion range over 2026–2029 (S&P Global Ratings, March 2026).

Monetary Policy and Inflation

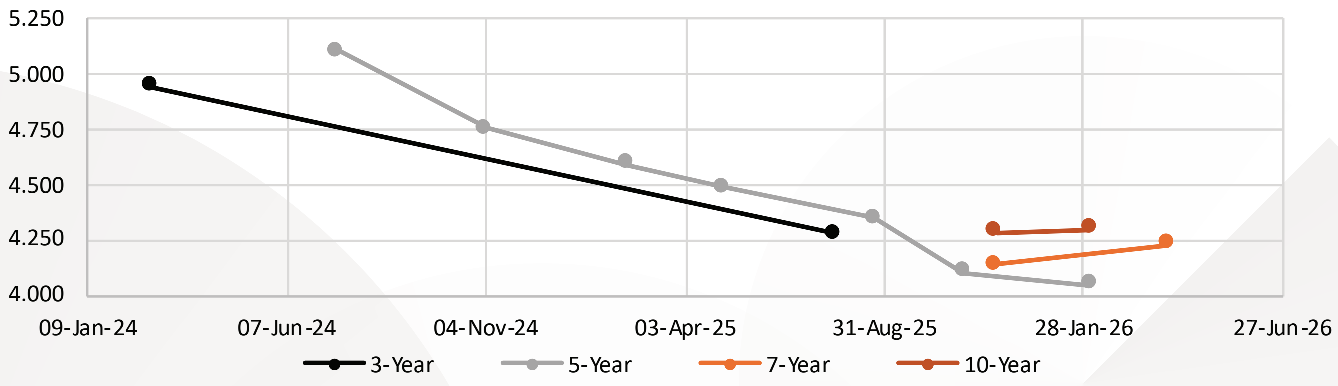
Consumer price inflation eased to 1.0% in 2023 and 0.6% in 2024, and averaged 0.9% from January to November 2025, after rising in 2021–2022 following the pandemic and the introduction of VAT (NCSI). Under the currency peg, Oman's monetary policy follows U.S. Federal Reserve policy to maintain RO–USD parity, with the Central Bank of Oman using its repo and CD rates to transmit changes. From March 2022, the U.S. Federal Reserve commenced a tightening cycle, and the CBO raised its policy repo rate in 11 consecutive steps totalling 550 basis points through July 2023, taking the CBO repo rate from approximately 0.5% pre-2022 to 6.0% by mid-2023 (CBO). Commercial bank lending rates rose in tandem, while domestic interbank rates remained relatively stable, supported by liquidity in the banking system.

Oman Sovereign Market Update

Omani Sovereign has issued 18 bonds since 2024 with varying maturities across currencies (OMR and USD).

As shown in the chart below, Omani Sovereign issue yields have declined materially across the curve, with yields 50-65bps lower over the past 2 years. The Omani Sovereign 5-year bond denominated in OMR currently trades just above 4.00%

Graph of Evolution of Omani Sovereign OMR Yields



Source: Bloomberg as of 14 April 2026

Sovereign Credit Ratings

The Sultanate of Oman has made significant strides in strengthening public finances, reducing public debt, and managing its lending portfolio. Coupled with the rebound in oil prices, these efforts have notably improved the State's fiscal performance. As a result, the Sultanate of Oman has seen an upgrade in its credit rating and outlook, and is currently classified as investment grade by S&P, Moody's and Fitch:

- Moody's Investors Service: Moody's has steadily improved Oman's credit rating over the past two years as well. In early 2023, Oman was upgraded from Ba3 to Ba2. Later that year, in December 2023, the rating rose again from Ba2 to Ba1, just one step below investment grade, with a Stable outlook. In August 2024, Moody's changed the Ba1 outlook to Positive, signalling a likely upgrade to investment grade if current trends continue. Finally, in July 2025, Moody's officially raised Oman's rating to Baa3 (investment grade) with a Stable outlook, citing stronger debt management and fiscal resilience.

- Standard & Poor's (S&P): In September 2024, S&P upgraded Oman's sovereign rating to "BBB-" (investment grade) from "BB+", with a Stable outlook. This upgrade returned Oman to the lowest investment-grade category after several years at speculative grade. S&P had previously revised Oman's outlook to Positive in early 2024 and then followed through with the upgrade. In March 2026, S&P affirmed the BBB- rating with Stable outlook, supported by strong fiscal and external buffers and resilience to geopolitical risks.

- Fitch Ratings: In September 2023, Fitch upgraded Oman's rating to "BB+" (Stable) from BB. In December 2024, Fitch revised the outlook to Positive while affirming the "BB+" rating, highlighting the rapid reduction in public debt and improvement in the sovereign external asset position. In December 2025, Fitch upgraded Oman to BBB- (investment grade) with a Stable outlook, citing improvements in public finances, stronger external buffers and continued commitment to prudent fiscal management.

The development of the credit rating of the Sultanate issued by international rating agencies from 2018 to Mar'26:

Agency	2022	2023	2024	2025	2026
Moody's	Ba3	Ba1	Ba1	Baa3	Baa3
S&P	BB	+BB	-BBB	-BBB	-BBB
Fitch	BB	+BB	+BB	-BBB	-BBB

Investment Grade

Source: Trading Economics, Fitch Ratings, S&P Global, Moody's

Employment and Population Trends

According to the National Centre for Statistical Information (NCSI), Oman's population has grown significantly over the past decade, though with shifts in its composition. As of end 2025, the Sultanate's total population is about 5.4 million people. This marks a robust increase (the population was 4.2 million in 2015 and just 2.4 million in 2000). Notably, expatriates comprise roughly 43% of the population, while Omani nationals make up 57%. The expat share had declined in 2020–2021 (to about 38%) due to the economic downturn and Omanisation policies but has since risen again as foreign workers returned with the economic recovery. Oman's population is relatively young – the median age is around 30, which presents opportunities for a growing workforce as well as challenges for job creation.

Total employment in Oman is around 2.69 million workers in 2025, composed of roughly 1.8 million expatriate workers and 0.89 million Omani workers. Expatriates are predominant in private-sector jobs (especially in industries like construction, retail, and services), while Omani nationals hold most public sector jobs and an increasing share of skilled private jobs. The government pushes Omanisation policies to hire and train more Omanis in the workforce. Unemployment among Omani citizens, particularly youth, has been a policy concern; the latest official unemployment rate for Omanis hovers around the mid-single digits, though higher for new graduates. The government has implemented initiatives to generate jobs for Omanis, including setting hiring targets in certain industries and investing in vocational training.

Vision 2040 and Economic Reforms

Oman's development roadmap, Vision 2040, sets out the goal of a diversified, sustainable economy with the private sector as the main engine of growth. The Vision 2040 targets, among other things, to raise the non-oil share of GDP to over 90% by 2040 (from ~70% now), achieve average real GDP growth of 5%, and significantly increase the contribution of sectors like manufacturing, tourism, transport, and mining. To achieve these goals, the government launched a series of reform programs in the 2020s:

- **Fiscal Reform:** As discussed, the Medium-Term Fiscal Plan implemented since 2020 has introduced VAT, excise taxes, and subsidy reforms, and plans a personal income tax (PIT) on high earners from 2028 (a 5% tax on individuals earning above RO 42,000 annually, per Royal Decree No. 56/2025) to broaden the revenue base. These steps are unprecedented in the GCC and underscore Oman's commitment to fiscal sustainability.
- **Privatisation and Investment:** Oman consolidated its various sovereign funds and state enterprises under the Oman Investment Authority (OIA) in 2020 to streamline state-owned enterprises (SOEs) and prepare some for privatisation. SOEs (in oil, utilities, telecom, etc.) contributed 31% of GDP in 2022; the plan is to gradually divest or list stakes in several entities. The government is also improving the business environment – a new Foreign Investment Law (2019) allows 100% foreign ownership in most sectors, and an Investment Services Centre now provides one-stop services to investors. These reforms have started to bear fruit in higher FDI inflows and project investments.
- **Sector Strategies:** Dedicated strategies have been launched for tourism ("Tourism Strategy 2040"), logistics (to capitalise on Oman's ports and new GCC rail connections), agriculture and fisheries (with a focus on food security and export of fisheries), and renewable energy. Green energy, especially green hydrogen, is a new priority – Oman has earmarked large tracts in Duqm and Dhofar for green hydrogen projects. Moody's notes that Oman's green hydrogen initiatives could reduce credit risks by diversifying energy revenues in the long term. Indeed, multi-billion-dollar green hydrogen projects (some in partnership with international firms) are planned, leveraging Oman's solar and wind resources.
- **Human Capital:** Under Vision 2040, Oman is heavily investing in education, upskilling, and innovation to boost productivity. The government has expanded technical colleges and entrepreneurship programs (such as the SME Development Authority and funds). By fostering a knowledge economy and increasing the role of the private sector (including SMEs which employ a large share of Oman's residents), Oman aims to create sustainable employment for its youth.
- The Financial Sector Development Plan (Estidamah) is a strategic initiative launched by the Ministry of Finance to bolster public finances and establish the financial sector as a crucial driver in achieving the goals of the Sultanate of Oman Vision 2040. This program is designed to enhance the competitiveness of the financial sector, offer diverse financing options for various stakeholders, and expand the financing market to accommodate future developments in the investment and economic landscape. It further outlines a comprehensive set of initiatives and projects aimed at strengthening the financial sector's core components.

In addition to Estidamah, several other national programs are actively contributing to the Sultanate of Oman's development. The National Program for Economic Diversification (Tanwea'a), overseen by the Ministry of Commerce, Industry, and Investment Promotion, is a major initiative comprising over 170 dynamic projects. It is strategically organised into three key areas: sectoral development and investment, fostering a conducive business environment, and enhancing foreign trade. Over the past two years, Tanwea'a has successfully established a national negotiation team dedicated to attracting high-quality

investments and opened an investment hall in the Sultanate of Oman to support investors. The program also plans to introduce a unified investment incentives guide applicable across all sectors.

Further advancing the investment landscape are the Government Digital Transformations Program (GDTP) and the National Program for Investment and Export Development (Nazdahir). The GDTP, overseen by the Ministry of Transport, Communications, and Information Technology, focuses on streamlining business models and leveraging technological advancements. Meanwhile, Nazdahir, managed by the Ministry of Commerce, Industry, and Investment Promotion, aims to improve the efficiency of government units, create transparent and innovative solutions, and enhance the overall investment environment.

In 2023, Royal Decree 68/2023 on the Public Debt Law was issued. This law governs the management of funds borrowed by the government from institutions or individuals to address emergency situations, enhance public revenues, and finance development projects. Its primary objectives are to mitigate financial risks for the State, exercise control over public debt, and alleviate financial burdens.

Concurrently, the Ministry of Finance is reviewing the Financial Law and its Executive Bylaws. This review aligns with ongoing projects and systems aimed at improving financial procedures, including the Government Financial System, Program-Based Budget, Treasury Single Account, and other related Initiatives.

OVERVIEW OF BANKING SECTOR

From 2020 to Nov'2025, Oman's banking sector saw steady expansion, with total assets rising from RO 35.8 billion to over RO 48.8 billion. Despite the initial shock of the COVID-19 pandemic, the sector showed resilience, recording modest asset and credit growth in 2020. Recovery gained momentum in 2021 and continued through 2022-Nov'2025. This growth was supported by consistent credit expansion, which rose from RO 26.7 billion in 2020 to RO 30.5 billion in 2023, before reaching RO 350 billion in Nov'2025.

Deposit growth was more uneven. After moderate increases in 2020–2022, deposits surged in 2023 – rising 12.3% to RO 29.1 billion – fuelled by strong oil revenues and government surpluses. By Nov '2025, deposits reached RO 33.8 billion, narrowing the loan-to-deposit ratio to about 104%.

RO million	**2020**	**2021**	**2022**	**2023**	**2024**	***Nov'2025***	***CAGR***
Assets	36,280	38,903	39,203	42,341	45,105	48,752	6,2%
Gross loans	26,676	27,848	29,223	30,474	32,501	35,008	5,1%
Deposits	24,166	25,600	25,866	29,101	31,732	33,755	7,0%

Source: CBO Monthly Statistical Bulletin

Conventional vs. Islamic Banking Sector Dynamics

Oman operates a dual banking system, with conventional banks alongside Islamic banks and Islamic "windows" (Islamic banking arms of conventional institutions). The Islamic banking segment expanded rapidly from 2020 to Nov'2025, consistently outpacing the conventional segment in growth. Islamic banking assets nearly doubled over the period, rising from about RO 5.2 billion in 2020 to RO 8.6 billion by the end of 2024. This lifted Islamic banking's share of total sector assets from roughly 14.3% in 2020 to 19.1% by Nov'2025. By Nov'2025, Islamic banks and windows held RO 9.3 billion in assets. The Islamic financing (loan) portfolio reached RO 7.5 billion and Islamic customer deposits RO 7.3 billion (up a remarkable 14.4% CAGR from 2020) as of November 2025. In comparison, conventional banks' deposits grew around 5.4% during the same period, highlighting the strong public demand driving Islamic banking growth.

Overall, Islamic banking has become an important contributor to the banking sector growth. Several factors aided the Islamic sector's expansion: growing customer preference for Sharia-compliant products, increased sukuk issuance and investment, and broader distribution via Islamic windows at major banks.

The Central Bank of Oman (CBO) also implemented supportive regulatory steps. In October 2024, a new Bank Deposit Protection Law was introduced to extend Oman's deposit insurance scheme to Islamic banks (previously it covered only conventional bank deposits). This move closes a regulatory gap and is expected to boost confidence and level the playing field for Islamic depositors.

RO million	2020	2021	2022	2023	2024	*Nov'2025*	CAGR
Gross loans	26,676	27,848	29,223	30,474	32,501	35,008	*5.7%*
Conventional	22,331	23,001	23,784	24,387	25,550	27,541	*4.4%*
Islamic	4,345	4,848	5,439	6,088	6,951	7,467	*11.6%*
Deposits	24,166	25,600	25,866	29,101	31,732	33,755	*7.0%*
Conventional	20,377	21,207	20,985	23,591	25,042	26,421	*5.4%*
Islamic	3,789	4,393	4,881	5,510	6,690	7,334	*14.4%*

Source: CBO Monthly Statistical Bulletin

Competitive Landscape

Oman's banking sector is moderately concentrated, led by a few large institutions. The table below ranks the major Omani banks by size of assets, and shows their loan and deposit holdings as of end-2025:

RO million	Assets	*Mkt Share*	Gross Loans	Deposits
Peer 1	15,129	*32.9%*	11,390	10,430
Sohar International Bank	9,129	*19.8%*	6,141	6,827
Peer 2	5,591	*12.1%*	4,327	4,009
Peer 3	5,391	*11.7%*	4,387	4,117
Peer 4	4,587	*10.0%*	3,958	3,775
Peer 5	4,189	*9.1%*	3,571	3,158
Peer 6	2,033	*4.4%*	1,691	1,647
Top 7	46,048	*100%*	35,465	33,962

Note: Market share based on the assets of the mentioned Banks, all operating Islamic windows, except for Bank Nizwa, which is a pure Islamic bank.

Source: Financial Statements of the Banks mentioned in MSX

The second largest is Sohar International Bank (assets RO 9.1 billion), which climbed in rank after its 2023 merger with HSBC Oman. Sohar's loan book is roughly RO 6.1 billion and deposits about RO 6.8 billion, reflecting the integration of HSBC's portfolio. Behind are National Bank of Oman (NBO) and Bank Dhofar, with total assets of RO 5.6 billion and 5.4 billion, respectively. Rounding out the top tier are Oman Arab Bank (OAB) and Ahli Bank, with assets of RO 4.6 billion and RO 4.2 billion, respectively. OAB's figures include the operations of Alizz Islamic Bank, which it acquired in 2020, while Ahli Bank remains a mid-sized conventional lender. Bank Nizwa, the largest fully Islamic bank, held RO 2.0 billion in assets and a financing portfolio of around RO 1.7 billion in 2025 – making it the seventh-largest bank overall.

Policy and regulatory developments

The period saw important regulatory initiatives aimed at bolstering financial stability and development. Aside from the deposit insurance extension to Islamic banks noted earlier, the CBO and government advanced broader financial sector reforms under Oman Vision 2040. Banks in Oman have continued to implement Basel III standards and, in some cases, even more stringent local prudential limits (for example, limits on maturity mismatches). The authorities also took steps to deepen capital markets (encouraging corporate and sovereign sukuk issuance) and to promote fintech and digital banking services. While these are longer-term efforts, they began to take shape by 2024 and complement the banking sector's role in financing economic diversification.

The FinTech Regulatory Sandbox, launched in December 2020, received an overwhelming response, with several local and international participants coming forward to present their payment solutions during the first cohort. Despite initial challenges, the relevant authorities are working toward overcoming these and fostering the growth of an effective ecosystem, wherein FinTech start-ups and banks work under a collaborative framework for the benefit of all stakeholders. Accordingly, the CBO, with the Oman Banks Association, is working on various initiatives, including FinTech, such as the open banking strategy for the financial sector, cloud computing and extending banks' support to regulatory sandbox applicants.

CBO has also facilitated digital onboarding of customers, recognising its importance and making it an 'on tap' facilitation. Accordingly, an e-KYC project has been initiated to be undertaken in collaboration with Oman Credit Bureau, Malaá. The platform, once operationalised, will pave the way for quick and compliant digital onboarding of customers. The 'Direct Debit Mandate Management', successfully rolled out in July 2021, had been well received by corporates and businesses and is currently in the integration stage with the banks. The Ministry of Commerce, Industry and Investment Promotion, mandating the e-payment option in certain private sector activities from 2022, will further support the digital transformation in the Sultanate, under the Sultanate of Oman Vision 2040, thus fulfilling the goal of being a 'less cash-dependent' society.

CHAPTER 6: BUSINESS OVERVIEW

INTRODUCTION

Established in the year 2007, the inspiring ongoing story of the Bank is one that was shaped as a direct result of a deeper purpose to help people 'win' by delivering banking for their ever-changing world. It's a story driven by a vision to be a world-leading Omani service company that helps customers, communities and people, to prosper and grow. Sohar International has become the fastest-growing bank within the Sultanate of Oman and attained recognition in 2024 as the 'Best Bank in Oman'. The Bank's continued success is based on a forward-looking, comprehensive strategy resulting in the achievement of key milestones, attested by numerous local, regional, and international accolades demonstrating distinction across a wide spectrum of the Bank's activities and initiatives.

The Bank's growth story has been proactively supported by its strong shareholder base, including both private sector and Omani Government entities. With the Board's inspirational and visionary outlook, the Bank has played a catalytic role for the Sultanate of Oman's economic advancement, viewing itself as a steadfast partner and contributor to the nation and its people.

Sohar International seeks innovation to add value to every experience. Engaged with a diverse array of customers, products and services that cover Retail Banking, Wholesale Banking, Investment Banking, Global Banking & Markets, Wealth Management, and Islamic Banking. Every segment presents an opportunity to be harnessed into a unique value proposition, achieving diversity and contributing towards the Sultanate of Oman Vision 2040. With a clear direction of bringing the best of the world to the Sultanate of Oman and taking the best of the Sultanate of Oman to the world, Sohar International has been establishing partnerships with key international entities with the purpose of adding value to its ecosystem of offerings.

The Bank has positioned itself well within the market and beyond having established presence throughout the country with over 80 locations within the Sultanate, a regional presence within the Kingdom of Saudi Arabia, and an international footprint extending to Hong Kong. The omnichannel approach to banking under the digitalisation agenda of the Bank has also taken off with state-of-the-art digital banking platforms that provide retail and corporate clients with seamless, secure, and convenient banking solutions at the touch of their fingertips.

Sohar International strongly believes in the spirit of winning, extending beyond customers through many CSR programs. With increased global focus and importance on ESG factors, the Bank remains committed to incorporating these principles within its business strategies. The Bank's values complement initiatives in relation to sustainability, diversity & inclusion, and are well aligned with the national agenda to adopt environmental sustainability and social spheres, through effective governance structures.

Awards and Recognition

The Bank has received several awards and recognitions within its short operating history. Some of the recent awards are:

Sr No.	Award	Organization
2026		
1.	Best Brand in Oman	Alam Al-Iktisaad Awards 2026
2025		
2.	Best Performing Company	Alam Al-Iktisaad Awards 2025
3.	Leadership in Enabling National Initiatives and Progress Award	Alam Al-Iktisaad Awards 2025
4.	Apex Media Awards	Oman's Most Trusted Brand 2024
5.	IPO Deal of the Year 2024	IPO Deal of the Year 2024
6.	Most Innovative CSR Initiative	New Age Banking Summit Award
7.	Best Digital Transformation Initiative	New Age Banking Summit Award
8.	Best Bank in Growth	New Age Banking Summit Award
9.	Leading Corporate for Investor Relations in the Financial Sector Award	MEIRA Annual Conference 2025
10.	Oman CX Forum	CX Team of the Year
11.	Employer Branding Awards	Middle East Best Employer Brand
12.	Bank of the Year in Digital Innovation	DLive Awards
13.	Most Innovative Islamic Bank in Oman	IFN Awards
14.	Contribution to Capital Markets Development Award	MEIRA Annual Conference 2025
2024		
15.	Bank of the Year 2024 – Oman	The Banker magazine
16.	Best Corporate Banking Oman Award	The Global Business Review Magazine Awards 2024
17.	Digital Leadership in Banking Award	Digital Transformation Awards 2024
18.	Best Government Banking in Oman 2024	International Business Magazine
19.	CEO of the Year in the Banking Sector	Business Today CXO Awards
20.	Best Performing Bank in Oman	OER Corporate Excellence Awards 2024
21.	Exemplary CSR Leadership	Oman CSR Summit and Awards 2024
22.	Most Innovative Digital Bank for Ecosystem Services – Oman 2023	The Annual Global Economics Awards 2023
23.	Straight Through Processing Award (MT202)	JP Morgan Quality Recognition Award
24.	Straight Through Processing Award (MT103)	JP Morgan Quality Recognition Award
25.	Top Omani Brand in the Banking Sector Award	Alam Al Iktisaad Awards
26.	Highest Year-on-Year Growth in Total Assets among GCC Bank	Alam Al Iktisaad Awards
27.	Oman's Best Bank	Euromoney Awards for Excellence
28.	Oman's Best Bank for ESG	Euromoney Awards for Excellence
29.	CEO of the Year - Banking Sector in Oman	Oman Banking & Finance Awards 2024
30.	Best Bank - Large Bank Category	Oman Banking & Finance Awards 2024

31.	Best Mobile App Oman 2024	World Business Outlook annual awards 2024
32.	Best Performing Company in the Large Cap category	Alam Al-Iktisaad Awards
33.	Best Advertising Video Award	The Oman Marketing Impact (TOMI) Awards

STRENGTHS

The Bank's core strengths are its:

- **Strong institutional shareholding ownership:** The majority of the Bank's shares are held by strong institutional shareholders representing entities from both the government of the Sultanate of Oman and private sector. This ownership structure provides the bank with a stable and strategic ownership base, enhances investor confidence and positions the bank as a trusted financial partner in national development initiatives aligned with Oman Vision 2040.
- **Diversified portfolio:** Operating across wholesale, retail, conventional, Islamic, and international banking, Sohar International is a universal bank with balanced exposure across key segments and sectors. Wholesale banking comprises over 70% of earning assets, highlighting its strength in serving large-scale clients while still maintaining a growing retail and Islamic segments
- **Strong culture and robust practices of corporate governance:** The Bank maintains a clear demarcation between the different layers of the organisation. There are clear checks and balances between these different layers, viz., shareholders, board and management. The Bank abides by the rules and regulations of the CBO and FSA in this regard, as well as laws and regulations of other jurisdictions where it has business or presence and strives to adhere to best international practices of corporate governance.
- **Robust risk management framework and systems:** The Bank operates a robust risk management system covering all areas of risk, including credit, market, operational, fraud, information security, business continuity, system administration, and residual risk. The risk is evaluated on a transaction basis as well as on a portfolio basis. Risk management is strengthened by historical portfolio analysis, projections, predictions, sensitivity analysis, etc. Sufficient processes, policies, and triggers are established, which are updated at regular intervals to ensure regulators' compliance requirements as well as to support sustainable and inclusive growth.
- **Strong management:** The Bank possesses an experienced senior management team, largely from the Omani market, and this team has successfully grown the Bank's assets and profitability with a prudent balancing of risk.
- **Strong growth:** The Bank has been one of the fastest-growing banks in the Sultanate of Oman in terms of total assets since 2007. Sohar International has consistently grown through a combination of strategic initiatives and inorganic expansion. The successful 2023 merger with HSBC Bank Oman SAOG solidified its position as the second-largest bank in the country, while organic initiatives – such as launching operations in the Kingdom of Saudi Arabia and expanding Sohar Islamic – have extended its footprint and diversified its revenue streams. The Bank is also looking to selectively expand its presence in international markets to enhance its cross-border capabilities and growth potential. This dual approach aligns with Oman Vision 2040 and strengthens the Bank's long-term competitiveness.
- **Islamic banking window:** Sohar Islamic was established in full compliance with Sharia requirements and CBO regulations. It enhances customer choice and market reach, allowing Sohar International to serve a broader demographic and support the growing demand for ethical, interest-free financial services in Oman.
- **Regional and International presence:** SIB KSA commenced its operations in the Kingdom in 2024, establishing itself as a key strategic presence to drive the Bank's regional growth. The branch plays a pivotal role in strengthening the Omani-Saudi trade corridor, facilitating cross-border business activities between the two markets. SIB KSA delivers integrated corporate banking and project finance solutions to leading clients, with a clear focus on building long-term relationships with top-tier corporates and government-related entities. In parallel, the Bank is accelerating the development of its digital capabilities to enhance client experience, drive efficiency, and expand its transaction banking offering. This disciplined and forward-looking approach positions SIB KSA as a trusted partner of choice, combining strong risk management, execution excellence, and innovation to support sustainable growth.

BUSINESS SEGMENTS

Segment information is presented with respect to the Bank's operating segments. For management purposes, the Bank is organised into the following operating segments based on products and services as follows:

Wholesale Banking:

Wholesale Banking offers its diversified customer base a wide range of products and services, including loans, working capital facilities, project finance, syndicated loans, term deposits, trade financing, cash management, custodial services, treasury, investment banking and funds management, delivered through its dedicated and specialised customer and product groups:

- **Commercial & Global Banking:** delivers wholesale products and services to large corporates as well as small and medium-sized enterprises (SME).
- **Investment Banking:** provides equity and debt capital markets advisory, custodial services, and funds management across all wholesale banking customers in addition to managing the Bank's proprietary investment portfolio.
- **Government & Private Banking:** provides customised value-added products and services to the unique needs of government ministries, public enterprises, NGOs, and ultra-high net worth individuals (UHNWI).
- **International Banking:** provides advisory services to foreign investors seeking to enter the Omani market through direct investments, in addition to providing a range of personalised and customised financial solutions to family offices and non-residents.
- **Global Markets:** provides money market, foreign exchange, and derivative products to wholesale banking customers. The treasury team also manages the Bank's overall balance sheet funding, liquidity, and market risk position.

Retail Banking:

Retail banking offers individual customers a wide range of products and services, including current and term deposits, housing finance, personal loans, insurance, credit cards, foreign exchange and wealth management products, delivering superior customer experience through the Bank's extensive branch network and market-leading digital channels.

- Retail & Premier Banking: delivers retail products and services to a wide base of individual customers, including its Premier customer segment.
- Wealth Management: delivers retail products and services as well as wealth management advisory to high-net-worth individuals (HNWI).

Islamic Banking:

Sohar Islamic, the Islamic banking window of the Bank (Sohar Islamic), offers a full range of Islamic banking services and products to individuals and corporates. The principal activities of the window include accepting Sharia-compliant customer deposits, providing Sharia-compliant financing based on Murabaha, Mudaraba, Musharaka, Ijarah, Istisna'a, Salam and providing commercial banking services, investment and other activities permitted under the Islamic Banking Regulatory Framework (IBRF).

KSA Branch:

The Bank established a branch in the Kingdom of Saudi Arabia (KSA) in 2023. The KSA Branch currently provides Wholesale Banking services.

Distribution Channels & Touchpoints

Sohar International delivers its products and services through a comprehensive network of branches and a diverse range of distribution channels, designed to provide customers with convenient and accessible banking solutions:

Branch Network:

- Sohar International operates at 59 branches and 3 customer service units
- Sohar Islamic – Sohar International's Islamic banking window operates 21 branches and 2 customer service units
- Kingdom of Saudi Arabia, Branch First regional office situated in Riyadh

ATM/CDM Network:

- Sohar International operates 115 ATMs, of which 79 function as CDM as well
- Sohar Islamic operates 24 ATMs, of which 20 function as CDM as well
- All customers enjoy accessibility to over 1,000 ATMs nationwide through the OmanNet switch

Internet Banking:

- Secure and user-friendly internet banking platforms for both retail and corporate customers. Services include:
- Local and international fund transfers
- Bill payments (for retail customers)
- Trade finance and payroll services (for corporate clients)
- Balance inquiries, account statements, and more

Mobile Banking App

Provide customers with access to their accounts, enabling them seamless banking & beyond on the go, including features:

Beyond Banking:	Banking:
E-Gift Home Improvements Flights Hotels Recharge Int Mobile Top up Experiences Insurance Airport Lounge Gaming Voucher ROP Auto rent	Account Management Transfers Bill Payments Card services Savings & Investment Loan Top ups Contact Us E-KYC IPO(Self-Loan) Cheque Book request Track Your Courier E-Mandate Daily Limit Management

Call Centre

Provides 24/7 support to retail, corporate and Sohar Islamic clients

Direct Sales Agents

A team of dedicated agents offer tailored and bundled banking solutions to both existing and prospective customers, enhancing product accessibility and customer engagement.

Social Media

To further enhance customer interaction and service accessibility, the Bank actively engages with customers via social media platforms. These channels are used to share updates, promote financial literacy, provide real-time support, and listen to customer feedback.

Sources of Financing and Debt Equity Ratio (based on unaudited interim condensed financial statements for the period ending 31st March 2026)

(RO '000)

	Pre-rights issue	Post-rights issue (RO 149 million)
Due to banks	977,478	977,478
Customer deposits	6,826,799	6,826,799
Other liabilities	170,933	170,933
Total Debt	**7,975,210**	**7,975,210**
Shareholders' Equity		
Share capital	702,508	849,676
Share premium	18,038	18,038
Legal reserve	65,947	65,947
Other reserves	1,571	1,571
Retained earnings	165,522	165,522
Total Shareholders' Equity	**953,586**	**1,100,754**

Total Financing Sources	**8,928,796**	**9,075,964**
Total Debt/Total Equity ratio	**8.4**	**7.2**

Asset Quality and Provisioning

Asset quality reflects the quality/quantity of existing and potential credit risk associated with the loan book and other investment portfolios. The strength and soundness of the banking system primarily depend upon the health of the loans and advances, as they significantly contribute to the developmental activities of the country. Loans and advances occupy an important part in gross earnings and net profit of the Bank. Hence, the ability of the Bank to formulate and adhere to policies and procedures that promote solid asset quality becomes extremely crucial. The Bank carries an inherent responsibility to maintain the quality of assets and to recover the interest and other outstanding dues in time. The Bank evaluates the asset quality of its loan portfolio and adequacy of provisions using two primary measures - the NPL ratio and the NPL coverage ratio. The NPL ratio is the ratio of NPLs as a percentage of total gross loans. The NPL coverage ratio is the ratio of total expected credit losses (ECL) as a percentage of total NPLs. All ECLs are calculated/applied as per the IFRS9 requirements and applicable CBO guidelines.

Information Technology

The Bank's Technology strategy is centred on delivering reliable and secure digital services to customers and employees, while continuously evolving to meet future operational and growth needs. In alignment with this strategy, the Bank is accelerating digitalisation across its platforms, embedding advanced analytics and artificial intelligence to enhance efficiency, strengthen risk management, and personalise customer experiences. For customers, this means convenient and intelligent banking solutions that go beyond traditional digital services, while for internal businesses, AI-driven tools and automated processes enable smarter decision-making and improved service delivery. The Bank also maintains a robust disaster recovery site on remote premises, ensuring uninterrupted access to critical systems and data, thereby safeguarding the continuity of essential services in a rapidly digitalised environment.

Legal Proceedings

The Bank does not have any major/material legal proceedings pending in a court of law in the Sultanate of Oman, either instituted by, or against the Bank, other than normal cases filed by clients in the normal course of business. The cases filed by and against the Bank in relation to its borrowers are in the normal course of business.

Recently, the Bank became aware of a lawsuit filed in the United States of America against the Bank and a number of other Omani banks and financial institutions. The lawsuit relates to claims of infringement of a U.S.-registered patent using the clearing system of the Central Bank of Oman (MpClear). Our preliminary assessment indicates that the claim lacks any legal basis. This assessment has been supported by the opinion of the US counsel hired to represent the Bank and the other Omani financial institutions in their defence of the lawsuit. It should be noted that the plaintiffs had previously filed similar lawsuits in both the Sultanate of Oman and the Kingdom of Saudi Arabia against other parties on the same grounds, and such lawsuits were dismissed by the courts in both jurisdictions.

Corporate Social Responsibility

Sohar International plays an active role in supporting the Sultanate of Oman's broader development agenda, going beyond traditional banking to make meaningful contributions to society, the economy, and national well-being.

In the first quarter of the year, the Bank announced its support to the families impacted by the adverse weather conditions (Al Masarat) that the Sultanate Faced during the beginning of the year. The Bank donated OMR 100,000 to the Oman Charitable Organisation to be dedicated to relief contributions for these impacted families.

The Bank also contributed to the Fak Kurba initiative for the second consecutive year, contributing to the humanitarian efforts and strengthening social unity across the sultanate.

Further strengthening its community outreach, Sohar International's "Sohar | Al Ata'" convoy delivered essential provisions to underprivileged families in Wilayat Mhoot and Wilayat Al Jazir. The support included freezers for the fishermen in both Wilayats. This employee-led initiative, conducted in collaboration with local charitable teams, exemplifies the Bank's grassroots approach and hands-on involvement in addressing local community needs.

Partnering with a number of NGOs, the Bank delivered a number of initiatives targeted towards people with disabilities. These initiatives included Al Noor Association for the Blind in Sohar, where the Bank supported a Training program tailored for the visually impaired individuals to enhance their business skills

Continuing its support to empower Omani Women, the Bank supported the Omani Women's Association in Bousher in delivering a training program titled "Itqan". This was a strategic empowerment initiative designed to support Omani women through values-based development and skill-based capacity building.

Further strengthening its outreach to people with disabilities, the Bank supported the Association for Early Intervention by funding the Orthotic Development Program for Children with Disabilities.

The Bank also extended it support to Takaful Charity Team in Sohar through installing 15 plastic recycling containers across various locations in the wilayat, helping raise awareness around the importance of recycling and preserving the environment.

The Bank's support also reached Al Sharqiya region, supporting Sinaw Health Committee in establishing a health awareness laboratory for school students, focusing on raising health awareness and protecting the community from harmful behaviours like drug, tobacco, and e-cigarette use.

Environmental, Social, and Governance

At Sohar International, our commitment to business sustainability guides every strategic decision as we grow beyond local markets and strengthen our international presence. We define sustainability as the most efficient and responsible use of all resources, including financial, human, technological, and natural, to create long-term value for all stakeholders. By embedding ESG into our banking model, Sohar International empowers individuals, businesses, and communities to thrive in a changing world, locally and globally. In recognition of the critical role the Bank can play in enabling and supporting the Sultanate's commitment to sustainable and inclusive economic development, Sohar International were first movers in establishing an ESG function. We are also proud to be the first Omani bank to secure an International Finance Corporation (IFC) Green Loan, with a robust Environmental and Social Management System (ESMS). We actively support sustainable investments by channelling capital toward projects that drive positive environmental and social outcomes as well as commercially feasible through various funding options such as green funds, clean energy financing, socially responsible lending, or ESG-aligned asset management. Our goal is to enable inclusive economic development while reducing risk and unlocking growth opportunities in emerging sustainable sectors. Additionally, we believe in economic inclusion of the underserved community segments via designing special financing solutions that target specific sectors such as fisheries, agriculture and other sectors, aiming to enhance their contribution to the national GDP.

Our ESG vision

To be an enabler and leader of positive social, environmental and economic impact and change, supporting our stakeholders (partners, investors, people, customers, and communities) to prosper and grow.

ESG Approach

Our ESG approach is guided by our ESG Framework, which reflects a deep institutional commitment to responsible financing, sustainable development, and stakeholder trust. This framework integrates policy, process, and purpose into a cohesive business strategy. Our ESG Policy also serves as a declaration of our commitment to sustainability and sustainable development, whilst providing direction on the Bank's approach to the management of ESG issues. Moreover, Sohar International has conducted its double materiality assessment this year, which is a critical step in aligning the Bank's ESG approach with the best international practices. Double materiality recognises that sustainability is not only about how our business affects society and the environment, but also about how environmental, social, and governance factors directly influence our financial performance and resilience. By capturing both financial and sustainability dimensions, our double materiality assessment ensures that the Bank's strategy is comprehensive and balances shareholder value with societal impact. It also strengthens the ability to identify risks, seize opportunities, and allocate capital responsibly, reinforcing Sohar International's vision.

Channels of Contact with Shareholders and Investors

The Bank is committed to ensuring timely disclosure and communication of all material information to the shareholders and the market. The Bank prepares, publishes and sends investor-related information in the quarterly, half-yearly reports and the annual report as per the statutory guidelines.

Under full supervision of the Board of Directors, the management takes responsibility for the preparation, integrity and fair presentation of the financial statements and other information in the annual report.

The financials of the Bank are available on the MSX's website at www.msx.om and also on the website of the Bank at https://www.sib.om/investor-relations.The Bank also makes timely disclosures of all material information on the MSX's website strictly in line with applicable laws and regulations.

CHAPTER 7: FINANCIAL REVIEW

The financial statements of the Bank, including for FY2023, FY 2024 and FY2025, can be viewed on the website of the Muscat Stock Exchange at www.msx.om and the Bank's website at https://www.sib.om/investor-relations.

(RO '000)

Particulars	Mar 2026*	Mar 2025*	Dec 2025	Dec 2024	Dec 2023	Dec 2022
Loans, advances and financing (net)	6,516	4,502	5,764	4,270	3,921	2,924
Total assets	9,638	7,324	9,129	7,361	6,689	4,131
Customers' deposits	7,433	5,597	6,827	5,770	5,103	2,560
Share capital	703	703	703	703	562	455
Retained earnings	158	97	166	128	83	47
Total shareholders' equity	969	867	954	898	702	565
Net interest income	42	37	152	170	118	95
Total operating income	71	55	252	245	163	133
Net Operating Income	38	30	141	147	86	78
Net profit for the period	26	21	100	100	70	35

*Unaudited results

Full-Year Performance (FY 2025 vs FY 2024)

- The Bank's profit for the year increased to OMR 100.5 million, noting that last year included a one-off gain on the bargain purchase of OMR 9.2 million.
- Total operating income increased by 3% with increases in other operating income offsetting a decrease in net interest income.
- Total operating expenses increased by 13%, reflecting the Bank's continued investment in people, technology, and strategic initiatives.
- Impairment provisions reduced by 31%.
- Total assets increased by 24%, of which loans, advances and financing (net) increased by 35%. Customer deposits increased by 18%, resulting in an 84% net loan/deposit ratio.
- The increase in total equity of 29% includes OMR 200 million from the Bank's perpetual Tier 1 capital issuance in September 2025.

Quarter to Quarter Performance (Mar 2026 vs Mar 2025)

- The profit for the period increased by 21% to OMR 26.1 million.
- Total operating income increased by 30% with increases in net interest income, net profit rate income and other operating income.
- Total operating expenses increased by 35%, reflecting the Bank's significant investment in people, technology, and strategic initiatives, including the Branch operation in the Kingdom of Saudi Arabia.
- Tax expense was lower in 2025 due to the positive impact of prior years' tax return adjustments.
- Total assets increased by 32%, of which loans, advances and financing (net) increased by 45%. Customer deposits increased by 33%, resulting in an 88% net loan/deposit ratio.
- The 35% increase in total equity of OMR 302 million includes OMR 200 million from the perpetual tier 1 capital issuance in September 2025 and OMR 31 million net unrealized gains on equity investments.

Publication of Preliminary Financial Results

As at the date of this Prospectus, the Bank has not published its unaudited interim financial statements for the six-month period ended 30 June 2026. The Bank expects to announce its initial unaudited preliminary financial results for the six-month period ended 30 June 2026 prior to the commencement of the Rights Trading Period and the Subscription Period, and such information will be available publicly through the websites of the Bank and the MSX. The Bank's unaudited interim financial statements for the six-month period ended 30 June 2026 will be published in due course in accordance with applicable laws and regulatory requirements.

CHAPTER 8
RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Bank enters transactions with related parties, including transactions with certain of its directors, shareholders, senior management, Sharia supervisory board, Sharia reviewer and companies in which they have a significant interest. These transactions are conducted on an arm's length basis and are approved by the Bank's management and Board of Directors and in accordance with applicable laws and regulations.

For a summary of related party transaction please refer to the financial statements of the Bank can be viewed on the website of the Muscat Stock Exchange at www.msx.om and the Bank's website at https://www.sib.om/investor-relations.

CHAPTER 9:
RISK FACTORS AND MITIGANTS

An investment in the Offer Shares is subject to a number of risks. Before deciding whether to invest in the Offer Shares, Applicants should carefully consider and evaluate the risks inherent in the Bank's proposed business, including the risks described below, together with the information contained in this Prospectus. Such risks could have an impact on the Bank's proposed business and anticipated financial conditions or results. In such a case, applicants could lose all or part of their investment. Additional risks and uncertainties may also have an adverse effect on the Bank's proposed business.

The following risk factors are not comprehensive or exhaustive, as additional risks and uncertainties not presently known or that the Bank currently believes not to be of significance may also have an impact on the Bank and its proposed operations. The actual risks and the impact of such risks could be materially different from those mentioned herein. If any of these uncertainties develop into an actual event, the Bank's proposed operations and results could be adversely impacted. It should also be noted that the Bank intends to undertake steps and/or measures necessary to mitigate the risks referred to below, apart from those that may be caused by factors that are beyond the Bank's control, including factors of a political and economic nature.

It is to be noted that past performance is not indicative of future results.

Investors should consider carefully whether subscribing to the Offer Shares is suitable for them, considering the information in this Prospectus and their personal circumstances.

Legal and Regulatory Risks

Change in Laws and Regulations

The Bank's functioning is supervised by the CBO, FSA, MOCIIP, SAMA (KSA), Capital Market Authority (KSA), Ministry of Commerce KSA and ZATCA (KSA). Any change in the prevailing policies and regulations and/or the Laws of Oman could impact the Bank's performance. Further, any changes to the applicable laws or regulations, including the regulations relating to capital adequacy, Basel regulatory framework and perpetual subordinated bond instruments, could impact the value of the Bonds.

The Bank does not currently anticipate any radical changes in the regulations; therefore, the impact of such changes remains limited. Furthermore, the Bank has a well-experienced management team to appropriately respond to any such developments.

Regulatory Risk

The suspension, cancellation or restrictions on the Bank's banking license would result in the Bank becoming incapable of carrying on its activities, which would have a material adverse effect on the Bank's business and operating results.

The Bank's policies and procedures are aimed at complying with the banking rules and regulations so that there is no cause for any punitive regulatory action.

Country and Banking Sector Risks

The Omani economy remains significantly dependent on hydrocarbon revenues, exposing it to volatility in global oil prices

Despite ongoing diversification efforts under Vision 2040, Oman's fiscal and economic performance remains closely linked to oil prices. Historically, periods of low oil prices have resulted in significant fiscal deficits, increased borrowing, and pressure on economic growth. For example, between 2014 and 2020, declining oil prices contributed to elevated fiscal deficits and rising public debt levels, highlighting the sensitivity of the economy to external commodity cycles.

Although recent fiscal surpluses have been achieved due to higher oil prices and reforms, any sustained decline in oil prices could reduce government revenues, constrain public spending, and negatively affect economic activity. This, in turn, may adversely impact borrowers' repayment capacity and the overall asset quality of banks operating in Oman.

The Government of Oman has implemented a comprehensive reform agenda, including the Medium-Term Fiscal Plan and Vision 2040, aimed at reducing reliance on oil revenues and diversifying the economy. Measures such as the introduction of VAT, subsidy reforms, and investments in non-oil sectors (including tourism, logistics, and renewable energy) are expected to gradually reduce economic vulnerability to oil price cycles. Additionally, improved fiscal discipline and recent surpluses have strengthened the sovereign balance sheet, providing greater resilience to external shocks.

Oman's economic growth has historically been volatile, which may affect the performance of the banking sector

Oman's GDP growth has fluctuated significantly over the past decade, influenced by oil production levels, external shocks, and global economic conditions. The economy experienced contraction during the COVID-19 pandemic, followed by a strong rebound in 2021–2022 and subsequent moderation in growth. Such volatility may lead to cyclical variations in credit demand, asset quality, and profitability within the banking sector.

Periods of slower growth or economic contraction may result in increased non-performing loans, reduced lending activity, and pressure on banks' earnings, particularly in sectors sensitive to government spending and oil-related activity.

Oman's economic diversification strategy under Vision 2040 is expected to support more stable and broad-based growth over the medium to long term. The increasing contribution of non-oil sectors to GDP, alongside structural reforms aimed at improving the business environment and attracting foreign investment, is expected to reduce economic cyclicality. Banks have also strengthened their risk management frameworks and provisioning practices to better withstand economic fluctuations.

The financial position of the Government of Oman may impact the operating environment for banks

Although Oman has achieved fiscal surpluses in recent years and reduced its public debt levels, its fiscal position remains sensitive to oil revenues. Public debt increased significantly between 2014 and 2020 before declining due to recent surpluses and active debt management. Any deterioration in fiscal balances could lead to increased borrowing, reduced government spending, or delayed payments to contractors.

Given the significant role of the government in the Omani economy, including as an employer and a driver of economic activity, any fiscal tightening could negatively affect liquidity in the banking system, credit demand, and borrower performance.

The Government has demonstrated a strong commitment to fiscal consolidation, as evidenced by sustained budget surpluses, debt reduction, and reforms to broaden revenue sources. The establishment of frameworks such as the Oman Investment Authority and ongoing privatization initiatives are expected to enhance fiscal sustainability. Additionally, improvements in sovereign credit ratings reflect increased confidence in Oman's fiscal trajectory.

Oman's monetary policy is closely linked to U.S. interest rate movements, which may impact banking sector performance

Due to the fixed exchange rate regime pegging the Omani rial to the U.S. dollar, Oman's monetary policy largely follows that of the U.S. Federal Reserve. As a result, interest rates in Oman have increased significantly in recent years in line with global tightening cycles. Rising interest rates may increase borrowing costs for customers, potentially affecting loan demand and repayment capacity.

Additionally, higher interest rates may impact banks' net interest margins depending on the repricing dynamics of assets and liabilities and may also affect the valuation of financial assets.

The fixed exchange rate regime provides monetary stability and reduces currency risk, supporting investor confidence. Banks actively manage interest rate risk through asset-liability management (ALM) frameworks, including monitoring repricing gaps and maintaining diversified funding sources. Furthermore, relatively low inflation in Oman helps mitigate the adverse impact of rising nominal interest rates on borrowers.

The Omani banking sector is relatively concentrated, which may intensify competition among leading institutions

The banking sector in Oman is dominated by a small number of large banks, with the top institutions accounting for a significant share of total assets, loans, and deposits. This concentration may result in heightened competition for high-quality borrowers and deposits, potentially exerting pressure on margins and profitability.

In addition, consolidation within the sector, including mergers and acquisitions, may further strengthen leading players and increase competitive pressures on other banks.

The concentrated structure of the banking sector also supports financial stability, as leading institutions tend to have strong capital bases, established customer relationships, and diversified operations. Banks differentiate themselves through product offerings, service quality, and expansion into new segments such as Islamic banking and digital services. Regulatory oversight by the Central Bank of Oman further ensures prudent competition and systemic stability.

The rapid growth of Islamic banking in Oman may increase competitive pressures within the sector.

Islamic banking has experienced strong growth in recent years, with its share of total banking assets increasing significantly and outpacing conventional banking growth. This reflects rising customer preference for Sharia-compliant products and supportive regulatory developments.

While this growth presents opportunities, it may also intensify competition among banks, particularly for deposits and financing opportunities, and may require additional investment in systems, governance, and product development.

The expansion of Islamic banking contributes to overall sector growth and financial inclusion, creating opportunities for banks with Islamic windows or dedicated Islamic subsidiaries. Regulatory initiatives, including the extension of deposit protection to Islamic banks, support a level playing field and enhance confidence in the segment. Banks with diversified offerings are well-positioned to capture growth across both conventional and Islamic markets.

Variability in deposit growth may affect liquidity conditions in the Omani banking sector

Deposit growth in Oman has been uneven, with periods of strong expansion linked to oil revenues and government surpluses. A slowdown in deposit inflows, particularly during periods of lower oil prices or reduced government spending, may tighten liquidity conditions and increase competition for funding.

A higher loan-to-deposit ratio could also constrain banks' ability to expand lending and may increase reliance on wholesale funding.

Recent fiscal surpluses and strong oil revenues have supported deposit growth and improved liquidity conditions. Banks maintain prudent liquidity management practices, including maintaining adequate liquidity buffers and diversified funding sources. Regulatory liquidity requirements imposed by the Central Bank of Oman further strengthen sector resilience.

The Omani banking sector is subject to evolving regulatory and prudential requirements, which may impact operations and profitability

Banks in Oman operate under a robust regulatory framework that includes the implementation of Basel III standards and additional local prudential requirements. Changes in regulatory policies, including capital, liquidity, or provisioning requirements, may increase compliance costs or limit business activities.

Regulatory initiatives aimed at strengthening financial stability, while beneficial in the long term, may have short-term impacts on profitability and operational flexibility.

The regulatory framework in Oman is well-established and aligned with international best practices, supporting the stability and credibility of the banking sector. Banks maintain dedicated compliance functions to ensure adherence to evolving requirements, and ongoing engagement with regulators facilitates the timely implementation of regulatory changes. The proactive approach of the Central Bank of Oman supports a stable and predictable operating environment.

Changes in Oman's sovereign credit ratings may affect the banking sector's funding costs and investor perception

Oman's sovereign credit ratings have improved in recent years due to fiscal consolidation and economic reforms. However, any deterioration in fiscal performance, external conditions, or reform momentum could result in rating downgrades.

A downgrade in sovereign ratings may increase funding costs for banks, limit access to international capital markets, and negatively impact investor confidence.

Recent rating upgrades and positive outlooks from major agencies reflect strong confidence in Oman's economic and fiscal trajectory. Continued implementation of fiscal and structural reforms is expected to support further improvements in creditworthiness. Banks benefit from operating within a strengthening sovereign framework and maintain diversified funding strategies to mitigate potential rating-related impacts.

The Omani legal system continues to develop, and this may create an uncertain environment for investment and business activity

The Sultanate of Oman and many of the GCC countries are in various stages of developing their legal and regulatory institutions that are characteristic of more developed markets. As a result, procedural safeguards as well as formal regulations and laws may not be applied consistently. In some circumstances, it may not be possible to obtain the legal remedies provided under the relevant laws and regulations in a timely manner. As the legal environment remains subject to continuous development, investors in the Sultanate of Oman may face uncertainty as to the security of their investments. Any unexpected changes in the legal system in the Sultanate of Oman may have a material adverse effect on the investments that the Bank has made or may make in the future.

The Bank carefully monitors legal and regulatory developments in the Sultanate of Oman and consults with local and legal advisors to assess potential impacts. It structures its investments and operations to remain compliant with applicable laws and mitigates risks through conservative legal due diligence and contractual protections where possible.

The statistical data contained in this document should be treated with caution by prospective investors

Statistics contained in this document, including in relation to GDP, balance of payments and revenues of the government, have been obtained from governmental and other sources, including the CB and the IMF. Such statistics, and the component data on which they are based, may not have been compiled in the same manner as data provided by other sources and may be different from statistics published by other parties, reflecting the fact that the underlying assumptions and methodology may vary from source to source

There may also be material variances between preliminary, estimated or projected statistics set forth in this document and actual results, and between statistics set forth in this document and corresponding data previously published by or on behalf of the Sultanate of Oman. Consequently, the statistical data contained in this document should be treated with caution by prospective investors.

To address potential inconsistencies in statistical data, the Bank clearly discloses the sources and limitations of such data, advises investors to interpret the information with caution, and encourages reliance on a range of verified and up-to-date sources when assessing economic and financial indicators.

Ongoing geopolitical tensions and instability in the Middle East may adversely affect the Bank's operating environment and financial performance

The Middle East has historically experienced periods of geopolitical instability, including regional conflicts, diplomatic tensions, and security risks. Escalations in geopolitical tensions – whether involving regional actors or broader international developments – may lead to disruptions in trade flows, financial markets, and investor sentiment. Such developments may also result in increased volatility in oil prices, which are a key driver of economic activity in Oman, as well as heightened uncertainty in global and regional markets.

In addition, geopolitical instability may affect cross-border capital flows, foreign investment, and economic growth in the region. It may also lead to increased compliance obligations, including sanctions and anti-money laundering requirements, and could expose financial institutions to operational and reputational risks. For banks operating in Oman, including the Bank, such factors may impact credit demand, asset quality, liquidity conditions, and overall profitability.

Oman has traditionally maintained a neutral and balanced foreign policy, contributing to its relative political stability within the region. The Bank operates primarily within Oman and maintains limited direct exposure to high-risk jurisdictions, thereby reducing its vulnerability to external geopolitical shocks. In addition, the Bank adheres to robust compliance frameworks, including sanctions screening and anti-money laundering controls, to mitigate regulatory and reputational risks.

Furthermore, prudent risk management practices, including conservative credit underwriting, portfolio diversification, and stress testing, enable the Bank to monitor and manage potential impacts arising from geopolitical developments. At the sovereign level, ongoing economic reforms and fiscal discipline enhance Oman's resilience to external shocks, including those stemming from regional instability.

RISKS RELATING TO THE BANK

The Bank is exposed to the risk of loss arising from the failure of borrowers or counterparties to meet their obligations

The Bank's core business involves lending to corporate, SME, and retail customers, exposing it to credit risk. The Bank's loan portfolio may be adversely affected by deterioration in the financial condition of its borrowers, particularly in sectors sensitive to economic cycles, government spending, or external shocks. Any increase in non-performing loans may require higher provisioning, which could adversely impact the Bank's profitability and capital position.

In addition, concentrations in certain sectors or counterparties may amplify credit risk during periods of economic stress. Changes in the economic or financial condition of the Bank's clients, as mentioned in the Prospectus, may materially affect their ability to service obligations and, consequently, the Bank's financial performance.

The Bank maintains a comprehensive credit risk management framework, including defined underwriting standards, risk-based pricing, portfolio diversification, and continuous monitoring of exposures. The Bank also applies IFRS 9-based provisioning and conducts regular stress testing to assess the resilience of its loan portfolio under adverse scenarios.

The Bank may be unable to meet its funding obligations as they fall due, or may incur higher costs in obtaining funding

Liquidity risk is the risk that the Bank will be unable to meet its obligations, including funding commitments, as they become due. This risk is inherent in banking operations and can be heightened by numerous enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters.

The perception of counterparty risk between financial institutions has also increased significantly since the Global Financial Crisis and after COVID-19, which has led to reductions in certain traditional sources of liquidity, such as the debt markets, asset sales and redemption of investments. The Bank's access to these traditional sources of liquidity may be restricted or available only at a higher cost.

In addition, uncertainty or volatility in the capital and credit markets may limit the Bank's ability to refinance maturing liabilities with long-term funding or increase the cost of such funding. The Bank's access to any additional financing it may need will depend on a variety of factors, including market conditions, the availability of credit generally and to borrowers in the financial services industry specifically, and the Bank's financial condition, credit ratings and credit capacity.

The Bank has historically relied on customer deposits, which are mainly short-term in nature, to meet most of its funding needs. The availability of deposits is subject to fluctuation due to factors outside the Bank's control, including possible loss of confidence and competitive pressures, and this could result in a significant outflow of deposits within a short period of time. On 31 December 2025, approximately 64.75% of the Bank's total deposits (including amounts due to banks and other money market placements) had remaining maturities of three months or less or were payable on demand, and approximately 20.89% had remaining maturities of one year or less or were payable on demand. In addition, the Bank is reliant on certain large deposits from a limited group of government-related and private sector corporate customers.

If a substantial portion of the Bank's depositors withdraw their demand deposits or do not roll over their time deposits at maturity, the Bank may need to seek other sources of funding or may have to sell assets to meet its funding requirements. There can be no assurance that the Bank will be able to obtain additional funding as and when required or at prices that will not affect the Bank's ability to compete effectively and, if the Bank is forced to sell assets to meet its funding requirements, it may suffer material losses as a result. In extreme cases, if the Bank is unable to refinance or replace such deposits with alternative sources of funding to meet its liquidity needs, through deposits, the interbank markets, the international capital markets or through asset sales, this would have a material adverse effect on the Bank's business and prospects and could potentially result in insolvency.

The Bank is in the business of Maturity Transformation; hence it is exposed to the risk of Asset and Liability mismatch in the tenors. Such a mismatch may potentially lead to an adverse impact on the Bank's results of operations.

The Bank has established a diversified clientele base spread across different types of customers, and a network of relations with other banks, both locally and internationally, to mitigate this risk. Furthermore, the Bank maintains liquid assets at levels above the regulatory required mandates of LCR to ensure that liquidity can be made available quickly to honour its obligations, even under stressed conditions. To further address liquidity risk, the Bank's management has an established Contingency Funding Plan and ALCO policy, besides being governed by local central bank regulations with respect to LCR. The Bank maintains a statutory deposit with the CBO and has a range of credit lines from banks and financial institutions.

Although the Bank actively manages liquidity risk through the maintenance of High-Quality Liquid Assets, diversified funding sources, and stress testing frameworks, adverse market developments, systemic crises and/or unexpected withdrawals could materially impact the Bank's liquidity position. While the Bank endeavours to mitigate such risks, no assurance can be given that these measures will be sufficient under all conditions. Investors are strongly encouraged to undertake their own independent due diligence and liquidity risk assessment.

The Bank is exposed to market risks, including interest rate and investment risks

The Bank's financial condition and results of operations could be affected by market risks that are outside its control, including, without limitation, volatility in interest rates, prices of securities and foreign exchange rates. Fluctuations in interest rates could adversely affect the Bank's financial condition and results of operations in several different ways. An increase in interest rates generally may decrease the value of the Bank's fixed-rate loans and the debt securities in its investment securities portfolio and may raise the Bank's funding costs. As a result, the Bank may experience a reduction in its net interest income interest rates are sensitive to many factors beyond the Bank's control, including the policies of central banks, such as the CBO and the U.S. Federal Reserve, political factors and domestic and international economic conditions.

The Bank's financial condition and results of operations may also be affected by changes in the market value of its investment securities portfolio. The Bank earns interest income on the debt securities comprised in the portfolio. It also realises gains and losses on the sale of securities and records unrealised gains and losses resulting from the fair valuation of the securities at each balance sheet date in its statement of comprehensive income. The level of the Bank's income from its investment securities depends on numerous factors beyond the Bank's control, such as overall market trading activity, interest rate levels, fluctuations in currency exchange rates and general market volatility. In addition, the fair value of the Bank's fixed-rate investment securities changes in response to perceived changes in the credit quality of the issuers of the securities as well as changes in interest and currency exchange rates. For example, in an increasing interest rate environment, the fair values of the Bank's fixed rate investment securities are likely to decline, which could expose the Bank to fair valuation losses or losses on the sale of such securities. Similarly, a decline in the credit quality of any of the issuers of the debt securities held by the Bank could result in the Bank making impairments or write-offs in respect of those securities

Interest rates are dynamic, influenced by macroeconomic factors and the Bank's ability to raise liquidity at reasonable and competitive rates. This is coupled with the type of customers the Bank relies upon for funding, customer trust in the Bank, and efficient pricing of the products.

The Bank has a proactive ALCO, which considers interest rate risk, ensuring smooth liquidity management, market risk management, and foreign exchange risk. Although the interest rates keep changing, ALCO ensures a reasonable spread (Net Interest Margins) by appropriate pricing of incremental business of the Bank.

The Bank is exposed to market risks resulting from changes in foreign exchange rates

Foreign exchange risk: As a financial intermediary, the Bank is exposed to foreign exchange rate risk. The Bank is an active player in the foreign currency market in the country and has all the challenges associated

with the business. In general, the Bank aims to make foreign currency loans on terms that are generally similar to its foreign currency borrowings, thereby naturally hedging its exposure. Where this is not possible, it generally employs cross-currency forwards, options and swaps to match the currencies of its assets and liabilities. Any open currency position is maintained within the limits set by the CBO. Further, the Bank has matched most of the foreign currency liabilities with foreign currency assets, thereby reducing the gap and keeping the foreign currency-related risks to a minimum.

Adverse movements in foreign exchange rates may also adversely impact the revenue and financial condition of the Bank's depositors and borrowers which, in turn, may impact the Bank's deposit base and the quality of its exposures to certain borrowers. In general, the Bank aims to make foreign currency loans on terms that are generally similar to its foreign currency borrowings, thereby naturally hedging its exposure. Where this is not possible, it generally enters derivative instruments to match the currencies of its assets and liabilities. Any open currency position is maintained within the limits set by the CBO. However, where the Bank is not hedged, it is exposed to fluctuations in foreign exchange rates and any hedging strategy that it uses may not always be effective. Any volatility in foreign exchange rates, including because of the re-fixing of the Rial-dollar exchange rate (or the elimination of that rate altogether), could have a material adverse effect on its business.

The Bank manages its foreign currency risk through a combination of natural hedging, the use of financial instruments, and strict regulatory compliance. The Bank's primary strategy is to issue foreign currency loans on terms that are broadly matched to its foreign currency borrowings, thereby naturally hedging its exposure to foreign currencies

The Bank is subject to extensive regulation and compliance with changes in, or the interpretation and enforcement of, this regulation may be costly and any failure by the Bank to comply with this regulation may result in the application of penalties to the Bank

The Bank is subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure their compliance with economic and other objectives and limit their exposure to risk. These controls include laws and regulations promulgated by the CBO, the FSA and the MSX.

In addition, in order to carry out and expand its businesses, it is necessary for the Bank to maintain or obtain a variety of licences, permits, approvals and consents from various regulatory, legal, administrative, tax and other governmental authorities and agencies. The processes of obtaining these licences, permits, approvals and consents are often lengthy, complex, unpredictable and costly. If the Bank is unable to maintain or obtain the relevant licences, permits, approvals and consents, its ability to achieve its strategic objectives could be impaired.

Changes in applicable regulations (including new interpretations of existing regulations) may also increase the Bank's cost of doing business. It is not always possible for the Bank to anticipate when a new regulation will be introduced by the Omani authorities. This creates a risk that the Bank's profitability may be adversely affected because of it being unable to adequately prepare for regulatory changes. In addition, increased regulations or changes in laws and regulations and the way they are interpreted or enforced may have a material adverse effect on the Bank's business, financial condition, results of operations or prospects.

The Bank is also required to comply with applicable know your customer, anti-money laundering and counter-terrorism financing laws and regulations, including those related to countries subject to national or international sanctions, and applicable anti-corruption laws in the jurisdictions in which it conducts business. To the extent that the Bank fails or is perceived to fail to comply with these and other applicable laws and regulations, its reputation could be materially damaged, with consequent adverse effects on its business and prospects. Furthermore, non-compliance by the Bank with any applicable regulations could expose the Bank to potential liabilities and fines, which may be significant.

The banking regulator is expected to formulate policies that are aimed at improving the banking sector and its long-term growth. Further, the Bank has a well-experienced management team to appropriately respond to such developments.

The Bank operates in a competitive banking environment, which may impact its market share and profitability

The Omani banking sector has become increasingly competitive. Increasing investment in the sector by Omani financial institutions other than banks (such as trade finance companies), as well as non-Omani financial institutions (particularly with respect to large scale financing, such as project finance), has facilitated the use of a wider range of financing sources by corporate customers (such as bond and share issuances) and increased the range and technological sophistication of products and services being offered to both the corporate and retail banking markets in the Sultanate of Oman. Although the Bank offers a wide range of financing and continues to focus on enhancing its product and service offerings, furthering the quality of its customer service and improving its delivery channels, the Bank cannot be certain that its customers will not choose to transfer some or all of their business to its competitors or seek alternative sources of financing from those competitors. Such choices could have a material adverse effect on the Bank's business.

The Sultanate of Oman's banking industry currently has 7 listed Banks, the largest with circa 33% of total assets, the Bank being second largest with circa 20% of total assets and combined, the two banks control total assets of circa 53%. Given the overlap in services offered and the customer base in the Sultanate of Oman, it is possible that one or more of the Bank's competitors may choose to merge or consolidate their operations. The benefits which may result from such a merger or consolidation may enable the Bank's competitors to significantly enhance their financial resources, access to funding and product offerings. The Bank completed its merger with HSBC Bank Oman SAOG as announced on the MSX in August 2023.

Notwithstanding the above, the Bank keeps updated in the market environment, has studied the market and expected competition and has designed, and will continue to do so, appropriate products and services to meet the needs of the market in what the Board of Directors believes is the best possible manner. The Bank has an established track record of fast growth and has established itself as a leading and transformational Bank in the Sultanate of Oman.

The Bank may be exposed to deposit-based concentration risks

The Bank's customer deposits constituted 86% of its total liabilities as of 31 December 2025. On 31 December 2025, the Bank's top 20 customer deposits constituted 43% of its total customer deposits and its top 10 customer deposits constituted 35% of its total deposits.

Any withdrawal of a significant portion of these large deposits (which are more likely to occur at times when government revenues are under pressure) could have a material adverse effect on the Bank's business, results of operation and financial condition, as well as its ability to meet CBO regulations relating to liquidity. Any such withdrawal could require the Bank to seek additional sources of funding (whether in the form of deposits or wholesale funding), which may not be available to the Bank on commercially acceptable terms or at all. Any failure to obtain replacement funding would be likely to negatively impact on the Bank's ability to maintain or grow its loan portfolio or otherwise increase its overall cost of funding, any of which could have a material adverse effect on its business.

The Bank maintains prudent liquidity buffers in line with Central Bank of Oman regulations to ensure resilience against potential large deposit withdrawals. These measures help mitigate the risk of reliance on a concentrated deposit base and support the Bank's ability to continue meeting its financial obligations and growth objectives under varying market conditions.

The Bank is exposed to credit risk and has a significant customer concentration of credit risk

Risks arising from adverse changes in the credit quality and recoverability of loans, securities and amounts due from counterparties are inherent in a wide range of the Bank's businesses, principally in its lending and investment activities. In particular, the Bank is exposed to the risk that borrowers may not repay their loans according to their contractual terms and that the collateral securing the payment of these loans may be insufficient. The Bank continuously reviews and analyses its loan portfolio and credit risks, and the Bank assesses its potential losses on loans based on, among other things, its analysis of current and historical delinquency rates and loan management and the valuation of the underlying assets, as well as numerous other management assumptions. However, these internal analyses and assumptions may give rise to inaccurate predictions of credit performance, particularly in a volatile economic climate.

Credit losses could also arise from a deterioration in the credit quality of specific borrowers, issuers and other counterparties of the Bank, or from a general deterioration in local or global economic conditions, or from systemic risks within financial systems, any or all of which could affect the recoverability and value of the Bank's assets and require a material increase in the Bank's provisions for the impairment of loans, securities and other credit exposures.

Any failure by the Bank to maintain the quality of its assets through effective risk management policies could lead to higher loan loss provisioning and result in higher levels of defaults and write-offs. In addition, the CBO may, at any time, amend or supplement its guidelines and require additional provisions to be made in respect to the Bank's loan portfolio if it determines (acting in its role as the prudential regulator for the Omani banking sector) that it is appropriate to do so. If any additional provisions are required to be made, then depending on the exact quantum and timing, such provisions could have an adverse impact on the Bank's financial performance.

The Bank has implemented prudent credit standards, including robust underwriting criteria, ring-fenced structures, and enhanced portfolio monitoring processes to manage and reduce its exposure to credit concentration risk. The Bank undertakes continuous review and analysis of its loan portfolio and counterparties, supported by internal risk assessment models and regular stress testing. In addition, diversification strategies are actively pursued where feasible, and collateral requirements are regularly reassessed to ensure adequate coverage. The Bank also maintains compliance with regulatory guidelines set by the Central Bank of Oman and proactively adjusts its provisioning practices where necessary. While these measures are designed to strengthen the overall quality of the Bank's assets and enhance resilience against adverse credit developments, they may not fully eliminate the risks associated with customer concentration or broader economic volatility. The NPLs as of 31 December 2025 were 219 million (31 December 2024 NPLs were 249 million) of the gross loans.

A significant decrease in the quality of the Bank's customer loans, advances and financing could materially adversely affect its business

The Bank's NPLs were RO 283 million on 31 December 2025 compared to RO 219 million on 31 December 2024. The Bank's NPL ratio (defined as the ratio of NPLs to total gross customer loans, advances and financing) amounted to 4.6 % on 31 December 2025 compared to 4.74% on 31 December 2024.

Any significant future deterioration in the Bank's portfolio of customer loans, advances and financing could result in increased impairments and thus materially adversely affect the Bank's financial performance and overall business.

The Bank employs a comprehensive credit risk management framework that includes rigorous portfolio rating and risk assessment processes for its corporate loan portfolio. This framework enables early identification and proactive management of credit risks helping to maintain portfolio stability. The Bank continuously monitors credit quality through regular stress testing, loan reviews, and risk-adjusted pricing to mitigate potential deteriorations.

The Bank is exposed to declining property values in the Sultanate of Oman on the collateral supporting its retail and wholesale loans secured by mortgages over real estate

On 31 December 2025, the existing loan portfolio of the Bank was well covered against expected losses through adequate provisions with a coverage ratio (provisions to NPLs) of 133.6%, including Stage 1 and Stage 2 provisions. The Bank adheres to Basel / CBO LTV guidelines/requirements and ensures adequate collateralisation against exposures to absorb reasonable fluctuations in the underlying collateral valuation.

The Bank has significant credit-related contingent liabilities and commitments that may lead to potential losses

The Bank issues irrevocable loan commitments, guarantees and letters of credit, all of which are accounted for off the Bank's balance sheet until such time as they are funded or cancelled. Although these commitments are contingent, they nonetheless subject the Bank to both credit and liquidity risks. Although the Bank anticipates that only a portion of its obligations in respect of these commitments will be triggered and funds itself accordingly, the Bank may need to make payments in respect of a greater portion of such commitments than it anticipated, particularly in cases where there has been a general deterioration in market conditions. This would result in the Bank needing to obtain additional funding, potentially at relatively short notice, which could have an adverse effect on its business. On 31 December 2025, the Bank had RO 690 million in such contingent liabilities outstanding, equal to 10-11% of its combined customer loans, advances and financing and contingent liabilities.

The underwriting standards adopted for non-funded exposures are the same as those of funded exposures in the Bank, eliminating increased credit risk for contingent liabilities. Additionally, these liabilities are well diversified between the counter parties and projects its exposure to, thus crystallising a major portion of contingent liabilities are less likely.

A negative change in the Bank's credit ratings could limit its ability to raise funding and may increase its borrowing costs

The Bank currently has long-term ratings of BB+ with a Stable outlook from Fitch Ratings and Baa3 with a Stable outlook from Moody's. These ratings are intended to measure the Bank's ability to meet its debt obligations as they mature and are an important factor in determining the Bank's cost of funding.

On 8 December 2025, Fitch Ratings upgraded the Sultanate of Oman's Long-Term Foreign-Currency Issuer Default Rating (IDR) to investment grade at 'BBB-' from 'BB+', with a Stable Outlook. Fitch Ratings has upgraded the long-term issuer default ratings of the largest bank in Oman at 'BBB-' and the long-term issuer default ratings of 4 other banks including the Bank at 'BB+'. It reflects improved probability of support for the banks from the Omani authorities, as well as improved business conditions that will benefit the banks' intrinsic credit profiles.

However, it is important to note that the Omani government is under no obligation (contractual or otherwise) to support any Omani bank (including the Bank) and there is no certainty that the government will do so in the future. As a result, investors should not rely on there being any such future support in making their investment decision.

A downgrade of any of the Bank's credit ratings, or a change in outlook to negative, may increase the Bank's cost of borrowing, which could adversely affect its business, financial condition, results of operations and prospects. A downgrade of either of the Bank's credit ratings (or announcement of a negative ratings outlook) may also limit the Bank's ability to raise capital. Moreover, actual or anticipated changes in the Bank's credit rating may affect the market value of the Offer Shares.

In addition, the credit rating assigned to the Bank may not reflect the potential impact of all risks related to an investment in the shares, the market or any additional factors discussed in this document, and other factors may affect the value of the shares. A securities rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organisation and each rating should be evaluated independently of any other rating.

The Bank is exposed to risks arising from its international expansion strategy

The Bank's strategy includes international expansion into new markets. Establishing operations in such markets requires meaningful upfront investment in staffing, infrastructure, technology, regulatory licensing, and compliance, which are expected to be incurred ahead of any material revenue contribution. This may create execution risks, including delays, higher-than-expected costs, challenges in achieving the expected benefits within the anticipated timeframe, and an adverse impact on the Bank's near-term financial returns. Any failure to execute the strategy at the anticipated cost and pace could have a material adverse effect on the Bank's business, financial condition and results of operations.

Any failure of the Bank's information technology systems could have a material adverse effect on its business and reputation

The Bank depends on its information technology systems to process a large number of transactions on an accurate and timely basis, and to store and process substantially all the Bank's business and operating data. The proper functioning of the Bank's financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between its branches and main data processing centres, are critical to the Bank's business and ability to compete effectively. The Bank's business activities would be materially disrupted if there is a partial or complete failure of any of these information technology systems or communications networks. Such failures can be caused by a variety of factors, many of which are wholly or partially outside the Bank's control, including hardware and software failures, natural disasters, extended power outages and computer viruses or other malicious intrusions.

The Bank relies on third-party service providers for certain aspects of its business operations. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair the quality of the Bank's operations and could impact on its reputation.

The proper functioning of the Bank's information technology systems also depends on accurate and reliable data and other system input, which are subject to human errors. Any failure or delay in recording or processing the Bank's transaction data could subject it to claims for losses and regulatory fines and penalties. The Bank has implemented and tested business continuity plans and processes as well as disaster recovery procedures, but there can be no assurance that these safeguards will be fully effective, and any failure may have a material adverse effect on the Bank's business and reputation.

The Bank has a Business Continuity Management System (BCMS) in place that includes a framework, governance, policies and procedures. We have also established Business Continuity and Disaster Recovery sites that cover identified mission-critical systems of the Bank. This will allow the Bank to recover its operations at a recovery site in case of a major incident that might affect its head office and other buildings. The BCMS is reviewed and updated on an annual basis to include all major changes and new critical systems and services in the scope of the BCMS.

The Bank's risk management policies and procedures may not be effective in all circumstances and may leave it exposed to unidentified or unanticipated risks

The Bank's risk management strategies and internal controls may not be effective in all circumstances and may leave the Bank exposed to unidentified or unanticipated risks. There can be no assurance that the Bank's risk management and internal control policies and procedures will adequately control, or protect the Bank against all credit, market, liquidity, operational and other risks. In addition, certain risks may not be accurately quantified by the Bank's risk management systems. Some of the Bank's methods of managing risk are based upon the use of historical market data which, as evidenced by events caused by the global financial crisis, may not always accurately predict future risk exposures, which could be significantly greater than historical measures indicate. In addition, certain risks could be greater than the Bank's empirical data would otherwise indicate.

Other risk management methods depend upon evaluation of information regarding the markets in which the Bank operates, its clients or other matters that are publicly available or information otherwise accessible to the Bank. This information may not be accurate, complete, up-to-date or properly evaluated in all cases. Any material deficiency in the Bank's risk management or other internal control policies or procedures may expose it to significant credit, liquidity, market or operational risk, which may in turn have a material adverse effect on the Bank's business.

The Bank has a robust risk management system involving board oversight through policies, Board-level Committees, Management Committees and an independent Risk Management Department. This ensures that the known risks are mitigated effectively. The Bank is maintaining regulatory capital. Further, the Bank has taken insurance cover to mitigate risk within approved Policy limits. The Bank also maintains a robust governance structure, ensuring that all policies are reviewed periodically as mandated by the relevant regulatory, as well as in response to discretionary requirements when certain changes are taking place that impact the policy.

The Bank's ability to manage operational risks is dependent upon its internal compliance systems, which might not be fully effective in all circumstances

Operational risks and losses are the result due to lack of or inadequate process, systems and people. Examples are fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisations, failure to comply with regulatory requirements and business rules, failure of internal systems, equipment and external systems and the occurrence of natural disasters. Although the Bank has implemented risk controls and loss mitigation strategies and substantial resources have been devoted to developing efficient procedures, it is not possible to eliminate in their entirety any of these or any other operational risks.

- The Bank already has in place appropriate risk management policies and procedures to address these issues so that these do not have a material adverse impact on the Bank's operations should the risks materialize. This is ensured through:
- the Board-level oversight through a Board-level Risk Management Committee & approved Policies
- at management level, the Bank has a Management Risk Committee
- the Bank has established Standard Operating Processes (SOP) for all business operations, additionally, Operational Risk assessment is done for all new Products and services or any new initiative
- the Bank has robust IT systems that support business activities. This system is secure for transactions, data maintenance, secrecy and having Disaster Recovery capabilities
- the Bank has competent resources to handle various businesses and operations. Knowledge levels of the people are kept updated through regular training and workshops
- The Bank has wide Risk & Control Managers in each function Robust Incident Management including Root Cause Analysis, Updated Bank Risk Registers & Periodic Risk Assessments
- risk mitigants like insurance, outsourcing, etc., are resorted to reducing the Operational risk.

The Bank may need to raise further capital in the future for a variety of reasons, and such capital may be difficult to raise when needed

On 31 December 2025, the Bank's Tier 1 Capital Adequacy Ratio and Total Capital Adequacy Ratio (each as determined in accordance with Basel III requirements as adopted by the CBO) were 16.72% and 17.25%, compared to the CBO's requirements of 11.5% and 13.5%, respectively.

A variety of factors affect the Bank's capital adequacy levels, including changes in its risk-weighted assets and its profitability from period to period. A significant increase in lending in the future is likely to reduce the Bank's capital adequacy ratios and any future losses experienced by it would have a similar effect. In addition, regulatory requirements in relation to the calculation of capital adequacy and required levels of capital adequacy change from time to time. The Bank may also need to increase its capital or reduce its risk-weighted assets, because of potentially adverse credit ratings and resultant market perception. The Bank has taken full Capital Conversion Buffer to comply with the regulatory required total capital adequacy ratio of 13.5%.

On 26 March 2025, CBO announced the designation of Sohar International Bank SAOG as a Domestic Systemically Important Bank (D-SIB) under its regulatory framework for identifying banks whose distress or failure would cause significant disruption to the domestic financial system and economy. The D-SIB framework is aligned with the Basel Committee on Banking Supervision (BCBS) principles and is intended to strengthen the resilience of systemically important banks through higher loss absorbency and enhanced supervisory oversight.

As a D-SIB, the Bank is subject to additional prudential requirements prescribed by the CBO, which may include, but are not limited to:

- Higher Capital Requirements – The imposition of a D-SIB capital surcharge, expressed as an additional Common Equity Tier 1 (CET1) ratio above the regulatory minimum
- Enhanced Supervisory Oversight – More intensive monitoring and supervisory engagement by the CBO, including possible thematic reviews and stress testing requirements
- Stricter Recovery and Resolution Planning – The obligation to prepare and maintain credible recovery and resolution plans to minimise systemic disruption in the event of stress
- Governance and Risk Management Expectations – Higher standards for corporate governance, risk management, and internal control frameworks.

The D-SIB designation reflects the Bank's systemic importance within Oman's banking sector, given its size, interconnectedness, substitutability, and complexity. While the designation is intended to enhance financial stability, it may also result in incremental capital requirements and regulatory obligations, which could, among other things, affect the Bank's capital planning, dividend policy, and strategic flexibility.

Any increase in the Bank's CET1 capital requirements because of the D-SIB designation may influence the Bank's approach to capital management and the utilisation of Additional Tier 1 instruments as part of its overall capital structure. CBO retains the authority to vary the scope and calibration of the D-SIB framework over time, which may lead to changes in the Bank's prudential requirements.

The Bank believes that the D-SIB designation reinforces its position as one of Oman's leading financial institutions and recognises its systemic importance to the domestic economy. The Bank is committed to meeting all applicable CBO requirements arising from this designation and to maintaining robust capital, liquidity, and risk management practices.

There is a risk that additional capital, whether in the form of debt financing or additional equity, may not be available on timely or on commercially favourable terms, or may not be available at all. Moreover, should the Bank's capital ratios fall close to regulatory minimum levels or the Bank's own internal minimum levels, the Bank may need to adjust its business practices, including reducing the risk and leverage of certain activities. If the Bank is unable to maintain satisfactory capital adequacy ratios, its credit ratings may be lowered, and its cost of funding may therefore increase.

The Bank analyses capital requirement monthly, taking into consideration both current performance and strategic growth initiatives. The Bank's capital planning initiatives are discussed regularly with the Board of Directors, who represent the shareholders.

The Bank is exposed to reputational risks related to its operations and industry

All financial institutions depend on the trust and confidence of their customers to succeed in their business. The Bank is exposed to the risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether valid, will harm its reputation. The Bank's reputation may also be adversely affected by the conduct of third parties over whom it has no control, including entities to which it lends money or in which it has invested. In common with other banks, the Bank is also exposed to adverse publicity relating to the financial services industry. Financial scandals unrelated to the Bank or questionable ethical conduct by a competitor may taint the reputation of the industry and affect the perception of investors, public opinion and the attitude of regulators. Any damage to the Bank's reputation could cause existing customers to withdraw their business and lead potential customers to be reluctant to do business with the Bank. Any of these developments could have an adverse effect on the Bank's business.

The Bank has a code of ethics and conduct rules to ensure quality services and to obtain the trust of customers, thus maintaining its reputation in the market.

The Bank may not be able to recruit and retain qualified and experienced personnel, which could have an adverse effect on its business and its ability to implement its strategy

The Bank's success and ability to maintain current business levels and sustain growth will depend, in part, on its ability to continue to recruit and retain qualified and experienced banking and management personnel. The market for such personnel in the Middle East is intensely competitive, and the Bank could face challenges in recruiting and retaining such personnel to manage its businesses. The Bank depends on the efforts, skills, reputation and experience of its senior management, as well as synergies among their diverse fields of expertise and knowledge.

The loss of key personnel could delay or prevent the Bank from implementing its strategies. The Bank is also not insured against losses that may be incurred in the event of the loss of any member of its key personnel.

The Bank continues to review and align its compensation and benefit policy to effectively position itself in the market so that it can attract and retain the required talent. The Bank also has in place performance management processes, staff development programs, staff reward and recognition schemes, annual promotional and salary reviews and staff CSR activities to create a better work environment and to increase staff engagement and retention.

The Bank's credit risk may be increased by the fact that some of its debtors are unable or unwilling to provide the quality and quantity of financial data sought by the Bank, and by limitations on its ability to enforce security in Oman

Although the Bank requires regular disclosure of its debtors' financial information, some debtors, especially retail customers and SMEs, do not, or are unable to, provide the quality and quantity of information sought by the Bank. Furthermore, such financial data may not always present a complete and comparable picture of each such debtor's financial condition.

Unavailability of adequate quantity or quality of financial data in respect of some of its debtors may result in the Bank's failure to accurately assess the financial condition and creditworthiness of its debtors, leading to an increase in impairment allowances, particularly at times when economic conditions deteriorate. However, the Credit Risk Management Function of the Bank has robust policies and assessment mechanisms to overcome the above limitations. Further, the Bank has maintained a substantial number of overlays, which are in line with local regulatory and internationally followed best practices in terms of governance.

The practice of mortgaging or pledging assets (such as share pledges or legal mortgage security over real estate assets) to obtain a bank loan is subject to certain limitations and administrative restrictions under the Laws of Oman. As a result, security over certain assets may face substantial delays while undergoing legal proceedings in the courts. Furthermore, there are no self-help remedies available to creditors in an enforcement scenario under the laws of Oman and therefore, recourse is only available through a formal court process. Accordingly, the Bank may have difficulty foreclosing on collateral (including any real estate collateral) or enforcing guarantees or other third-party credit support arrangements when debtors default on their loans.

In addition, even if such security interests are enforceable in Omani courts, the time and costs associated with enforcing security interests in Oman may make it uneconomic for the Bank to pursue such proceedings, adversely affecting the Bank's ability to recover its loan losses. Even in the event that the Bank acquires real estate assets as a result of enforcement of security, the Banking Law of Oman requires the Bank to dispose of the real estate within 12 months of it being acquired unless an extension has been obtained from the CBO, which could result in the Bank being required to sell the assets at a time when their market price is depressed or otherwise being unable to realise the full value of the assets concerned.

This risk is mitigated by regulatory stipulation that all borrowers with exposure of RO 250,000 from the Bank or RO 500,000 from the banking system must submit audited financials before the close of 120 days from the Financial Year end." Regarding SME lending, the Bank applies a similar approach to its corporate reviews with a detailed credit due diligence and internal obligor rating.

The Bank could unintentionally report incomplete or inaccurate information while adhering to IFRS as reported to investors, regulators and rating agencies

Accounting policies and methods are fundamental to how the Bank records and reports its financial condition and results of operations. Management must exercise judgment in selecting and applying many of these accounting policies and methods so that they comply with IFRS.

Management has identified certain accounting policies in its financial statements as being critical because they require management's judgment to ascertain the valuations of assets, liabilities, commitments and contingencies. (See notes to the financial statements of the Bank). These judgments include, for example, the determination of impairment allowances and fair values of assets and liabilities.

A variety of factors could affect the ultimate value that is obtained either when earning income, recognising an expense, recovering an asset or reducing a liability. The Bank has established policies and control procedures that are intended to ensure that these critical accounting estimates and judgments are well controlled and applied consistently. In addition, the policies and procedures are intended to ensure that the process for changing methodologies occurs in an appropriate manner. Due to the uncertainty surrounding the Bank's judgments and the estimates pertaining to these matters, the Bank cannot guarantee that it will not be required to make changes in accounting estimates or restate prior period financial statements in the future.

The Bank's accounting policies and internal controls are critical to the accurate reporting of its financial position and results of operations. These policies and internal controls also cover instances where management is required to make estimates about matters that are uncertain. These are approved at Board level and reviewed annually by both the internal and external auditors.

Value Added Tax Compliance

The Bank may not comply with VAT regulations given inadequate systems or interpretation of VAT law. Non-compliance may give rise to regulatory penalties and reputational risk.

The Bank has implemented leading VAT systems and internal controls. The Bank is not aware of any compliance issues and continues to engage, both directly and through the Oman Bankers Association, with the tax authorities to ensure compliance with VAT in all material and practical respects.

CHAPTER 10: CORPORATE GOVERNANCE

MAJOR SHAREHOLDERS

The table below shows the Bank's five (5) largest shareholders[2].

#	Investor Name	Holding Percentage (%)
1	Royal Court Affairs	19.4
2	Dhofar International Development & Investment Holding Co SAOG	13.1
3	The Seventh Moon Investments LLC	6.4
4	Neptune National Investments LLC	5.5
5	Western Sea Investments LLC	5.4

CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance Philosophy within the Bank has been developed within the directives and guidelines of the CBO, the FSA and the CCL. The four universal values synonymous with corporate governance – accountability, fairness, responsibility and transparency – underpin the Bank's Corporate Governance approach.

Corporate governance is a set of processes, customs, policies, laws and practices affecting the way an organisation – namely the Bank – is directed, administered or controlled. Corporate governance also covers the relationships between the many parties or stakeholders involved with the Bank, and the aims and objectives for which the Bank is governed. The principal relationships for the Bank include those between the shareholders, management, and the Board of Directors. Other relationships include customers, employees, regulators, suppliers, the environment and the community in which the Bank operates. Additionally, governance relates to economic efficiency, through which the Bank's governance system aims to optimise economic results, thereby placing emphasis on the shareholders' welfare.

The Board of Directors of the Bank are committed to the highest standards of Corporate Governance. The Bank is committed to lead by example in the letter and spirit of the Code of Corporate Governance issued by the Financial Services Authority in July 2015, and the regulations for Corporate Governance of Banking and Financial Institutions issued by CBO. Both are the principal codes and drivers of effective corporate governance in the Sultanate of Oman. The Bank has complied with all their provisions, except for certain instances, which are included in the 'Statement of Compliance' section of this report. The FSA Code of Corporate Governance can be found at the following website: www.fsa.gov.om.

The Bank's Corporate Governance Framework requires that the Board of Directors, the Sharia Supervisory Board for Sohar Islamic (the Islamic Window of the Bank), and management shall:

- Maintain the highest standards of corporate governance and regulatory compliance.
- Promote transparency, accountability, responsiveness and social responsibility.
- Conduct its affairs with its Shareholders, customers, employees, investors, vendors, government and the society at large in a fair and open manner.
- Create an image of the Bank as a legally and ethically compliant entity.

[2] The table represents the stakes as of 31st December 2025. The shares of the Bank are listed on the MSX

BOARD OF DIRECTORS

The Bank's Board of Directors is the highest governing authority within the Bank's structure. Its role is to ensure that the Bank conducts itself in accordance with its core values and develops them further on a continuous and sustainable basis. The Board consists of professionals from various fields and professions and gives representation to the stakeholders and administrators in the decision-making process. The Board composition includes 6 independent directors, out of 7, which represents a percentage of 85 per cent independent directors. This structure enables meaningful discussions and an unbiased and qualitative view of matters placed before it.

There is a clear segregation between the ownership of the Bank and management. The role of the Chairman of the Board, and that of the Chief Executive Officer, are separated, with clear separation of responsibilities between the running of the Board, and executive management's responsibilities in terms of running the Bank's operations. As per applicable regulations, the chief executive officer is prohibited from holding a role in the Board. The Board is responsible for overseeing how management serves the long-term interests of shareholders and other key stakeholders

POWERS OF THE BOARD

The Board shall have full authority to perform all acts required for the management of the Bank pursuant to its objects. Such authority shall not be limited or restricted except as provided by law or by the Articles of Association or by a resolution of the Shareholders. Some of the principal functions of the Board include:

A. To approve the Bank's commercial and financial policies together with its estimated budget with a view to achieving the objects of the Bank and to maintain and promote the rights of its Shareholders

B. To develop, review and update necessary plans from time to time to put into operation the Bank's objectives and carry out its activities in the light of the purpose underlying its establishment

C. To adopt the Bank's disclosure measures and to follow up on the implementation thereof in accordance with the disclosure rules and guidelines issued by the FSA

D. To supervise the performance of the executive management and to ensure that the work proceeds in a manner which achieves the Bank's objectives in the light of the purpose underlying its establishment

E. To review the material transactions with the related parties, which are not in the ordinary course of business, prior to the same being brought before the general meeting of the Bank

F. To review the Bank's performance to evaluate whether the business is being properly managed

G. To nominate the members of the subcommittees and specify their roles, responsibilities and power

H. To provide accurate information to the Shareholders on the dates specified by FSA in the disclosure rules and guidelines

I. To appoint the Chief Executive Officer provided that neither of them shall be the Chairman of the Board of Directors and to appoint staff who shall work with them pursuant to the organisational structure of the Bank and to specify their rights and duties

K. To approve the financial statements related to the Bank's business and work results as submitted to the executive management to the Board quarterly, in a way which reflects the exact financial position of the Bank

L. To include in the annual report presented at the General Meeting the reasons which justify the ability of the Bank to pursue its specified activities and the achievement of its objectives

M. To appoint a Secretary to the Board in its first meeting and to hold at least four meetings per annum provided that a maximum period of four months should not lapse between two consecutive meetings

N. To include in the financial statements a full statement of all amounts which a director might have received during each year, including money paid to directors in their capacity as employees of the Bank.

CBO has also outlined the responsibilities of the Board of Directors of a licensed bank and some of the key aspects of these responsibilities include:

a) The Board shall exercise its collective mind independently on all policy matters and shall not be limited by the submissions or presentations made to it.

b) The Board shall ensure that it has an organisational structure in place to provide adequate checks and balances and functionality for guarding licensed banks from the undue influence of any internal and external sources having a bearing on corporate governance.

c) The Board shall recruit and develop talented and capable senior management who will enjoy the Board's confidence. It is of crucial importance for the Board to have in place a well-thought-out management succession plan.

d) It is the responsibility of the Board to approve and monitor a risk management framework that reflects best practices and implements the risk management strategies approved by the Board, across all business activities and operations.

e) While the Board depends on the management's expertise to run banks' daily operations, it remains ultimately responsible for monitoring thereof. The Board is expected to exercise utmost caution to ensure that, while bearing ultimate responsibility for monitoring operations, it does not overstep into the jurisdiction of the management (constricting their freedom of operation).

The Board of Directors shall not perform the following acts unless expressly authorized to do so by the Articles of Association or by a resolution of an ordinary general meeting:

- Make donations, except business donations wherever they are small and customary amounts.
- Sell all or a substantial part of the Bank's assets.
- Pledge or mortgage the assets of the Bank, except to secure debts of the Bank incurred in the ordinary course of the Bank's business.
- Guarantee debts of third parties, except guarantees made in the ordinary course of business for the sake of achieving of the Bank's objectives.

The Board of the Bank abides by and complies with all these legal and regulatory requirements. The Bank shall be bound by all acts performed by its Board of Directors, its Chairman, Chief Executive Officer and all other executives (if any) as long as they act in the name of the Bank and within the scope of their powers.

COMPOSITION OF THE BOARD

The constitution of the Board, the election process for Board members and shareholders' interests are areas of prime concern for the good governance commitment of the Bank. Details of the elected Board members are outlined below:

Name of Director	Capacity	Category
Mr. Said Mohamed Al-Aufi Chairman	Non-Executive	Independent
Mr. Tareq Mohamed Al Mugheiry Deputy Chairman	Non-Executive	Independent
Mr. Ghusen Hilal Abdulla Al Abri	Non-Executive	Non- Independent
Mr. Said Ahmed Safrar	Non-Executive	Independent
Mr. Salim Mohamed Masaud Al Mashaikhi	Non-Executive	Independent
Mr. Ahmed Dawood Al Busaidi	Non-Executive	Independent
Sheikh Aimen Ahmed Al Hosni	Non-Executive	Independent

MEETINGS AND REMUNERATION OF THE BOARD

The Board of Directors meets regularly, monitors the executive management, and exercises necessary control over the Bank's functioning. The Board conducts its business in formal meetings. In Board meetings, the "majority" is computed as the absolute majority of the Directors present in person or proxy, whether or not they participate in the voting process.

The number of meetings of the full Board during the year 2026, as at 6th of May 2026, is three (3) meetings. The interval between any two meetings does not exceed the maximum period of 120 days, in compliance with Article 189 of the CCL.

Profile of Directors

Mr. Said Mohamed Al-Aufi – Chairman

Mr. Al-Aufi is the Chief Executive Officer of an investment fund company owned by the Government of the Sultanate of Oman that manages a multi-asset class portfolio in the Financial Services, Fintech, Technology and Commodities sectors. Earlier, Mr. Al-Aufi worked in the Asset Allocation and Business Strategy team in the Oman Investment Authority (OIA).

Mr. Said Al-Aufi has a Double Degree in Commercial Law & Banking and Finance from Monash University in Australia, he is a Chartered Financial Analyst "CFA" and Chartered Alternative Investment Analyst "CAIA". He has also completed several executive management programs in the areas of executive leadership, Blockchain, Cryptocurrency, Fintech, Artificial Intelligence, Internet of Things (IOT) and Venture Capital. Mr. Al-Aufi holds various board memberships in multiple sectors.

Mr. Tareq Mohamed Al Mugheiry – Deputy Chairman

Mr. Tareq Al Mugheiry is the Chief Investment Officer of Oman Investment Corporation SAOC (OIC). Prior to joining OIC, Tareq worked with a number of international companies, including Philips Electronics in corporate strategy and mergers & acquisitions; J.P. Morgan in investment banking covering the European technology sector; and Oman LNG's project finance team. He holds a Bachelor of Law (LLB) and a Bachelor of Commerce (B. Com) from the University of Western Australia.

Mr. Ghusen Al Abri

Mr. Ghusen Hilal Abdulla Al Abri is a seasoned leader with over 24 years of experience in strategic leadership, investment management, and public sector administration. Currently, he is the Director General of Expenditure at Royal Court Affairs (RCA), Oman, where he plays a key role in overseeing financial operations and leading the investment team responsible for managing a diversified multi-asset portfolio across global markets.

Mr. Ghusen with a degree in Business Administration is part of management committee of Alfeyhaa Tourism and Mawarid Development & Investment, Oman. With a deep understanding of financial stewardship and governance, he has been instrumental in driving sustainable growth, operational excellence, and strategic expansion across multiple industries.

Mr. Said Ahmed Safrar – Director

Mr. Said bin Ahmed Safrar holds a Master of Business Administration (MBA) from the University of Hull in the United Kingdom. He also holds a diploma in Business Administration from the Royal College in Bournemouth, United Kingdom, and a specialised diploma from the Arab Academy for Banking and Financial Sciences in Jordan.

Mr. Safrar has over 24 years of experience across the banking and telecommunications sectors. He currently serves as the Chief Executive Officer of Dhofar International Development and Investment Holding Company SAOG and is a board member of The Financial Corporation (FINCORP) and Dhofar Power Company.

In addition to his role as a member of the Board of Directors of Sohar International, Mr. Said Safrar serves as Chairman of the Credit Approval Committee and as a member of the Executive Committee and the Nomination and Remuneration Committee.

Mr. Salim Mohamed Masaud Al Mashaikhi – Director

Mr. Salim bin Mohammed Al Mashikhi holds a bachelor's degree in mathematics and is a retiree of the Royal Court Affairs, with over 33 years of professional experience.

In addition to his role as a member of the Board of Directors of Sohar International, Mr. Salim Al Mashikhi also serves as Chairman of the Internal Audit Committee and as a member of the Risk Management and Compliance Committee.

Mr. Ahmed Dawood Al Busaidi - Director

Mr. Ahmed brings over 30 years of extensive professional experience across both the public and private sectors. Throughout his career, he has held various positions spanning financial auditing, financial management, economic analysis, diplomacy and administrative affairs. He retired in 2019.

Owing to the nature of his previous roles, Mr. Ahmed has developed strong communication skills and maintains a broad network of relationships both within and outside the Sultanate of Oman.

In addition to his role as a member of the Board of Directors of Sohar International, Mr. Ahmed serves as Chairman of the Board Risk Management and Compliance Committee.

Sheikh Aimen Ahmed Al Hosni - Director

Sheikh Aimen Ahmed Al Hosni has extensive leadership experience spanning over two decades across the aviation, insurance, investment, and financial services sectors. He has served in chairmanship and board membership roles at both local and international levels, demonstrating a strategic vision focused on operational efficiency, infrastructure development, and service excellence.

Furthermore, Sheikh Aimen led Oman Airports, steering the organisation toward global recognition through award-winning service quality and continuous development. His expertise in strategic planning and execution, combined with his commitment to adopting the latest technologies and best practices, ensures exceptional travel experience for passengers while contributing to the economic growth of the Sultanate.

Beyond his corporate leadership, Sheikh Aimen distinguished himself through his academic involvement as a lecturer in human resources, contributing to knowledge transfer and skills development. He also played a prominent role in the sports sector as the President of Al-Khaboura Sports Club, where he made significant contributions to the advancement of sports. His commitment to both professional and public service enhances his standing as a prominent figure in the Omani aviation sector and the broader economic landscape.

BOARD COMMITTEES

The Board has created various subcommittees for specific purposes with clearly defined terms of reference and responsibilities. The committee's mandate is to ensure focused and specialised attention to specific issues related to the Bank's governance. The various sub-committees of the Board, together with the Internal Audit and Compliance department, form an important tool in the process of corporate governance. These sub-committees are as follows:

Audit Committee (AC)

The main functions of AC are to assess and review the financial reporting system of the Bank to ensure that the financial statements are correct, sufficient and credible. The Committee reviews with management the quarterly and annual financial statements before their submission to the Board for adoption. The Committee also holds discussions with the internal auditors / statutory auditors on significant findings on the control environment. The role of Chief Internal Auditor is to provide assurance that the management control framework used within the Bank is operating effectively.

Executive, Nomination & Remuneration Committee (ENRC)

The ENRC is a sub-committee of the Board and, as such, assists the Directors in discharging their responsibilities in relation to: (1) General performance aspects of the Bank such as strategy setting and implementation, annual budget recommendations, information technology, management of environment, social and governance (ESG) activities, and generally to assist the Board in reviewing business proposals, other than credit, and other related issues that require a detailed study and analysis; and (2) HR, Nomination and Remuneration issues such as to provide direction and guidance to have the right chief executive officer and Senior Management team and provide support and direction to the Bank and its stakeholders and ensure their interests are protected, etc.

Credit Approval Committee (CAC)

The CAC is a sub-committee of the Board and, as such, approves loans above the lending mandate of the Executive Credit Committee (ECC) of the management, and reviews on an annual basis credit product policies, credit policy, credit portfolio, and existing credit facilities – all within its authority as per its terms of reference.

Board Risk & Compliance Committee (BRCC)

The BRCC assists the Board in discharging its responsibilities of oversight and governance in relation to the risk performance of the Bank. The Committee is responsible, among other things, for making recommendations to the Board on the risk appetite of the Bank in relation to credit, interest rate, market, liquidity and operational risk.

The Committee ensures the implementation of risk strategy and policy in addition to ensuring that a robust risk framework is in place within the Bank, which optimises the quality and return on deployment of assets. The Committee also provides guidance and direction on all credit, market, interest rate, liquidity and operational risk policy matters. The Committee also reviews the adequacy of regulatory compliance, regulatory reporting, internal control systems and the structure of the Compliance Department.

SHARIA SUPERVISORY BOARD

A Sharia governance framework has been implemented in the Window, whose main objective is to ensure Sharia compliance at all times. The key elements of Sharia governance framework of the Window are as follows:

i. Sharia Supervisory Board (SSB)

ii. Internal Reviewer who has the overall responsibility to undertake and monitor Sharia Compliance, Sharia Audit and training functions in accordance with IBRF.

Compliance with Sharia (as manifested by the guidelines and Fatawa issued by the SSB) and as stipulated in IBRF is mandatory and is being done through review and approval of the contracts, agreements, policies, procedures, products, reports (profit distribution calculations), etc.

The Window ensures that the operations of the Islamic Banking Window are conducted in Sharia compliance and a controlled manner by following policies and procedures:

a. An appropriate Sharia governance framework in compliance with IBRF, AAOIFI governance standards and guidelines and directives issued by SSB is maintained.

b. Key duties and functions are segregated. An independent executive is designated with the responsibility for Sharia compliance and audit.

c. Policies and procedures manuals and documentation in relation to our products, operations, compliance, training, and internal controls are maintained and available to relevant staff.

d. Sharia audit reports are submitted to the SSB in line with the agreed annual plan.

e. Islamic Banking Window assets are kept separate and distinct from conventional assets.

f. The Window cannot place funds with conventional banks, including Sohar International.

g. The Window management ensures that staff for certain key functions report to their respective department heads with dotted line reporting to the Head of The Window

h. The Window has dedicated staff for business functions, such as retail, corporate, treasury, etc. and the staff reports to the Chief Islamic Banking Officer

i. The core banking system adopted by The Window can recognise the unique nature of Islamic Banking contracts, transactions and processes.

Sharia audits are conducted on a quarterly basis in accordance with IBRF and submitted to SSB for its review and guidance. SSB has issued its annual report for 2024 on Sharia compliance of the window and did not report any violations and did not direct any amount to the Charity Account.

Internal Sharia Reviewer oversees the Sharia training plans and schedule for the Licensee. During the year 2024 training programs were conducted for the staff & Public such as collages & companies.

Related parties' transactions with SSB are disclosed in notes of financial statements.

Profile of the Sharia Supervisory Board

Sheikh Al-Mu'tasim Said Al Maawali (Chairman)

Al-Mu'tasim Said Al-Maawali is a religious supervisor working for The Omani Studies Centre at Sultan Qaboos University. He holds an MA degree in Islamic Studies from the University of Birmingham, 2016. Al-Mu'tasim authored a seven-volume series in Islamic Jurisprudence called al-Mu'tamad, including the sixth volume in Islamic Financial Transactions, and the seventh in Islamic Banking. In 2016, he published his English book Articles on Ibāḍī Studies. In February 2017, he published his translation (from Arabic to English) the first volume of 'The Reliable Jurisprudence of Prayer'. In 2019, he also translated 'Christians in Oman' from English into Arabic. Al-Mu'tasim has presented academic papers at international conferences in Islamic Studies, including TIMES 2017 at Birmingham University, and BRISMES 2018 at King's College London, and BRISMES 2019 at the University of Leeds.

Sheikh Nasser Yousuf Al Azri (Deputy Chairman)

Sheikh Nasser is working as secretary to the Grand Mufti of the Sultanate of Oman in the Fatwa Section at the Grand Mufti's Office. He is also an active member of several committees at the Ministry responsible for Mosques, Zakat, Hajj, Publications and Book Revision. Prior to his current capacity, Sheikh Al Azri held a number of prestigious positions including Judge Assistant at the Ministry of Justice, and a researcher for Islamic affairs in fatwas at the Ministry of Endowments and Religious Affairs.

Sheikh Al Azri has extensive knowledge and expertise in Islamic and judiciary laws. He has also authored several papers and research studies and attended prominent Islamic conferences such as those held by the International Islamic Fiqh Academy. He received a High Diploma Degree in Jurisprudence from the Institute of Sharia Sciences in Oman.

Dr. Mohammad Abdul Rahim Sultan Al Olama (Member)

Dr. Mohammad Abdul Rahim Sultan Al Olama was a Professor of Jurisprudence and its Fundamentals at the College of Law at United Arab Emirates University in Al Ain. In addition, he is a certified expert in Shariah-compliant financial affairs and chairs the Sharia committee of Zakat Fund in the United Arab Emirates. He has published books and articles on various jurisprudential ltopics, in particular Islamic banking transactions in their contemporary form. He has also presented a series of research papers in various international forums and conferences related to this field.

His Eminence is a member of Sharia Supervisory Boards of Islamic financial institutions and Takaful companies including Dubai Islamic Bank, Abu Dhabi Islamic Bank Emirates Islamic Bank, Noor Takaful & Mawarid Finance Company.

He holds a PhD in Comparative Islamic Jurisprudence from Umm Al-Qura University in Makkah the Kingdom of Saudi Arabia.

MANAGEMENT TEAM

The management of the Bank has been entrusted by the Board to the Bank's top management team under the leadership of the CEO. The CEO keeps the Board of Directors informed on all issues concerning the operations of the Bank and takes directions from the Board on matters that concern and affect the business of the Bank and the objectives it should pursue.

Profile of Senior Management Team

Mr. Abdulwahid Mohamed Al Murshidi - Chief Executive Officer

Abdulwahid Mohamed Al Murshidi has been a driving force at Sohar International since July 2019, steering the bank through a period of accelerated growth, transformation, and strategic repositioning. Under his leadership, Sohar International has emerged as one of Oman's fastest-growing financial institutions and a trusted national strategic partner, playing a pivotal role in advancing the ambitions of Oman Vision 2040. His leadership is defined by a clear long-term vision focused on sustainable value creation, innovation-led growth, and institutional excellence.

Al Murshidi is deeply committed to strengthening the bank's resilience and future readiness, championing digital transformation, responsible banking practices, and a performance-driven culture that consistently delivers value to customers, shareholders, and the wider economy. His strategic approach balances growth with governance, innovation with discipline, and ambition with sustainability.

With more than 22 years of experience across core banking disciplines—including Audit, Finance, Investment, and Islamic Banking—he brings a holistic and forward-looking perspective to leadership. Prior to joining Sohar International, he held senior executive roles within the banking sector, where he played a central role in reinforcing governance frameworks, building institutional capabilities, advancing customer-centric operating models, and embedding a culture of innovation, accountability, and high performance.

He holds an Executive MBA from London Business School and a Bachelor of Science degree from Sultan Qaboos University (SQU), reflecting a strong academic foundation that underpins his strategic thinking and leadership philosophy. Al Murshidi's career is marked by a continuous commitment to professional development, global best practices, and leading with purpose to shape a resilient and competitive financial institution that is future ready.

Mr. Khalid Al Guthami – Country Chief Executive Officer of KSA branch

Mr. Khalid Al Guthami joined Sohar International in September 2023 as Country Chief Executive Officer of KSA Branch with over 25 years of experience, Mr. Khalid is an experienced banker with vast knowledge and expertise in corporate and commercial banking, trade operations, investment, and risk management. Prior to joining Sohar International, Mr. Khalid Al Ghuthami was the Head of Corporate Bank Group at one of the prominent banks in Riyadh, Saudi Arabia, where he made significant contributions to the development of business and banking transactions.

Mr. Khalid Al Guthami holds a Bachelor Degree in Economics with emphasis on International Business from the University of Southern Mississippi. Mr Khalid has completed an Accelerated Management & Executive Leadership Program at Institut Européend' Administration des Affaires (INSEAD). Additionally, he holds notable financial certifications from SAMBA, Euromoney, and Citibank.

Mr. Majid Nasser Al Busaidi – Chief Risk Officer

Mr. Al Busaidi joined Sohar International in November 2020 as Chief Risk Officer. He has over 17 years of professional experience across different functions of the banking sector. His experiences and responsibilities include developing risk management strategies; overseeing and assessing the Bank's risk mitigations both internally and externally; and reporting to the Board of Directors. Prior to his role in Sohar International, he was heading the division of credit review in a popular Omani bank.

Mr. Al Busaidi holds a Bachelor's Degree in Finance from College of Economy and Political Studies at Sultan Qaboos University (SQU).

Mr. Hamood Al Sawai – Chief Operating Officer

Mr. Al Sawai joined Sohar International in December 2021 as Chief Operations Officer. With over 22 years of experience, Mr. Hamood is an experienced banker with vast knowledge and expertise in field of Operations.

Prior to joining Sohar International, Mr. Hamood was the Deputy General Manager at a prominent local bank. Since joining Sohar International, he has made notable contributions in conceptualizing and implementing robust strategies to enhance operational efficiencies. He is a knowledgeable leader with rich experience who combines the values of the business and technical expertise, with his personal integrity and commitment.

Mr. Al Sawai holds an MBA degree from Bedfordshire University and has completed his Bachelor's Degree in Finance and Investment from Cairo University.

Mr. Craig Barrington Bell – Chief Financial Officer

Mr. Craig Barrington Bell joined Sohar International as Chief Financial Officer in January 2019 bringing with him over 25 years of banking experience; 15 of which have been in CFO roles with HSBC and Deutsche Bank, including three years as CFO of the Saudi British Bank. Mr. Bell has extensive background in finance and deep experience of managing complex international businesses across dynamic and changing markets. Commencing his banking career with Citibank in 1985, Mr. Bell has a plethora of technical and management skills in financial and regulatory reporting, management reporting, financial analytics, system infrastructure and controls, balance sheet management, strategic planning, investor relations and tax. Prior to joining Sohar International, Mr. Bell served for over two years as CFO with Al Hilal Bank (Abu Dhabi). He is a distinguished member of the Institute of Chartered Accountants of Australia & New Zealand and graduated from Auckland University with a Bachelor of Commerce degree majoring in accounting.

Mr. Khalil Salim Al Hedaifi – Acting Chief Wholesale Banking Officer

Mr. Khalil joined Sohar International in October 2018 as the Chief Retail Banking Officer. One of his key responsibilities is to develop the Bank's business franchise. He is currently serving as the Acting Chief Wholesale Banking Officer. With over 19 years of experience, Mr. Khalil is a dynamic leader with pioneering experience in achieving business growth objectives in mid-sized as well as large, established organizations. His vast experience includes expertise in operations management; banking including retail banking and wealth management; strategic planning; etc..." He started his career in 2000 with a local bank in the Sultanate of Oman and has worked with other national and international banks in the Sultanate of Oman and Qatar throughout his professional life before joining Sohar International as the Retail Banking Division Head. Mr. Khalil holds an MBA Degree from Northampton University and has also received an Administration Certificate from Oxford Cambridge and RSA.

Mr. Fahad Akbar Al Zadjali – Chief Islamic Banking Officer

Mr. Fahad Akbar Al Zadjali joined Sohar International in 2007 and is currently serving as the Chief Islamic Banking Officer. With a career spanning over 25 years in the banking sector, he has accumulated extensive expertise in both conventional and Islamic banking, specializing in business and product development as well as credit administration. Prior to his current role, Mr. Al Zadjali led Sohar Islamic's Retail Division, where he played a pivotal role in driving growth and operational excellence. His leadership has played a role in guiding Sohar Islamic's progress, contributing to its growth and development over the past decade.

Mr. Fahad Al Zadjali's leadership is characterized by a strategic planning, exceptional ability to foster cross-departmental collaboration, and a steadfast commitment to organizational success. He is recognized for his ability to build strong relationships and his proven track record of delivering results in challenging and competitive environments. Academically, Mr. Al Zadjali holds an MBA from Buckinghamshire University, UK, and has completed advanced qualifications in strategic management and leadership from ILM and OTHM, UK.

Ms. Aisha Al Saifi – Chief Transformation Officer

Eng. Aisha brings with her extensive international experience in Business Development, Project Management, and the development of integrated value propositions, alongside hands-on expertise in the strategic management of multi-disciplinary organizations. Throughout her career, she has held senior leadership roles at Royal HaskoningDHV, ASYAD Group, and the Nazdaher Program. Her global exposure includes leading major infrastructure and economic strategy projects and restructuring operating models to drive organizational transformation.

She is an engineer by background, a Chevening Scholar, and a graduate of the National CEO Programme from the Royal Academy of Management. She also holds a Master's degree in International Development.

Mr. Abdul Qadir Al Sumali – Chief Retail & Premier Banking Officer

Mr. Abdul Qadir Al Sumali joined Sohar International in August 2023 as Chief Retail & Premier Banking Officer. With over 25 years of experience, Mr. Abdul Qadir is an experienced banker with vast knowledge and expertise in field of Retail Banking. Prior to Joining Sohar International, Mr. Abdul Qadir was General Manager and the Head of Wealth and Personal Banking at one of the prominent local banks and has made notable contributions in the retail banking business. He is a knowledgeable leader with rich experience who combines his passion for customers and investing in people with personal integrity and discipline. Mr. Abdul Qadir holds an MBA from Durham University Business School, United Kingdom.

Mr. Mazin Ali Al Mamari – Acting Chief Compliance Officer

Mazin Ali Al Mamari joined Sohar International in 2025 and is currently serving as Acting Chief Compliance Officer. He is a highly experienced legal and compliance professional. With a career spanning over a decade in the legal, regulatory, and judicial fields—including serving as a Member of the Public Prosecution in the Department of Public Funds and Money Laundering Cases as well as a Member of the Technical Committee of the National Committee for Combating Money Laundering and Terrorism Financing, and a Member of the National Team for the FATF/MENAFATF Mutual Evaluation of the Sultanate of Oman. He has developed strong expertise in financial crime investigation, parallel financial investigations, and compliance frameworks. His proven track record in collaborating with national and international regulatory bodies has been instrumental in supporting the Sultanate of Oman's national anti-money laundering and combatting the financing of terrorism (AML/CFT) systems.

Academically, he holds a master's degree in Anti-Money Laundering and Counter-Terrorism Financing from Dhofar University, a bachelor's degree in public law from the College of Law at Sultan Qaboos University, and a diploma in judicial sciences from the Higher Judicial Institute. He also holds the Advanced International Certificate in (AML/CFT) and is currently pursuing a PhD in the same field. This academic and professional progression has played a key role in strengthening his expertise and enhancing his capabilities in managing complex regulatory risks and ensuring compliance with institutional and financial regulatory frameworks.

Mr. Elsamawal Abdulhadi Idris - Chief Legal & Governance Officer

Elsamawal joined Sohar International in July 2013 and holds the position of Chief Legal Officer and secretary of the Board in the Bank. With over 20 years of experience in the legal profession during which he has helped organizations and clients carry on business in a legal and compliant manner and was able to prove himself consistently in major transactions and disputes. He is signaled out by legal directories regularly as an individual with exceptional understanding of the Sultanate of Oman's banking system and commended for his wide-reaching initiatives to improve efficiency and performance in his function.

Mr. Elsamawal holds a Master's Degree LLM and Bachelor's Degree LLB from the University of Khartoum, Sudan.

Mr. Hamood Khalfan Al-Aisri - Chief Internal Auditor

Mr. Al-Aisri is a qualified Chartered Certified Accountant with over 25 years of professional experience across different functions within the Banking sector. He has been associated with Sohar International since December 2020. Prior to joining Sohar International, he held the role of Chief Internal Auditor for one of the local banks. Mr. Al-Aisri holds Senior Leadership qualification from London Business School, and Islamic Financial qualification from Chartered Institute of Investment and Security - UK.

Mr. Aziz Mohamed Al Jahdhami - Chief International Business and Private Banking Officer

Mr. Aziz Al Jahdhami joined Sohar International in December 2018 and is currently serving as the Chief International Business and Private Banking Officer at Sohar International. Mr. Al Jahdhami is a highly experienced banking professional. With a career spanning over 15 years in the banking industry, Mr. Al Jahdhami has developed a strong expertise in various aspects of Wealth Management, Private Banking, and Investment Management. His proven track record & achievements in these areas have been instrumental in the growth of several local and international banks.

Al Jahdhami holds two Executive Management certifications from prestigious institutions such as the University of Cambridge and the London Business School. These qualifications have further enhanced his skills and knowledge in managing financial institutions effectively. Additionally, he has also achieved both undergraduate and postgraduate degrees from the University of London in the United Kingdom.

Ms. Mahira Saleh Al-Raisi - Chief Human Resources Officer

Ms. Mahira joined Sohar International in October 2007, and currently holds the Chief Human Resources Officer role. With over 21 years of extensive experience in managing Human Resources in the Banking sector, she has supported the achievement of the Bank's strategy successfully through the deployment of effective Human Capital Management Policies and Practices in line with the Bank's strategic objectives. Responsible for developing and executing Human Resource Strategy in support of the overall business plans, specifically in the areas of talent acquisition, talent Management, succession planning, change management, organizational and performance management, capability development and total rewards. Ms. Mahira holds a Bachelor's Degree and Diploma in Human Resources Management and Development from University of Leicester-UK. She also holds a Post Graduate Diploma in Management from Institute of Leadership and Management and Leading Strategy Execution Certificate in Financial Services from Harvard Business. Ms. Mahira Al Raisi is the Deputy Chairman of Human Resources Committee of Oman Banker's Association. She is also a member of College Advisory Committee in College of Banking and Financial Studies in the Sultanate of Oman.

Dr. Mazin Mahmood Al Raisi - Chief Marketing Officer

Dr. Mazin Mahmood Al Raisi is the Chief Marketing Officer at Sohar International, a role he assumed in 2022. With over 25 years of experience, Dr. Mazin has been a driving force in shaping the bank's marketing journey since joining in 2007, where he was among the key individuals who established the Marketing Department.

He played a pivotal role in the successful launch of Bank Sohar and Sohar Islamic, and later in the major rebranding project that transformed Bank Sohar into Sohar International — conceptualising innovative strategies to strengthen its brand presence across diverse markets.

Recognised for his passion, professionalism, and leadership, Dr. Mazin's contributions have been instrumental in positioning Sohar International as one of Oman's most progressive financial brands. He also leads the bank's corporate social responsibility initiatives, fostering partnerships that create lasting impact within the community.

Dr. Mazin holds a Doctorate in Business Administration (DBA) from Coventry University in the United Kingdom. He also holds an MBA from the University of Strathclyde, UK, and a Bachelor's degree in Marketing from the University of Missouri, St. Louis, USA. In addition, he is a certified brand manager and has completed an executive marketing program at the London Business School.

Mr. Sajeel Bashiruddin - Chief Technology and Digital Officer

Mr. Sajeel Bashiruddin joined Sohar International in 2021 and currently holds the Chief Technology and Digital Officer role, wherein he is responsible for Information Technology, Enterprise Project Management Office, FinTech & spearheading Digital Banking functions of the Bank to drive Digital Transformation. With over 20 years of experience, Mr. Sajeel reserves an entrepreneurial spirit and has led large-scale digital transformation in the sector. While strategy development, leadership, and innovation are key areas he places increased emphasis on, Mr. Sajeel has also introduced new digital revenue streams via Fintech partnerships, led cohesive digital ecosystem transformations, spearheaded business expansions and led transitions to be a data-driven organization. He started his career in 2003 and has held key positions in banks in the Kingdom of Saudi Arabia and the Sultanate of Oman.

Mr. Sajeel holds a Master's Degree in Computer Applications, Bachelor's Degree in Business Management, and is a Certified Artificial Intelligence Business Professional.

Mr. Abbas Hassan Al Lawati - Senior Executive Vice President & Head - Investment Banking, FIG and International Operations

Mr. Abbas Al Lawati is a highly experienced investment banking professional with over 20 years of expertise in capital markets, financial advisory, and strategic transactions. Serving the bank for more than five years, he currently holds the position of Senior Executive Vice President & Head - Investment Banking, FIG and International Operations, where he plays a key role in driving complex, high-impact financial initiatives across the region. Throughout his career, He has led and advised on some of Oman's most significant financial transactions, including the country's largest IPO, major private equity deals, sovereign sukuk issuances, and fintech acquisitions. His areas of expertise span mergers and acquisitions, capital markets, financial restructuring, and strategic advisory. Mr. Abbas holds an MBA in Strategy and Entrepreneurship from IE Business School in Madrid. He earned his bachelor's degree in accounting and finance from the American University of Sharjah.

Mr. Hisham Hassan Moosa - Senior Executive Vice President & Head – Project Financing and Global Banking

Mr. Hisham joined Sohar International in May 2023 and currently serves as the Sr. EVP & Head – Project Financing and Global Banking. With nearly two decades of experience, he has developed deep expertise in wholesale banking, risk management, and financial institutional relationships. Prior to joining Sohar International, he held several senior leadership roles in the financial sector, where he managed multi-billion-dollar corporate portfolios, arranged major syndication deals, and played a pivotal role in credit and relationship management.

Mr. Hisham holds a Bachelor of Science in Accounting from Sultan Qaboos University and a Postgraduate Certificate in Finance and Management from the University of Bradford. He is also a Certified Credit Analyst by Moody's Analytics and a registered faculty member at the College of Banking and Financial Studies (CBFS).

Mr. Ali Taqi Jaafar Hassan – Senior Executive Vice President & Head – Commercial Banking

Mr. Ali joined Sohar International in August 2023 and is currently serving as the Sr. EVP & Head of Commercial Banking. He is a seasoned banking professional with over a decade of leadership experience in corporate and commercial banking across Oman's financial sector. Prior to joining Sohar International, he held key leadership roles in the banking industry, where he played a central role in corporate banking, trade finance, and major integration processes. He holds an MBA and a B.Sc. (Hons) degree in Accounting and Finance from the University of Bradford, UK and is recognized for his expertise in strategic planning, credit risk, and governance.

Majid Nasser Al Busaidi – Chief Risk Officer

Majid Nasser Al Busaidi joined Sohar International in November 2020 as Chief Risk Officer. He has over 17 years of professional experience across different functions of the Banking sector. His experiences and responsibilities include, developing risk management strategies, overseeing and assessing the bank's risk mitigations both internally and externally, and reporting to the Board of Directors. Prior to his role in Sohar International, he was Heading the Division of Credit Review in a popular Omani bank. Majid Al Busaidi holds a Bachelor Degree in Finance from College of Economy and Political Studies at Sultan Qaboos University (SQU).

Saeed Ali Hamdan Al Hinai – Group Treasurer

Saeed Ali Hamdan Al Hinai is a seasoned banking professional with over 30 years of experience in corporate banking, investments, and treasury management. As Sr. EVP & Head of Global Markets at Sohar International, he leads treasury operations, liquidity management, and financial risk strategies. Over the course of his career, he has held various leadership roles across the banking sector. He also chairs the Treasurer Committee at the Oman Bankers Association (OBA) and serves as Vice President of the ACIFMA Oman Chapter, actively contributing to the advancement of treasury practices in the region. Saeed Ali Hamdan Al Hinai holds an MBA in Finance and Sustainability from the University of Cumbria, UK and is a PhD candidate in Business Administration at the University of Northampton.

CHAPTER 11: DIVIDEND POLICY

The Bank's dividends policy complies with the CBO & FSA guidelines. The Board of Directors recommends on the distribution of the dividends to the shareholders after due consideration of the regulatory guidelines, the future growth expectations and other factors. The historical dividend details of the Bank are given below:

For Year	Cash dividend (Baisa per share)	Bonus Shares for every 100 shares held	Mandatory Convertible Bonds (Baisa per share)
2022	4.5	-	-
2023	5.5	1.95	-
2024	8	-	-
2025*	4	-	4

Mandatory Convertible Bonds (MCBs) as Part of FY2025 Dividend

Following the approval of the Financial Services Authority (FSA) on 11 May 2026, the Bank issued Mandatory Convertible Bonds (MCBs) of 4 baisa per share, amounting to RO 26.469 million, as a component of the financial year 2025 overall dividend distribution to balance rewarding shareholders while preserving the Bank's capital base in support of its growth strategy and regulatory capital adequacy requirements. The MCBs carry a coupon rate of 5.25% per annum, will mature after 2 years from the date of issuance, and will be mandatorily converted into ordinary shares of the Bank at an underlying price of 160 baisa per share, without any option to either the Issuer or the bondholders to redeem the MCBs in cash, and are listed on the Muscat Stock Exchange (MSX).

CHAPTER 12: PRICE JUSTIFICATION

INTRODUCTION

Since its inception, the Bank has shown remarkable all-round growth and has created a strong market presence in terms of market share, product range, brand value, strong ethics and impressive financial performance, leading to attractive returns to investors.

BANK'S STRATEGY AND WAY FORWARD

The Bank has made significant progress in over the last several years in aligning its efforts with Oman's Vision 2040. The Bank aims at achieving growth with excellence in everything the Bank does, setting the organisation on a sustainable growth path and contributing to the advancement of the Sultanate's economic diversification agenda.

The Bank has ambitions to accelerate its growth locally and expand internationally in line with its vision of becoming a world-leading Omani service company that helps customers, communities and people to prosper and grow.

Locally, the Bank achieved notable inorganic expansion in 2023, securing its place as the second largest bank in Oman through the merger with HSBC Bank Oman SAOG.

Internationally, having successfully partnered with Saudi EXIM Bank to enhance foreign trade and investment opportunities between our two nations, the Bank has established its first branch in the Kingdom of Saudi Arabia. This initiative further increases the pace of economic cooperation, realising meaningful commercial and investment exchanges and contributing towards achieving the goals outlined in Oman Vision 2040.

Congruent to its purpose of helping people win by delivering banking for their ever-changing world, the Bank is moving ahead, continuing to strike a balance between continuity and change. The Bank's culture of innovation and digital prowess is embedded across various facets of its businesses as it continues to scale its business model locally and internationally. This aligns seamlessly with the Bank's principles of providing more vision, more value and more velocity to all stakeholders. Moving ahead, the Bank will continue to launch a number of new products and services for its customers delivered through newly developed digital platforms that are designed to scale up the market coverage, simplify and speed up service delivery. While digitalisation will underpin all the Bank's initiatives and efforts, a strong people interface will be equally important.

With increased global focus and importance of ESG, the Bank remains committed to incorporating these principles within its business strategies. The Bank's values complement initiatives in relation to sustainability, diversity & inclusion, and are well aligned with the nation's considerable efforts to adopt environmental sustainability and social spheres, through effective governance structures.

The Bank is confident about Oman's steady growth under the visionary leadership of His Majesty Sultan Haitham bin Tarik. The new five-year rolling plan will bring in new products in sync with changing customer needs, enhanced service standards and technological adoption. The Bank will set new benchmarks as a thought leader and an institution with a social conscience by promoting growth opportunities for young Omanis and contributing to society at large.

AVERAGE SHARE PRICE

As of 14 June 2026	Share Price (Baisa)	Discount of Issue Price
Closing price	202	30.2%
1-month average closing price	201	29.9%
3-month average closing price	219	35.6%
6-month average closing price	202	30.2%

Source: MSX, above calculations based on data as of 14 June 2026.

CHAPTER 13: RIGHTS AND LIABILITIES OF THE SHAREHOLDERS

This Chapter summarises the rights and liabilities of shareholders in an Omani public joint stock Bank, effective as at the date of this Prospectus. The description provided hereafter is only a summary, and neither purports to give a complete overview of the rights and liabilities of shareholders nor of relevant provisions of the Laws of Oman or any applicable circular issued by the FSA. Additionally, this Chapter should not be considered as legal advice regarding these matters. A copy of the Articles of the Association is available from the corporate office of the Bank.

SHAREHOLDERS' LIABILITY

The liability of a Shareholder is limited to the payment of the value of the Shares for which such Shareholder subscribes, and a Shareholder is not responsible for the debts of the Bank except to the extent of the value of the Shares for which such Shareholder subscribes.

SHAREHOLDERS' RIGHTS

In accordance with the CCL, all Shares enjoy equal and inherent (attached) rights in the ownership thereof, which include:

i. the right to receive dividends declared by the general meeting.

ii. the preferential right of subscription for new Shares.

iii. disposal of the Shares.

iv. obtaining a copy of the financial statements.

v. inspection of the shareholders' register.

vi. attending general meetings and voting on the items of their agendas and perusal of their minutes.

vii. the right to apply for suspension or annulment of any resolution adopted by the general meetings or the Board of Directors, which is contrary to law, the Articles of Association or other internal regulations of the Bank.

viii. the right to institute actions against the Directors and auditors of the Bank on behalf of the shareholders or on behalf of the Bank; and

ix. the right to participate in the distribution of the Bank's assets upon its liquidation.

In addition, in accordance with Article 207 of the CCL, if one or more shareholder holding at least 5% of the Bank's shares are of the opinion that the management of the Bank's affairs has been performed, or is being performed, in a manner that is detrimental to the interests of its shareholders or some of them, or that the Bank intends to act or omit to act in such a way that would be prejudicial to them, they shall have the right to submit an application to the FSA accompanied by the supporting documents to issue the decisions it deems appropriate in this respect. If the FSA rejects the application or does not issue its decision within thirty (30) days, the shareholder or shareholders shall have the right to take legal proceedings before the competent court within ten (10) days from the date of rejection of the application or the lapse of the aforementioned period, as the case may be. The FSA shall have the right to take legal proceedings before the competent court if it is of the opinion that the affairs of the Bank have been performed, or are being performed, in a manner detrimental to the interests of its shareholders or some of them, or that the Bank intends to act or omit to act in such a way that would be prejudicial to them. The competent court shall hear the case filed by the shareholder or the FSA on an urgent basis. The court may also rule an act or omission to act to be invalid or order an act omitted to be performed by the Bank to be so performed.

OWNERSHIP AND TRANSFER OF SHARES

Ownership and transfer of Shares shall be entered into the Bank's Shareholder maintained by MCD. In case of the death of a Shareholder, the person whose name stands next in the register, where the deceased was a joint holder, shall be deemed by the Bank to be the representative of the joint owners of the Shares. If the deceased was a sole holder, their legal personal representatives shall be the only persons recognised by the Bank as having any title to their Shares, but nothing contained herein shall release the estate of a deceased joint holder from any liability in respect of any share which had been held jointly by him with other persons.

REPORTS AND STATEMENTS TO BE SENT TO THE SHAREHOLDERS

Within sixty (60) days from the end of the Financial Year, the Board of Directors is required to prepare a report containing the Bank's position and performance. Such report must particularly contain the financial position of Bank and its subsidiaries, any net profits proposed to be distributed to Shareholders, any changes to the business of the Bank or of its subsidiaries, and anything that has affected the Bank's position or its ability to continue to practice all of its activities and achieve its objectives, as well as any other data specified in the CCL and the SAOG Regulations. The report should also address the Bank's compliance with governance and sustainability requirements. The report of the Board of Directors must be signed by the chairman or vice-chairman of the Board of Directors, a member of the Board of Directors and the chief executive officer or director general of the Bank.

The Bank's auditor shall also prepare a report, in accordance with IRFS, showing the true financial position of the Bank. Such a report shall include, in addition to the data specified by SAOG Regulations, a statement on whether the financial statements reflect the true financial position of the Bank.

Copies of the above-mentioned financial statements and reports must be submitted to the AGM of the Bank, and a copy of such financial statements and reports must be sent to the FSA prior to the approval of the agenda of the AGM.

The Board of Directors must send to each Shareholder and anyone who is entitled to attend the AGM, along with the invitation for attendance, a summary of the audited financial statements, and copies of the reports of the Board of Directors and the auditor related thereto, at least fifteen (15) days prior to the AGM. Copies of the aforementioned statements and reports, and the resolution of the AGM in respect thereof, must be filed with the registrar within seven (7) days of the date of convening the AGM.

If it appears to the Board of Directors prior to the convening of the AGM that there are errors in the financial statements, it shall correct such errors and send a notice thereof to the Shareholders and the people entitled to attend the AGM, prior to the convening of the AGM. If the Board of Directors are unable to make the correction prior to convening of the AGM, the AGM shall postpone the consideration of the report to another meeting, unless the error is not material. The Board of Directors shall send a copy of the report after it has been corrected to the FSA and file a copy thereof with the registrar within seven (7) days of the date of sending it to the FSA.

The Board of Directors will also prepare unaudited quarterly financial statements for the first, second and third quarters of each Financial Year. These statements will also be disclosed through the website of MSX. The Bank will also publish the unaudited quarterly financial statements as directed by the FSA.

CHAPTER 14:
SUBSCRIPTION CONDITIONS AND PROCEDURES

ELIGIBILITY FOR SUBSCRIPTION

The Rights Issue is open to all Eligible Shareholders and to each person who purchases all or part of the Rights Entitlement of an Eligible Shareholder through MSX.

Each Eligible Shareholder is entitled to approximately 16 Offer Shares for every 100 Shares held by them on the Record Date, duly rounded down, or to 4 Offers Share for approximately every 25 Shares held by them on the Record Date, duly rounded down.

The Rights Entitlement will be listed on the MSX and can be sold or purchased during the Rights Trading Period through the MSX.

SUBSCRIPTION PERIOD AND ISSUE PRICE

The Subscription Period for the Rights Issue opens on 21 July 2026 and closes on 26 July 2026.

The Collecting Bank will reject any Application Form that reaches it after its official working hours on the Subscription Closing Date.

The Rights Entitlement, and any right to participate in the Rights Issue, will lapse if a valid application is not made during the Subscription Period. A failure to validly apply for Offer Shares during the Subscription Period will constitute a waiver of rights of participation in the Rights Issue.

Issue Price – Baisa 141 per Offer Share (including issue expense of Baisa 2 per Offer Share).

TRADING OF RIGHTS

The Rights Entitlement is tradable on the MSX in accordance with applicable laws and regulations of the FSA and the MSX. Such rights can be traded i.e. bought and sold during the Rights Trading Period. The purchaser of a Rights Entitlement shall contact and coordinate with the Issue Managers to collect the requisite Application Form, complete and submit the Application Form to the Collecting Bank, together with application money and required documents, in each case on or before the Subscription Closing Date in accordance with the terms contained in this Prospectus. An unexercised Rights Entitlement shall lapse at the end of the Subscription Period.

SUBSCRIPTION FOR ADDITIONAL SHARES

- Only Eligible Shareholders are eligible to apply for Additional Shares.
- An Eligible Shareholder who does not subscribe to their full Rights Entitlement or sells their Rights Entitlement (either partially or fully) is not eligible to apply for Additional Shares.
- A non-Shareholder, as on Record Date, who purchases a Rights Entitlement, is not eligible to apply for Additional Shares.
- Eligible Shareholders validly subscribing for their full entitlement of Offer Shares may apply for Additional Shares.
- Eligible Shareholders who wish to apply for Additional Shares should indicate this by writing the desired number of Additional Shares in their Application Form and making the required payment with submission of the Application Form to the Collecting Bank

- The minimum Additional Shares that can be applied for is one Offer Share with the maximum up to a number such that the total application (including such Eligible Shareholder's Rights Entitlement, any Rights Entitlement purchased from another Eligible Shareholder, and Additional Shares) does not exceed the entire Rights Issue size.
- Allotment of Additional Shares is subject to FSA approval.
- If the Applicants do not subscribe for all of the Additional Shares within the specified period, then the Board of Directors may offer such shares for public or private subscription pursuant to the provisions of the Securities Law and other applicable laws and regulations, or reduce the amount of the increase of the share capital to the level of the total received subscription amount, i.e. reduced by an amount equal to the value of the shares that have not been subscribed for, as per Article 140 of CCL.
- The decision of the Issue Managers, in consultation with the FSA, shall be final and binding in respect of the allotment of Offer Shares, including Additional Shares.

Note: Applicants should ensure that their post-rights issue shareholding is within the shareholding limits prescribed in the Laws of Oman.

SUBSCRIPTION ON BEHALF OF MINOR CHILDREN

1. An individual of age less than 18 years as on the Record Date will be considered a minor.
2. Only a father may subscribe on behalf of his minor child(ren).
3. If a subscription is made on behalf of a minor by any person other than the minor's father, the person submitting the subscription shall be required to attach a valid Sharia (Legal) Power of Attorney issued by the competent authorities authorising him to deal in the funds of the minor through sale, purchase and investment.

MINIMUM AND MAXIMUM APPLICATION

The minimum application can be for one Share, and the maximum application cannot exceed the Rights Issue size (including original Rights Entitlement, any Rights Entitlement purchased from an Eligible Shareholder, and Additional Shares).

PARTICULARS OF THE BANK ACCOUNT

1. Each Applicant shall be required to furnish the particulars of their bank account (registered in the name of the Applicant). The Applicant shall not use the bank account number of any other person except in case of minor children only.
2. If the bank account of the Applicant is registered with a bank other than the one receiving the Application Form, they shall be required to submit a document in evidence of the correctness of the bank account particulars as provided for in the Application Form. This can be done by submitting any document from the Applicant's bank which clearly shows the account number and name of the account holder (Applicant), such as an account statement issued by the bank or a letter/document issued by the Applicant's bank, containing the aforesaid information. The Applicant shall ensure that such evidence submitted is readable in a clear manner. The Applicant is not obliged to submit evidence of their bank account if they are subscribing through the bank wherein, they maintain their account. In this case, the bank receiving the subscription shall verify and confirm the Applicant's account details in its specific system and procedure.
3. The bank account provided in the Application Form would be used only for refunds.
4. The Application Form containing the bank account number of a person other than the Applicant shall be rejected except with respect to applications made on behalf of minor children that contain the bank account particulars of their father.

DOCUMENTATION REQUIRED

1. A copy of Applicant's Civil ID / Passport / Commercial Registration certificate, as applicable.
2. Submission of a document confirming the correctness of the bank account details written in the Application Form, only if the application is made through a bank other than the one with whom the Applicant has their bank account.
3. A copy of a valid Power of Attorney duly endorsed by the competent legal authorities in the event the subscription is on behalf of another person.
4. In case of applications made by juristic people (non-individuals), which are signed by a person in their capacity as an authorized signatory, a copy of adequate and valid documentation should be attached.

MODE OF SUBSCRIPTION

1. The Collecting Bank has been instructed to accept applications for subscriptions that comply with all the requirements as provided for in the Application Form and this Prospectus. It is the responsibility of the Applicant, however, to ensure that the particulars and information contained in the Application Form are true, accurate and complete.
2. The Application Form will be sent to each Eligible Shareholder by SMS to the phone number registered with the MCD and will also be available at all branches of Sohar International Bank SAOG. It shall be the responsibility of each Eligible Shareholder to ensure that the phone number registered with the MCD is up-to-date and correct.
3. The Applicant shall be required, before submitting the Application Form, to peruse this Prospectus and read the conditions and procedures governing the subscription with care and importance.
4. Those who validly purchase a Rights Entitlement in the MSX during the Rights Trading Period should contact the Issue Managers and submit a copy of their purchase invoice issued by their broker or statement of account issued by MCD showing their holding of the Rights Entitlement to the Collecting Bank. The Issue Managers will provide the Application Form to such Applicants.
5. The Applicants are required to complete the Application Form for the subscription and furnish all their particulars including the shareholder number available with MCD, civil number/passport number, commercial registration number or other prescribed details (including the date of birth in case of minor children).
6. Applicants are required to sign the Application Form to confirm that the particulars and information contained therein are true, accurate and complete. In case of minor children, only the father or legal guardian may sign the Application Form, on behalf of his minor children.
7. The Applicant shall submit the Application Form to the Collecting Bank by emailing the same to the email address specified in the Application Form, or at any branch of Sohar International Bank SAOG. Along with the submission of the Application Form, the Applicant shall make payment, at the Issue Price, for all Offer Shares (including any Additional Shares) that are the subject of such Application Form. The Applicant shall make such application in accordance with this Prospectus and shall ensure that all documents in support of the information furnished (referred to above) are enclosed.
8. The payment for the subscription should be made by the Applicant in Omani Rials only. Payment in any other currency may cause rejection of the application.
9. Applicants who maintain bank accounts with Sohar International Bank SAOG may elect to pay the subscription amount by direct debit by selecting the appropriate option in the Application Form. By selecting the aforementioned option and submitting the Application Form, the Applicant shall be deemed to have authorised Sohar International Bank SAOG to debit the corresponding amount from the Applicant's bank account specified in the Application Form.

10. In case of payment through bank transfer, the Applicant is responsible for ensuring the successful transfer of the subscription amount to the Collecting Bank within the subscription period and must attach a copy of the transfer acknowledgement copy to the Application Form.
11. In case of payment of the value of the subscription by cheque or bank transfer, the payment shall be made to the following account:

    SIB RIGHTS ISSUE 2026

    Account number: 00010035005095

    Sohar International Bank SAOG

    Swift code: BSHROMRU

    IBAN number: OM480300000010035005095

COLLECTING BANK

Application Forms may only be submitted to the Collecting Bank – Sohar International Bank SAOG during its official working hours.

The Collecting Bank will only accept receipt of an Application Form if the Applicant has complied with the procedure and subject matter in line with the requirements as provided for in this Prospectus; hence, the Collecting Bank must instruct the Applicants to comply and fulfil all requirements stated in the Application Form and this Prospectus.

An Applicant shall be responsible for the submission of their Application Form, together with full payment, to the Collecting Bank before closing of the Subscription Period. In this regard, the Collecting Bank has the right not to accept any Application Form that reaches it after its official working hours on the Subscription Closing Date.

ACCEPTANCE OF APPLICATIONS

Applications will be invalid in the following circumstances:

- If the Application Form does not bear the signature and stamp (if applicable) of the Applicant except for fathers who subscribe and sign on behalf of their minor children.
- Failure to pay the full subscription amount (including, for the avoidance of doubt, related issue expenses) in accordance with the conditions provided for in this Prospectus.
- If the value of the Offer Shares subscribed is paid through a cheque and it is dishonoured for whatever reason.
- If the Application Form does not bear the Applicant's investor number available with MCD.
- If the Applicant's account number stated in the Application Form is incorrect.
- If there is more than one Application Form with the same Applicant name (in which case, all of them shall be rejected).
- If the supporting documents referred to in this Prospectus are not enclosed along with the Application Form.
- If the Application Form does not contain all particulars of the bank account of the Applicant.
- If the bank account details of the Applicant in the Application Form are found to be incorrect.
- If the bank account details provided in the Application Form are found to not be those of the Applicant,

with the exception of applications submitted in the name of minor children, which may include the particulars of bank accounts held by their father.

- In the case of a failure to attach the Power of Attorney with the Application Form as provided for in this Prospectus in respect of a person who subscribes and signs on behalf of another person (with the exception of a father who subscribes on behalf of his minor children).
- If the application is incomplete and/or has not complied with the legal and other requirements as provided for in this Prospectus.

If the Collecting Bank observes, after receipt of the Application Form and before expiry of the time schedule prescribed for handing over the Application Forms in final form to the Issue Managers, that the application has not complied with the legal or other requirements as provided in this Prospectus, then the Collecting Bank shall take due efforts to contact the Applicant so as to correct the detected mistake. In case of failure to have the mistake corrected within the period referred to, the Collecting Bank shall return the Application Form to such Applicant together with the subscription amount.

REJECTION OF APPLICATIONS

The Issue Managers may reject a subscription application under any of the conditions referred to above, after securing the approval of the FSA and the submission of a report furnishing the details of the applications that are required to be rejected and the reasons behind such rejection. If it is observed, from the register of the final subscribers submitted by the Collecting Bank, that there are applications which bear the same shareholder number or same civil number or same bank account number (with the exception of minor children), all such applications shall be rejected for belonging to the same Applicant.

ENQUIRIES AND COMPLAINTS

Applicants seeking clarification or filing complaints about allotment or rejected applications or refunds may contact the branch of the Collecting Bank where the Application Form was submitted.

In case of absence of response from the branch, the Applicant may contact the person concerned as hereunder:

Mr. Manaf Said Al Sabahi

Sohar International Bank SAOG

PO Box 44, PC 114, Hai Al Mina, Oman

Tel: +968 2409 2013 Fax: +968 2476 1741

Email: manaf.alsabahi@sib.om

If the Collecting Bank fails to arrive at a solution or settlement with the Applicant, it shall refer the matter to the Issue Managers, and keep the Applicant updated. The Applicant shall also keep in touch with the Collecting Bank to know the outcome.

ISSUE MANAGERS' CONTACT DETAILS

Sohar International Advisory

Sohar International Bank SAOG

PO Box 44, PC 114, Hai Al Mina, Muscat, Oman

Tel: +968 24730027

Email: advisory@sib.om

Mr. Ankit Garg

Oman Investment Bank SAOC

PO Box 10, PC 133, Dohat Al Adab Street, Al Khuwair, Muscat, Oman

Tel: +968 21116117

Email: info@oib.om

RESTRICTIONS ON SHAREHOLDING

Applicants are required to comply with any shareholding limits prescribed by the Bank's Articles of Association, the Laws of Oman, any regulations/circulars issued by the CBO, and/or any other applicable legal and regulatory requirements (together the "Shareholding Limits"). Without limiting the generality of the foregoing, Applicants are required to comply with the following Shareholding Limits prescribed by CBO regulation BM/REG/40/96:

- the aggregate holding by an individual and his related parties shall not exceed 15% of the voting shares in a locally incorporated bank.
- the aggregate holding by an incorporated body and its related parties shall not exceed 25% of the voting shares in a locally incorporated bank.
- the aggregate holding by a Joint Stock Company or a Holding Company and its related parties shall not exceed 35% of the voting shares in a locally incorporated bank; and
- no individual, incorporated body or a Joint Stock Company or a Holding Company who, together with any related party already owns 10% or more of the voting shares of a locally incorporated bank shall own by way of investment, more than 15% of the outstanding voting shares of another locally incorporated bank.

If an Applicant's shareholding is likely to exceed any Shareholding Limits, such Applicant must obtain all requisite approvals for such potential excess shareholding before submitting their Application Form. The Applicant must attach a copy of the relevant approval for such excess shareholding to their Application Form.

Notwithstanding anything to the contrary in this Prospectus, the allotment of Offer Shares under the Rights Issue will be restricted in accordance with the foregoing, and the rights of Eligible Shareholders (and of any purchaser of their Rights Entitlement) in this Prospectus shall be construed accordingly.

PAYMENTS FOR ADDITIONAL SHARES

The payment for Additional Shares shall be made at the time of submission of the Application Form to the Collecting Bank. If the Applicant fails to pay for any Additional Shares pursuant to the Application Form, the application will be rejected.

ALLOTMENT AND REFUND

The Offer Shares shall be allotted, and refunds will be made (if required) within three (3) Business Days of the Allotment Date. The Applicant, after the announcement of the Allotment, shall ensure that the allotted shares appear in its account with MCD.

Refund of excess funds (if any) must be made to the Applicant's bank account as provided in the Application Form, and in case of any discrepancy, the Collecting Bank / Issue Managers should be contacted immediately.

Refunds of excess funds shall be made net of bank charges, and for refunds in foreign currency, as per the foreign exchange rate between OMR and the currency of the other country.

RESPONSIBILITIES OF SHAREHOLDERS/ APPLICANTS IN RIGHTS ISSUE

An Eligible Shareholder who sells their Rights Entitlement through the MSX will lose their right to subscribe to the Offer Shares to that extent. Furthermore, such Shareholders cannot apply for Additional Shares.

An investor who buys the Rights Entitlement through the MSX should exercise their right to subscribe to the Offer Shares by submitting their Application Form (which can be obtained from the Issue Managers) to the Collecting Bank before the end of the Subscription Period. Such investors are not eligible to apply for Additional Shares unless they are also Eligible Shareholders.

BANK'S RIGHT

The Bank reserves the right to withdraw/cancel the Rights Issue prior to the listing date for any reason, including in the event of any unforeseen development adversely affecting the economic and regulatory environment, any force majeure condition, including any change in applicable law, etc. If the Rights Issue is withdrawn/cancelled, the received subscription amounts will be refunded in full, without any interest or further liability.

PROPOSED TIMETABLE

The following is an indicative timeline for the Rights Issue:

ITEM	DATE*
Approval of the prospectus by the FSA	2 July 2026
Publication of announcement: After approval of this Prospectus by the FSA, and at least five (5) working days before the Record Date, the Issuer must publish an announcement approved by the FSA through the electronic publication system and in one (1) Arabic daily newspaper at least, notifying the Shareholders and other investors of the Rights Issue. The advertisement must include a summary of this Prospectus including the amount and percentage of the increase in capital, Issue Price, the Record Date, the persons entitled to subscribe, Collecting Bank, Subscription Period and the Rights Trading Period.	5 July 2026
Record Date: Shareholders registered in the Bank's Shareholder Register maintained with MCD as at the Record Date are eligible for subscription to the Rights Issue.	12 July 2026
Notice to Shareholders: At least three (3) days before the Subscription Opening Date, and not more than fifteen (15) days from the publication of the announcement, the Issue Managers shall send written notices to each Eligible Shareholder by SMS to the phone number registered with the MCD or through any other means written in the shareholders' register advising of the Rights Issue together with a summary of this Prospectus and an Application Form. The notice must specify the number of Offer Shares that may be subscribed to, the Subscription Period and the Rights Trading Period.	15 July 2026
Listing of the Rights Entitlement (Rights Trading Opening Date): The Issuer and the Issue Managers, in collaboration with MCD and MSX, will carry out the procedures for listing the rights for trading on MSX within five working days from the Record Date. A record of holders of the rights shall be prepared for the purposes of the trading of the rights within the specified period. The rights shall be separated from the shares and shall be traded separately.	21 July 2026
End of Trading of the Rights (Rights Trading Closing Date)	22 July 2026
Date of Commencement of Subscription (Subscription Opening Date): Application Forms will be issued directly to the Shareholders, but duplicate Application Forms may be obtained from the Collecting Bank or Issue Managers.	21 July 2026
End of Subscription Period (Subscription Closing Date): After this date, the Issue Managers shall collect the list of subscriptions from the Collecting Bank, verify the subscription list, match it with the rights holders' record and process the Allotment of Shares.	26 July 2026
FSA Approval of the Allotment	28 July 2026
Refund of Excess Amounts	29 July 2026
Listing Offer Shares on the MSX	30 July 2026

*These dates are indicative. Actual dates may vary.

RESPONSIBILITIES AND OBLIGATIONS

The Issuer, the Issue Managers, the Legal Advisor, the Collecting Bank and the MCD shall comply with and perform their respective duties in accordance with the regulations issued by the FSA, as well as any obligations set out in the agreements entered into among them. Each such party shall be responsible for any loss or damage arising from its negligence or failure to properly perform the functions and responsibilities assigned to it and shall take all necessary remedial measures in respect thereof. In such circumstances, the Issue Managers shall coordinate with the relevant authorities, including the FSA and the MSX, to take such actions as may be required to address and rectify such loss or damage.

P.O. Box 44, Postal Code 114,
Hai Al Mina, Sultanate of Oman
Tel: + 968 24730000, Toll-Free 800-74666

www.sib.om