



Investor Presentation

May 2021



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The figures in this presentation are preliminary and unaudited. The Annual Report 2020 is available on the Bank’s website.

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Non-IFRS measures

This presentation also contains non-IFRS financial detail.



Agenda

1. Overview of Operating Environment
2. Overview of Sohar International (SI)
3. Business Strategy
4. Financial Performance



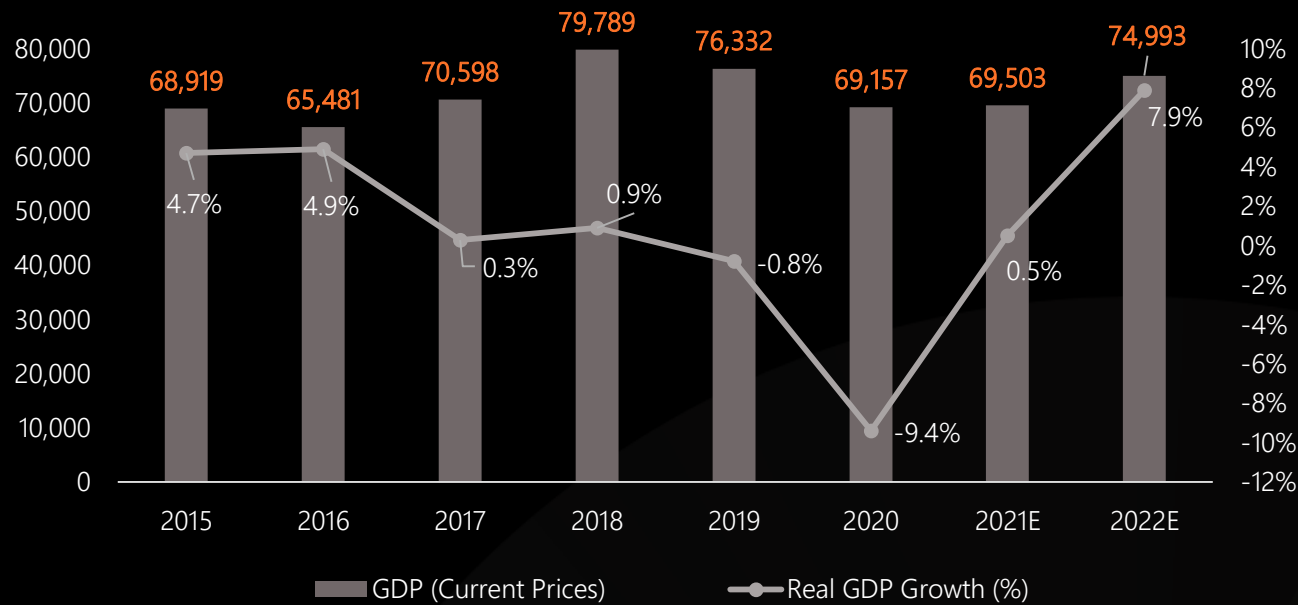
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Overview of
Operating
Environment

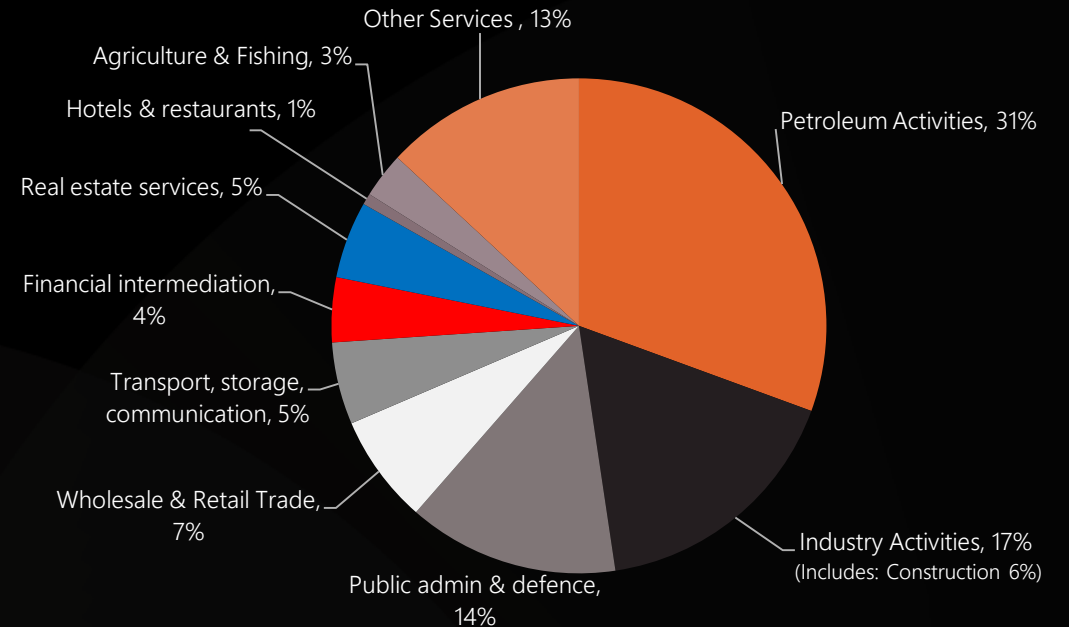
Oman Economic Overview



GDP Trend (USD Million)



GDP Composition by Sector



	2016	2017	2018	2019	2020	2021e	2022f
Real GDP % growth	4.9	0.3	0.9	-0.8	-9.4	0.5	7.9
Nominal GDP \$b	65.5	70.6	79.8	76.3	69.2	69.5	74.99
Inflation %	1.1	1.6	0.9	0.1	-0.5	2.6	1.7
Fiscal Balance % of GDP	-21.3	-14	-7.9	-7.1	-18.1	-16.6	-10.8
Current A/C % of GDP	-19.1	-15.6	-5.4	-4.6	-14.4	-12.7	-6.2

- GDP growth rate significantly higher than rest of GCC economies: Kuwait (3.1%), Qatar (3%), Bahrain (2.5%), the UAE (2.4%), and Saudi Arabia (2.2%)
- Tanfeedh Program identified 5 key areas of expansion: agriculture & fisheries, mining & energy, logistics & transportation, manufacturing, & tourism
- Oman aims to generate over 35% of the country's total revenue from non-oil sources in 2021; non-oil revenue measured in 2020 at circa. USD1.3 billion projected to increase to USD 3.6b in 2024
- Govt has undertaken a wide range of important reforms towards economic diversification and setting Oman on a path for sustainable economic growth

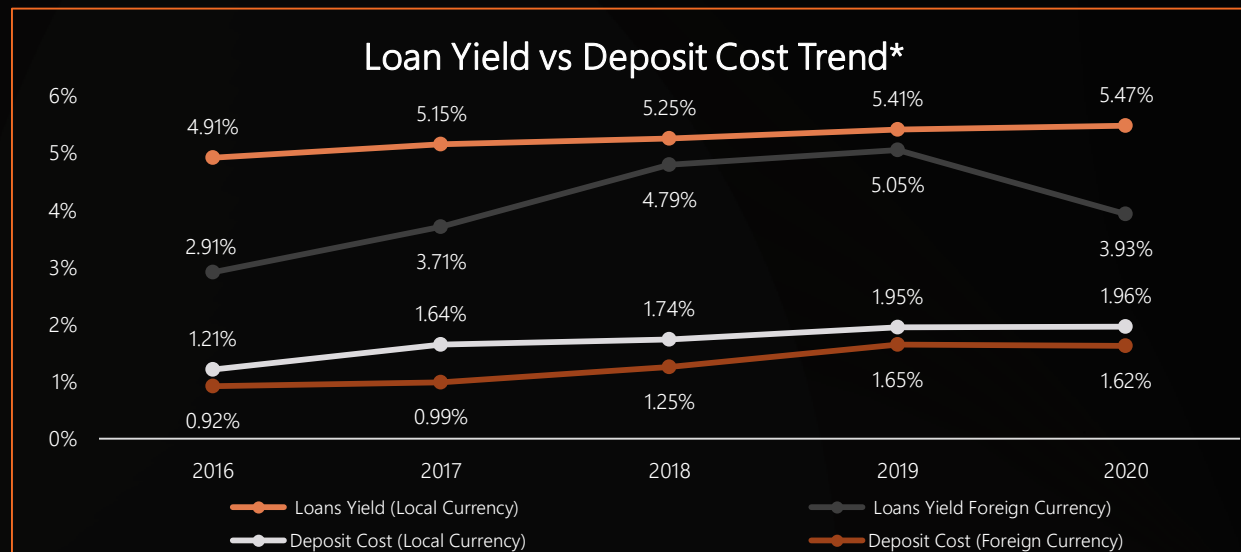
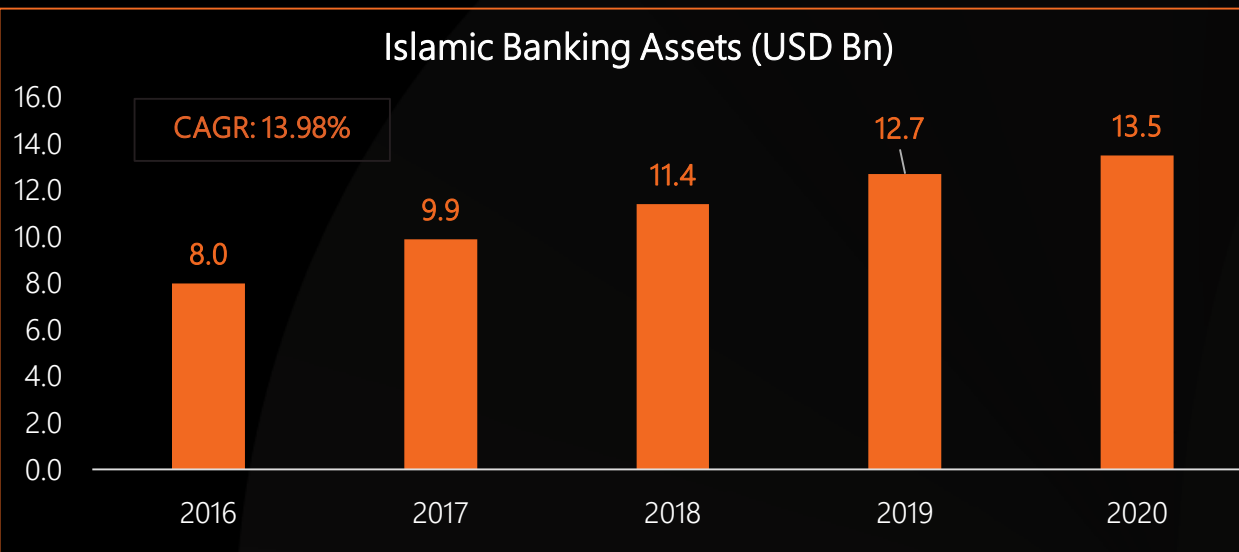
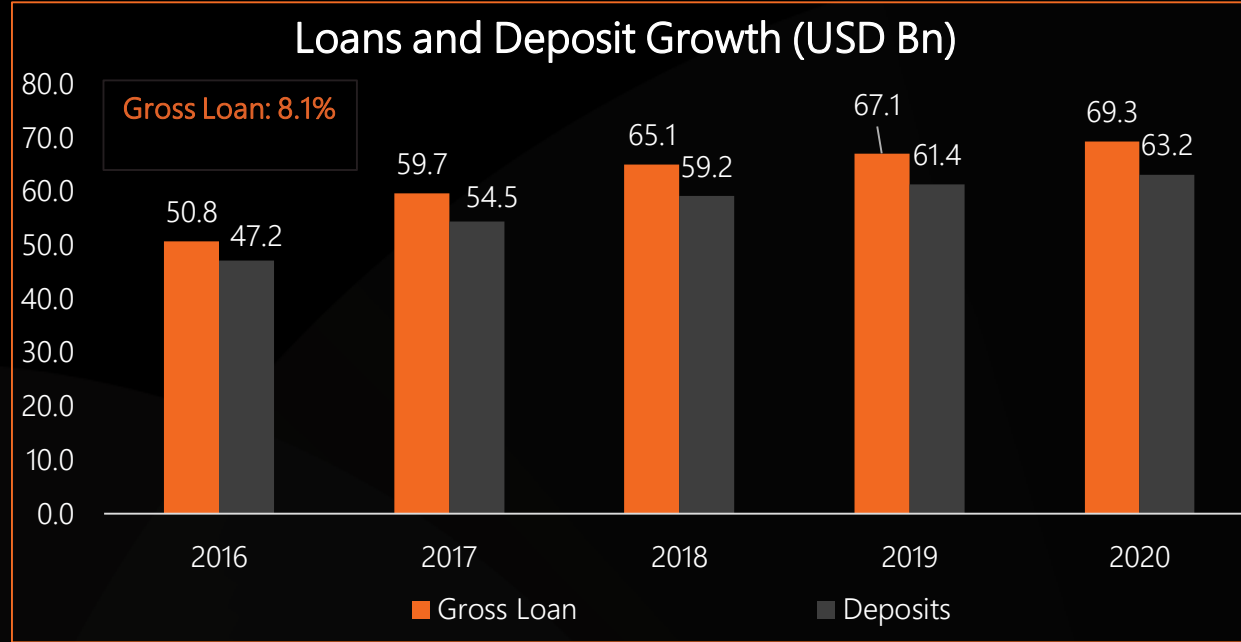
STRONG RECOVERY: Real GDP at market prices projected to grow **7.9%** in 2022, the fastest among 16 countries surveyed in the Middle East and North Africa region

Rating Agency	Date	Rating	Outlook
MOODY'S	Dec 2020	Ba3	Negative
Fitch Ratings	Dec 2020	BB-	Negative

Oman Banking Sector Overview



- The Omani banking sector comprises 19 **licensed banks**: 7 local banks, 2 state-owned specialized banks, 9 foreign commercial banks, and 1 full fledged Islamic Bank.
- Central Bank of Oman (CBO) is a prudent and strong regulator, having introduced many regulations to enable a competitive environment and sustainable banking sector growth, as well as leading the implementation of international best practice including Basel Capital Accord framework and IFRS.
- Sound capital and stable liquidity level despite lower oil prices and COVID-driven economic turmoil.
- Decisive initiatives and relief measures to support banks and customers.
- Robust domestic deposit base allows minimal dependence on overseas funding.
- **Total assets of Islamic banks and windows increased by 11 per cent** on an year-on-year basis, significantly outperforming conventional growth.



Source: Central Bank of Oman Statistical Bulletin, Prospectus; Bank Financial Results (Dec-20); Conversion Rate: 1.00 OMR = 2.5974 USD.

* Calculated as 12 months average figures



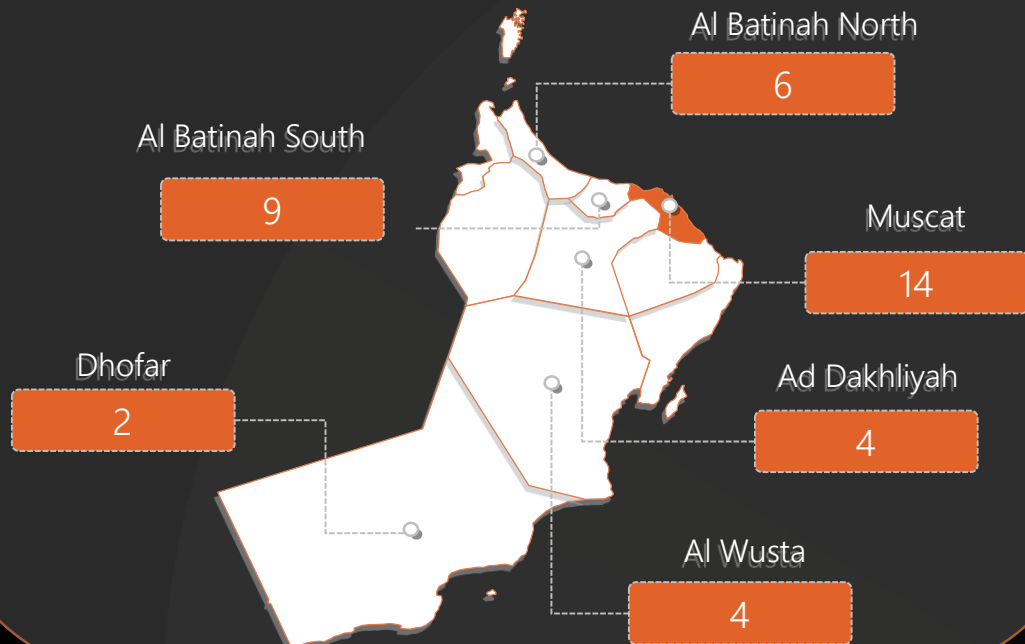
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Overview of Sohar International

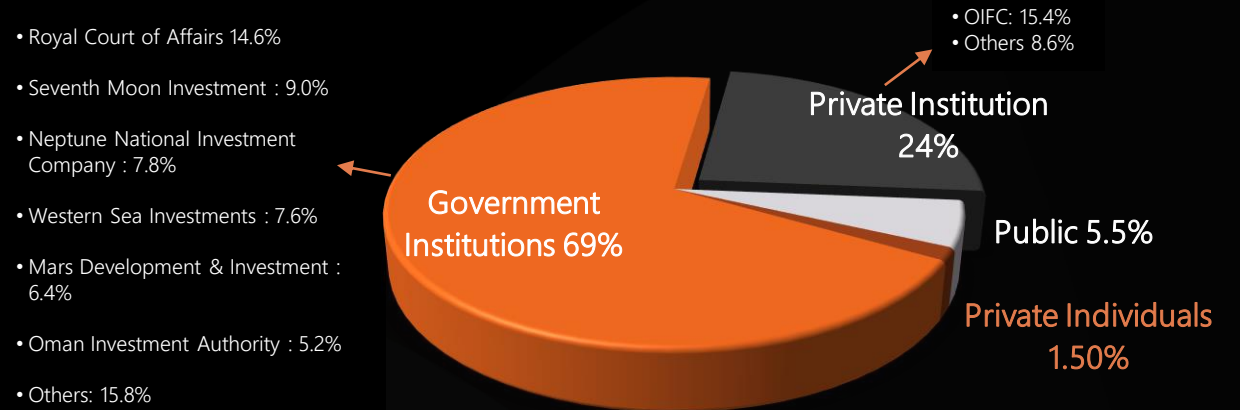
Sohar International Overview



- Established in 2007 as a public joint stock company
- Sohar International Bank SAOG (formerly Bank Sohar SAOG) is primarily engaged in commercial, investment, and Islamic banking activities.
- Employs 875 people
- Serves ~270,000 customers
- 39 branches (31 conventional & 8 Islamic) and extensive digital channels
- Total assets of USD 9.9 billion
- Rated fastest growing bank in Oman with ~11% market share of assets
- Operates via 3 main business segments:
 - Wholesale Banking
 - Retail Banking
 - Islamic Banking (introduced 30 April 2013, offering a full range of Shariah Compliant products & services)



Listed on the Muscat Stock Exchange (MSX)
 Market capitalization: **USD 563 Million** (31 March 2021)



In USD million	2017	2018	2019	2020	Q1 2021
Total Assets	7,384	7,913	9,104	9,379	9,751
Total Equity	1,022	1,001	1,392	1,381	1,383
Net Loans	5,451	5,849	6,374	6,503	6,574
Customer Deposits	4,267	4,723	5,448	5,796	5,957
Operating income	198	245	272	239	68
Net Profit	66	76	89	52	18
Capital Adequacy %	16.2%	15.0%	18.9%	19.1%	18.5%
ROAE %	8.9%	10.1%	11.1%	6.0%	8.4%

Rating Agency	Date	Rating	Outlook
MOODY'S	Dec'20	Ba3	Negative
Fitch Ratings	Mar '21	B+	Negative

The Board of Directors

Robust Governance Framework & Exceptional Leadership



Mr. Mohammed Mahfoudh Al Ardhi – Chairman

A Masters in Public Policy from JFK School, Harvard University and joined Sohar International Bank as the chairman in December 2017. Was also the former chairman of the National Bank of Oman. He is also the author of three books: “Arabs Down Under”, “Pearls from Arabia” and “Arabs Unseen”.

Select Roles Executive Chairman of the global investment firm Investcorp; Chairman of the Executive, Nomination and Remuneration committee (ENRC)

Mr. Said Al Aafi - Deputy Chairman

A Double Degree in Commercial Law & Banking and Finance from Monash University in Australia, and is a Chartered Financial Analyst “CFA” and Chartered Alternative Investment Analyst “CAIA”

Select Roles CEO of Mars Development & Investment “MDI”; Member of the Board of Oman Telecommunication SAOC; Member of the Board of Oman Broadband Company SAOC.



Engr. Ahmed Hamed Al Subhi - Director

Holds an MBA and Honors Degree in Electrical Engineering and widely recognized in the power generation and desalination industry. He was the Chairman of Oman Investment & Finance Co. SAOG (OIFC)

Select Roles Chief Executive Officer of “ACWA Power Barka SAOG”; Chairman of the Board Risk Committee and a member of the Board Audit Committee in Sohar International

Mr. Salim Mohamed Al Mashaiky - Director

Holds a Bachelor's Degree in Mathematics and is currently employed in the Expenditure Department of the Royal Court Affairs.

Select Roles Deputy Chairman of Oman Fixed Income Fund (OMFI); Member of the Board Audit Committee, and the Board Risk Committee (BRC) in Sohar International



Mr. Said Ahmed Safrar - Director

Holds an MBA from the University of Hull in the UK, a Business Management Diploma from King's College Bournemouth in the UK and has over 24 years of experience in the Banking and Telecommunications' Sector

Select Roles Chief Executive Officer of Oman Investment & Finance Co. SAOG; Board member of The Financial Corporation (FINCORP) and Dhofar Power; Chairman of the Credit Approval Committee (CAC) and member of Executive, Nomination and Remuneration committee (ENRC) in Sohar International

Mr. Tareq Al Mugheiry - Director

Holds a Bachelor of Law (LLB) and Bachelor of Commerce (B. Com) from the University of Western Australia. Worked in Philips Electronics in corporate strategy and mergers & acquisitions; J.P. Morgan in investment banking;

Select Roles Chief Investment Officer of Oman Investment Corporation SAOC (OIC); Member of the Executive, Nomination & Remuneration Committee and the Credit Approval Committee in Sohar International; Serves on the boards of Innovation Development Oman, Takaful Oman Insurance, Sembcorp Salalah O&M Company and TMK GIPI



Mr. Bipin Dharamsey Nensey - Director

Holds a Bachelor's Degree in Accounting and Finance and is the Director of Dharamsey Nensey Company since 1977. He served as the Vice Chairman of one of the local Banks for over 15 years.

Select Roles Director of Dharamsey Nensey Company; Independent Non-Executive Director of Al Suwadi Power Company SAOG as well as Muscat Insurance Company SAOG

The Management Team

Empowered & talented leaders driving success



Mr. Ahmed Al Musalmi
Chief Executive Officer

A Harvard Graduate with Extensive banking experience and held various senior c-suite and directorship roles in local and international institutions.
Select Roles Deputy Chairman of ASYAD Group and Chairman of ASYAD Board Audit Committee; Director at College of Banking & Financial Studies and Oman Bank's Association



Mr. Khalil Salim Al Hedaifi
Chief Retail Banking Officer

An MBA from Northampton University with over 18 years experience in banking business across Oman and Qatar
Select Roles Retail Banking Division Head in National and International Banks



Mr. Abdul Wahid Al Murshidi
Chief Islamic Banking Officer

Holds an EMBA degree from London Business School and has over 18 years of Banking experience across Audit, Finance, Investment, and Islamic Banking
Select Roles Former Deputy General Manager at one of the prominent local Islamic banks



Mr. Manish Dhameja
Chief Wholesale Banking Officer

An Engineer, MBA & CFA with 24+ years of Corporate Banking Experience and working with Large Corporates globally
Select Roles multiple leadership roles at Standard Chartered Bank



Mr. Majid Al Busaidi
Chief Risk Officer

Holds a Bachelor Degree in Finance with over 17 years of professional experience across different functions of the Banking sector
Select Roles Former Head of Division of Credit Review in a popular Omani bank



Ms. Mahira Saleh Al Raisi
Chief Human Resources Officer

Bachelors and Diploma in Human Resources Management & Development from University of Leicester-UK with over 21 years in managing Human Resources in the Banking sector
Select Roles Deputy Chairman of Human Resources Committee of Oman Banker's Association



Mr. Craig Barrington Bell
Chief Financial Officer

27 years of banking experience, including CFO roles with HSBC and Deutsche Bank
Select Roles Most recent CFO roles with Al Hilal Bank, Saudi British Bank, and HSBC New Zealand



Mr. Ewan John MacLeod
Chief Transformation Officer

A Bachelor of Science in Information Management from University College London and has over 24 years of experience in leading digital transformation in large global banks and organizations
Select Roles Former leader at Nordea Bank AB in Denmark and Royal Bank of Scotland



Mr. Abdulali Abdullah Al Lawati
Chief Corporate Services Officer

Over 38 years of experience in varied industries including Education, Administration, Corporate Governance, Corporate Support, IT, and Management, before joining the Banking sector
Select Roles Former leader in a prominent local bank



Mr. Hamood Al Aisri
Chief Internal Audit

Holds Senior Leadership qualification from London Business School and is a qualified Chartered Certified Accountant with over 25 years of experience across different bank functions
Select Roles Former Chief Internal Auditor in one of the local banks



Mr. Khalid Khalfan Al Subhi
Chief Compliance Officer

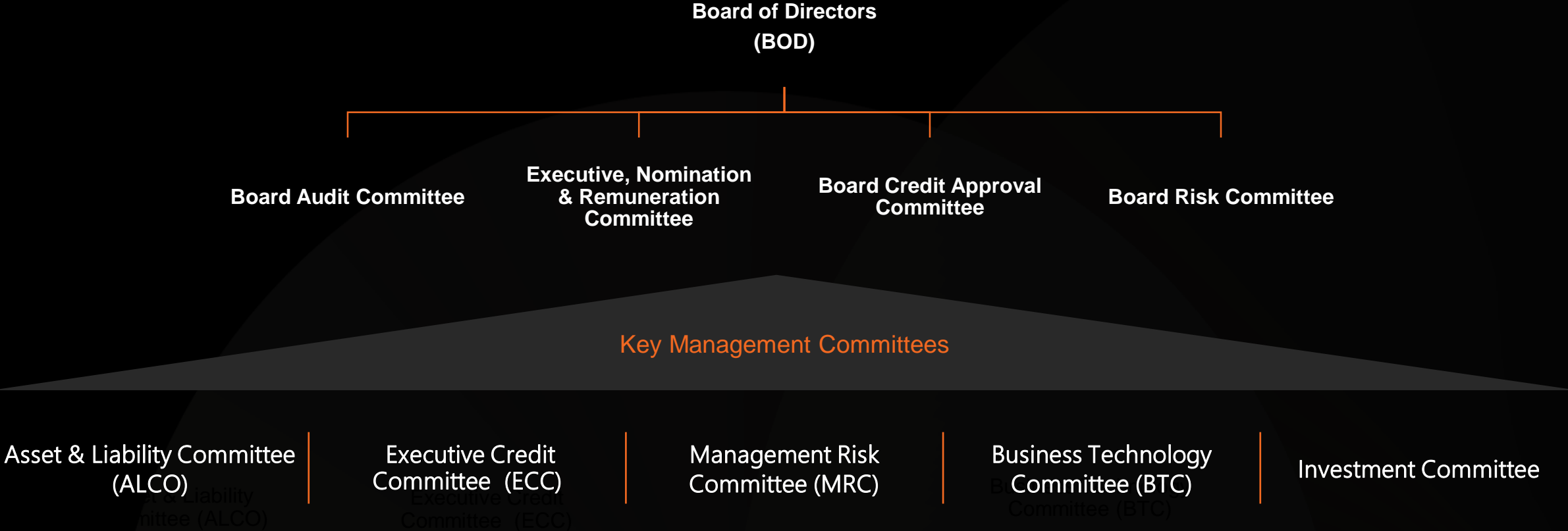
Over 19 years of extensive experience as a Central Banker in various domains like Banking, Insurance and administration



Mr. Elsamawal Abdulhadi Mohammed
Chief Legal Officer

Holds Master's degree 'LLM' and Bachelor's degree 'LLB' with over 18 years of experience in the legal profession

Robust Governance Structure & Risk Management Framework



Key Business Lines



Wholesale Banking



- Offers a wide range of financial solutions including but not limited to Project Finance, Working Capital facilities, Transaction Banking (cash management, trade solutions & supply-chain finance), Global Markets (treasury), Investment Banking (corporate finance & advisory and asset management) and digital services to Government Institutions & Agencies, Financial Institutions, Large Business Groups, Mid-Corporates and SMEs.
- Extensive global network of banking relationships and partnerships to provide world-class financial solutions to clients across multiple geographies at competitive rates.
- Customized services to meet needs of clients through a team of experienced relationship managers

Retail Banking



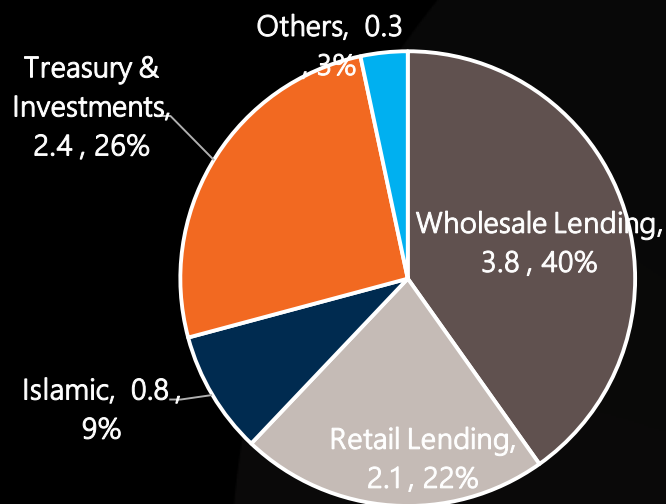
- Offers a wide range of products and services that include but not limited to personal loans, housing loans to deposit products, credit cards, and fund transfer facilities through physical and digital touchpoints
- Offers value propositions across bancassurance, cards, Fx services, digital payments, and wealth management services
- Offers compelling Wealth Management value propositions including fiduciary advice, personalized services with highly customized financial solutions and investment products
- Established an exclusive strategic alliance with European Financial Group (EFG) to broaden its product ranges and services for its customers with access to global marketplaces and insights.

Islamic Banking

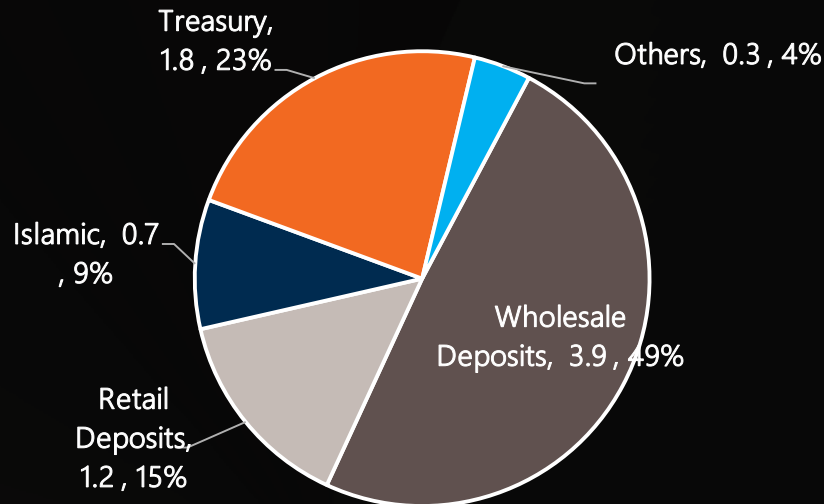


- Offers a full range of Islamic banking services and products
- Accepts Shariah compliant customer deposits and provides Shariah compliant financing based on Murabaha, Mudaraba, Musharaka, Ijarah, Istisna'a, Salam
- Provides commercial banking services, investment and other activities permitted under Islamic Banking Regulatory Framework
- Offers to Corporate and SME customers Term Financing, Working Capital Financing, Short-term Financing, Corporate Deposits, Trade Finance, Cash Management Services and Treasury products.
- Offers an integrated set of value propositions, including digital banking to HNI customers

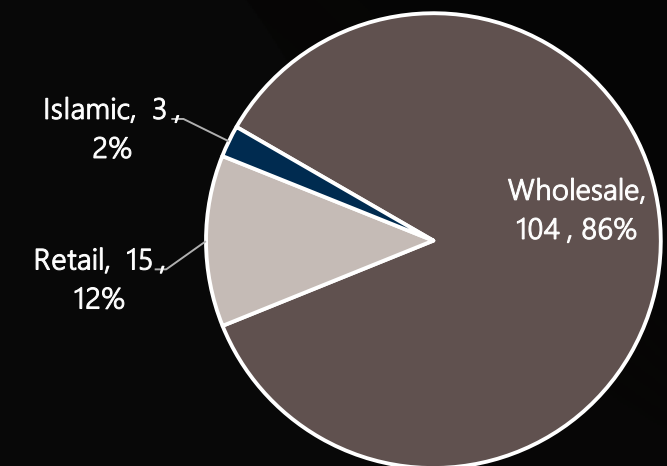
Total Assets (USD Bn)



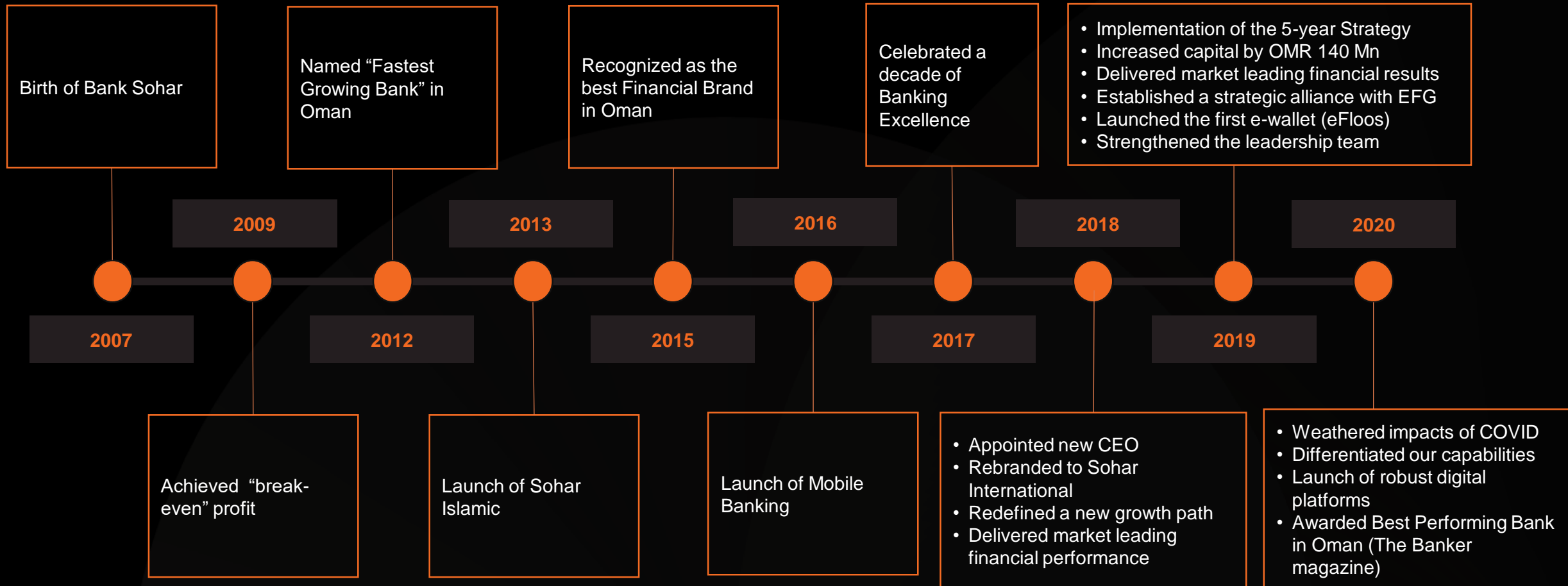
Total Liabilities (USD Bn)



Net Operating Income (USD Mn)



The Winning Streak





Sohar
International receives
**"Best Performing
Bank" in Oman Award.**

Winning strategies.
Significant milestones.

With every decision we make, our focus remains the same. Bringing our stakeholders every opportunity to stand out, to succeed and to win.



+ 968 24730000
soharinternational.com



2020



**Industry leadership
in Social Impact Award**

Alam Al-Iktisaad
Award



**Best Brand
Experience Award**

Transform Awards
Middle-East & Africa



**CEO of the year
Banking Awards**

Oman Banking
& Finance Awards



**Best Bank
Award**

Oman Banking
& Finance Awards



**Customer Journey
Re-imagination Award**

By
Infosys Limited



**Best Performing
Bank in Oman Award**

The Banker Magazine
(Financial Times)

2019



**Lifetime Achievement
Award**

Alam Al-Iktissad Wal-Amaal
(AIWA) Awards



**Best Performing
Company Award**

Alam Al-Iktissad Wal-Amaal
(AIWA) Awards



**Client Innovation
Awards**

Infosys Finacle Client
Innovation Awards



**Best Corporate Social
Responsibility Campaign
Award**

Alam Al-Iktissad Wal-Amaal
(AIWA) Awards



**Excellence in
New Brand Identity
Awards**

Oman Banking & Finance
Awards

Financial Highlights at a Glance (Q1'21 VS Q1'20)

Robust results throughout the cycle



(USD millions)

Net Profit

18.2

13.1% ↑

Operating Profit

36.9

15.5% ↑

Loans

6,574

2.8% ↑

Deposits

5,957

7.6% ↑

NIM

2.13%

13bp ↓

Cost / Income

45.8%

9bp ↑

ROA

0.8%

10bp ↑

ROE

8.4%

100bp ↑

Market Comparison

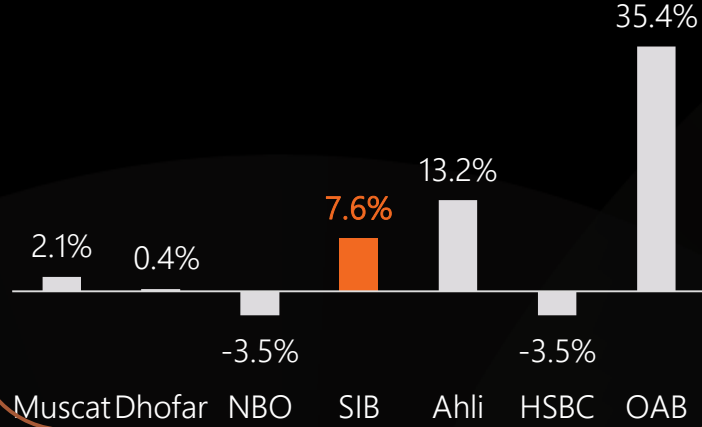
(March 2021 Vs March 2020)



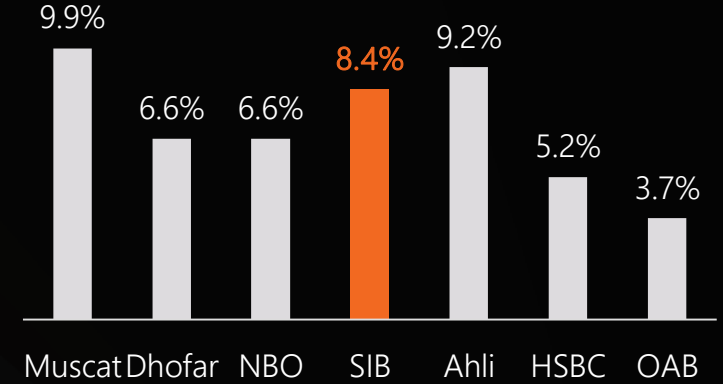
Loan Growth



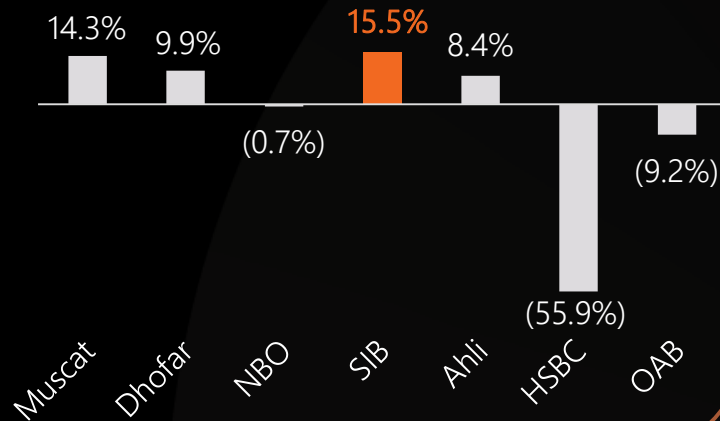
Deposit Growth



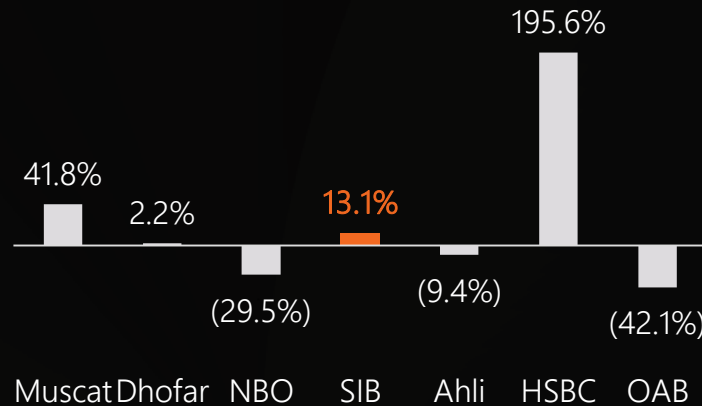
Return on Average Equity



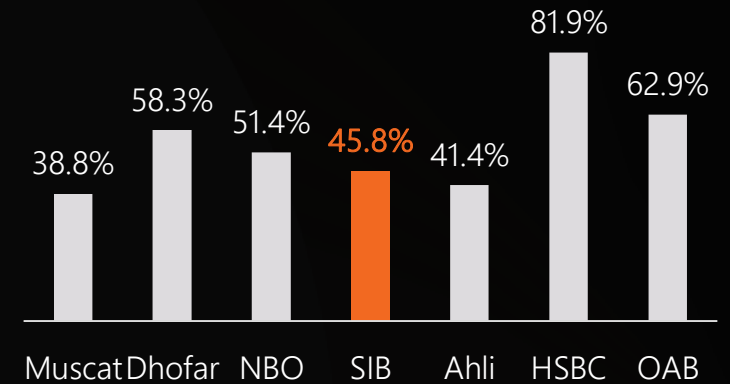
Operating Profit Growth



Net Profit Growth



Cost to Income



3

Business Strategy

Well defined strategic path



Vision

To be a world-leading Omani service company, that helps customers, communities and people to prosper and grow

Pillars



Purpose



Promise



Principles



Personality



Experience

Strategic Themes

Value Proposition

Revenue Diversification

Service Excellence

Digitalization

Business Intelligence

The Winning Formula



STRIVING TO HELP YOU WIN



Best Workplace



Superior & Sustainable Growth of Shareholder's Value



Unrivalled Customer Experience



Catalyst for Omani Economy

Key Strengths



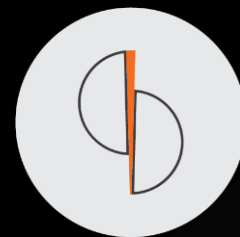
Strong Corporate Governance

- Well structured Board Committees with highly competent and experienced directors
- Well structured Management Committees
- A strong management team of highly qualified professionals with significant banking experience.



Robust Risk Management Framework and Culture

- Established robust risk architecture and policies through the deployment of highly qualified and experienced professionals, strong risk management systems and practices.
- Established strong governance frameworks
- Well articulated risk appetite statement



Strong Brand & Corporate Franchise

- Strong and long standing relationships with key institutional and corporate clients
- Highly prominent brand and increasing share of mind



Developed Robust Strategic Partnerships

- Created long term relationships with



Strong Ownership Structure

- 69% Government & Govt. related entities
- Stable & long term shareholders



Solid Growth and Resilient Financial Performance

- Delivering a strong trend of QoQ growth
- Building strong financial platform including capital, liquidity, credit, and profitability



Robust Long-Term Growth Strategy

- Strong management team with extensive and rich experience
- Well articulated Purpose, Vision and Values with clearly defined strategic growth path.
- Well defined implementation plan with KPI's and strong governance framework



Sound Capitalization & Liquidity

- Strong capitalization with total CAR of 19% to support growth plan
- Ample liquidity with LTD ratio of 110%, LCR at 157% & NSFR at 117%

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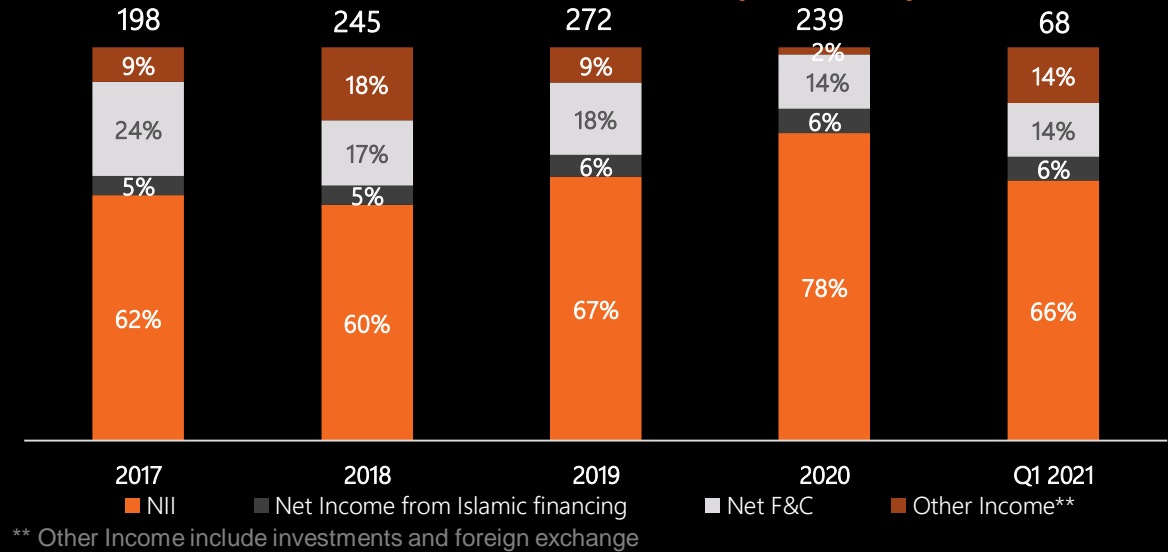
Financial Performance

Earnings & Profitability

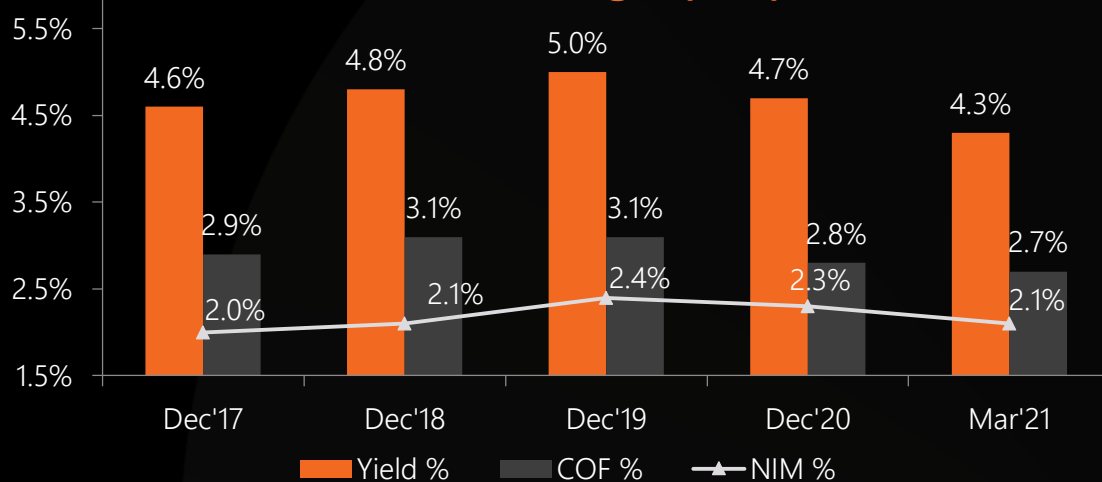


- In 2020, COVID-19 had a significant impact on the market in general and banking sector in particular due to the outbreak of covid-19 crisis and consequently deteriorated macroeconomic conditions. And SI was not an exception.
- However, Q-1 2021 results show a rebound in its performance with its operating income up by 15% and net profit by 14%, reflecting improved market conditions relative to 2020 and the bank's underlying resilience.
- SI Cost to Income ratio remains below peer group mean in spite of its increased expenses base due to the banks continued investment in technology, enhanced services and quality of its work force.
- Asset yields were impacted by modest lending growth in 2020 of 2% with limitations on the extent to which assets can be repriced to reflect increased credit risk. Such pricing limitations include pricing caps on retail lending, interest waivers and deferments in response to COVID etc.
- Customer deposits grew at a rate of 11% from 2017 to 2020 and continued its growth trajectory through Q1 2021. Such growth has supported the banks improvement in cost of funds.

Net Revenue Breakdown (USD Mn)

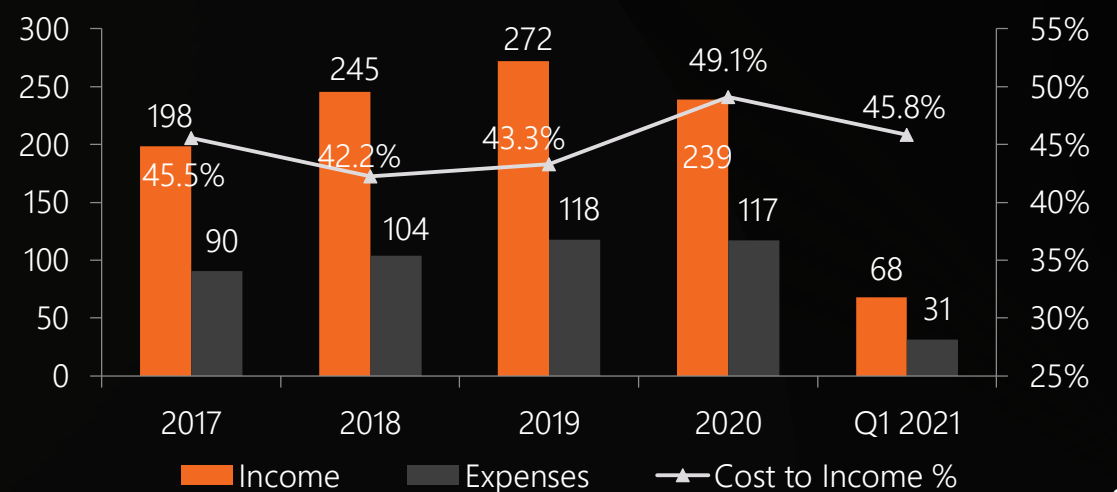


Net Interest Margin (NIM) %

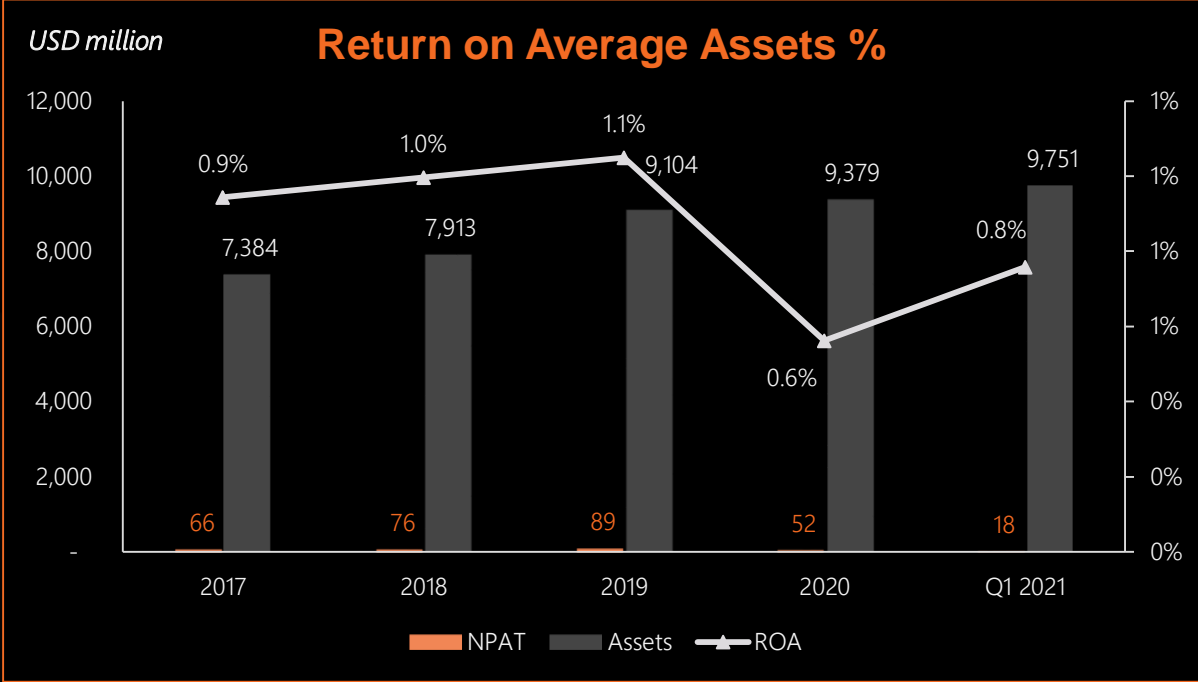
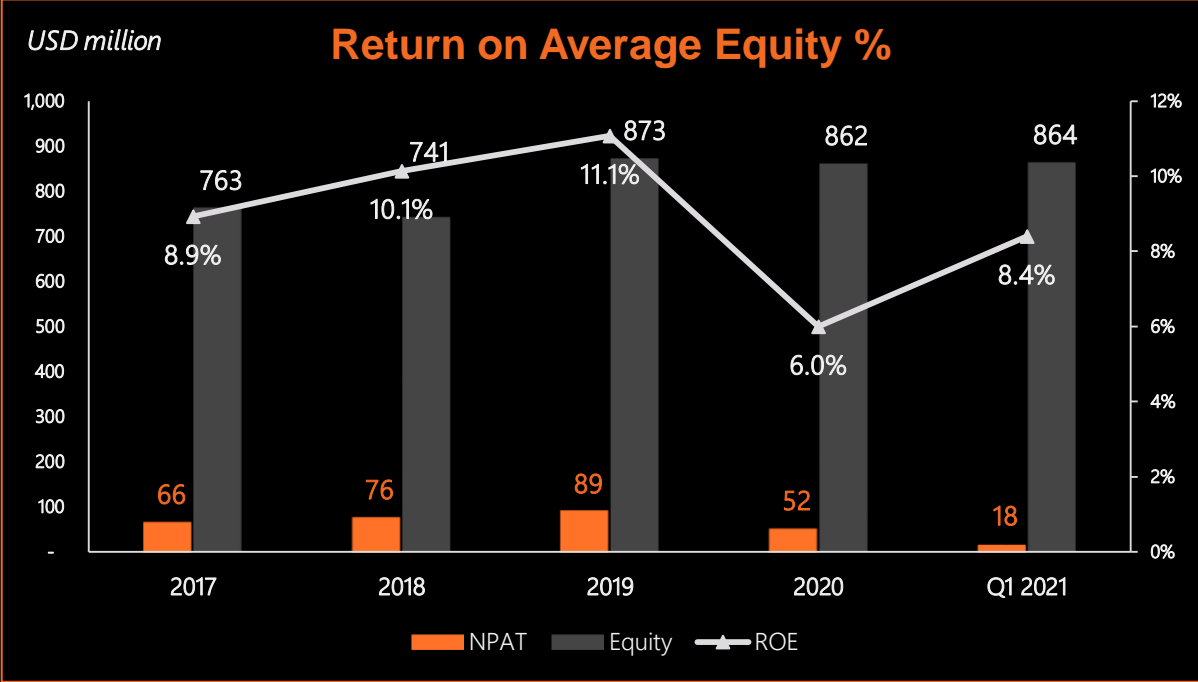


USD Mn

Cost to Income %



Earnings & Profitability

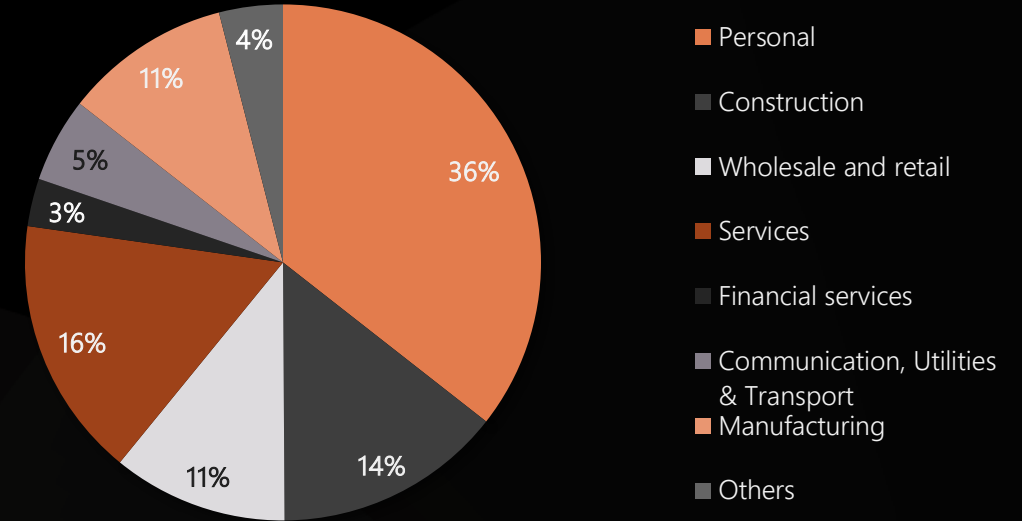


Asset Quality



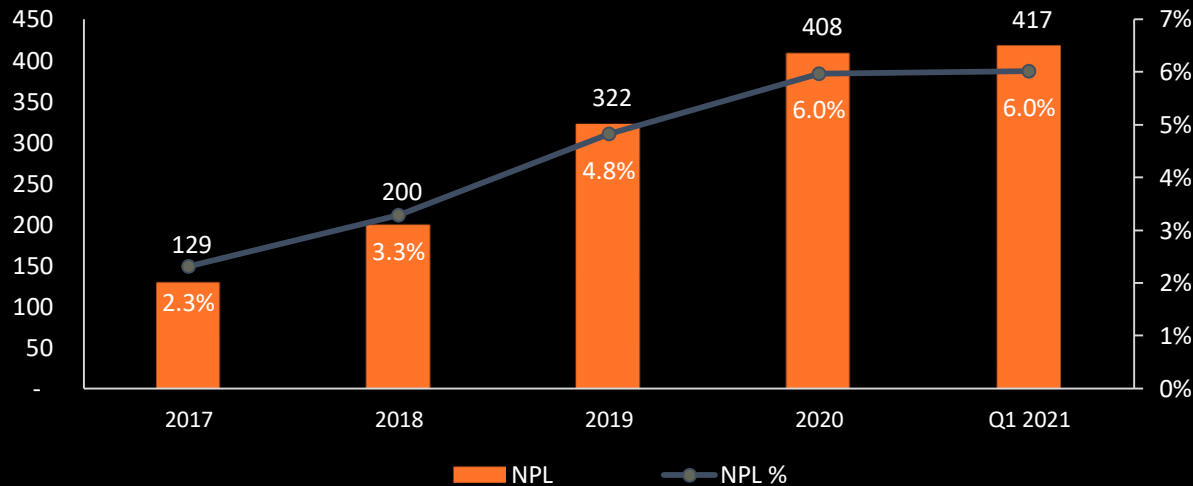
- Maintains prudent lending approach with a focus on high quality assets. Lending growth of 2% in 2020 reflects the prudent approach in response to adverse economic impact of COVID-19 and lower oil prices.
- Diversified portfolio across the sectors with continued focus on improving asset quality and re-balancing sector exposures as opportunities arise.
- Increase in non-performing loans to gross loans to 6% in 2020 reflecting bank's prudent approach to recognize problem credits and accordingly deal with problems 'head on', while increasing NPL coverage ratios.

Breakdown of Gross Loans by Sector (December 2020)



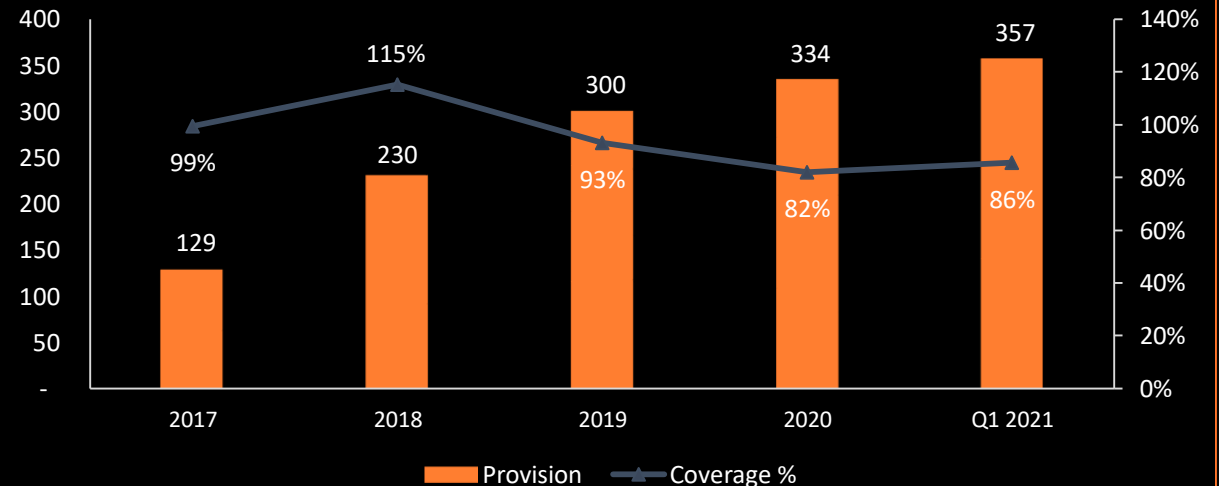
USD million

Non Performing Loans %



USD million

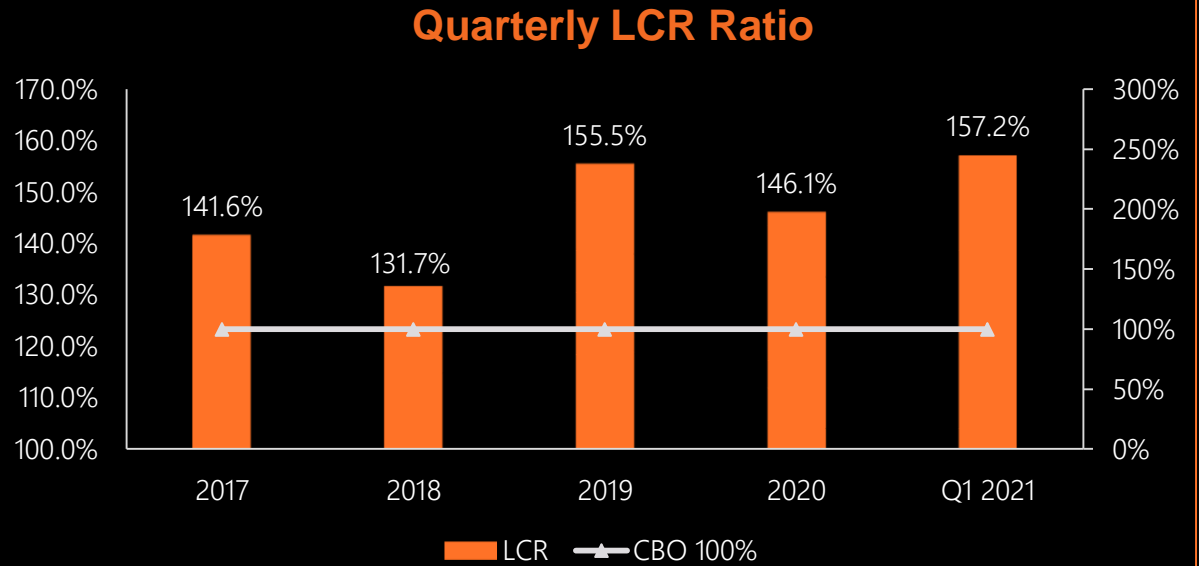
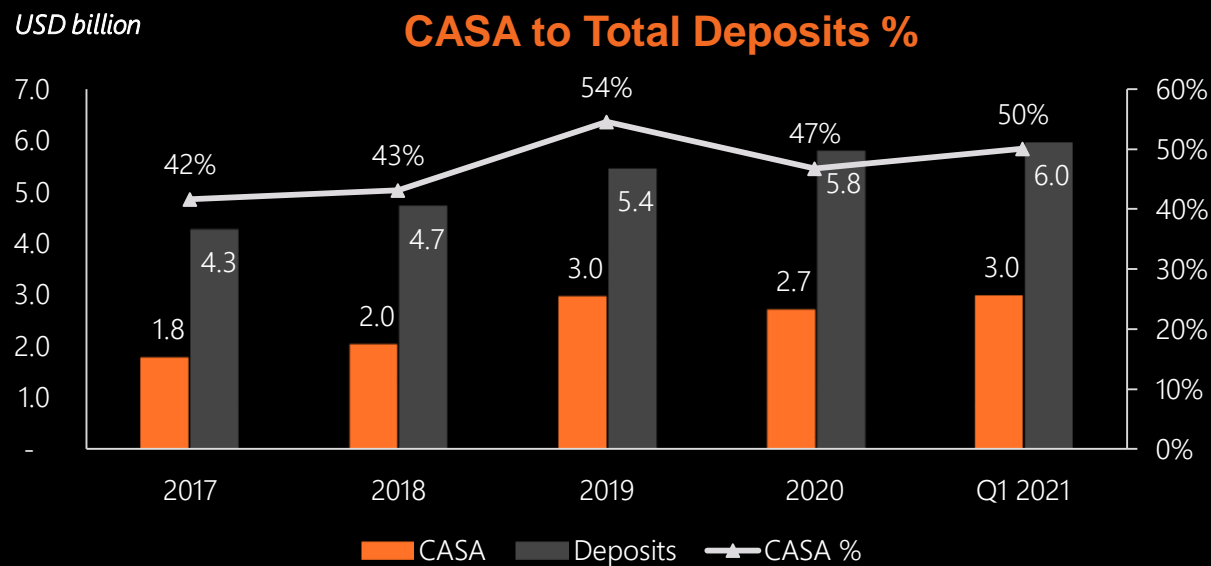
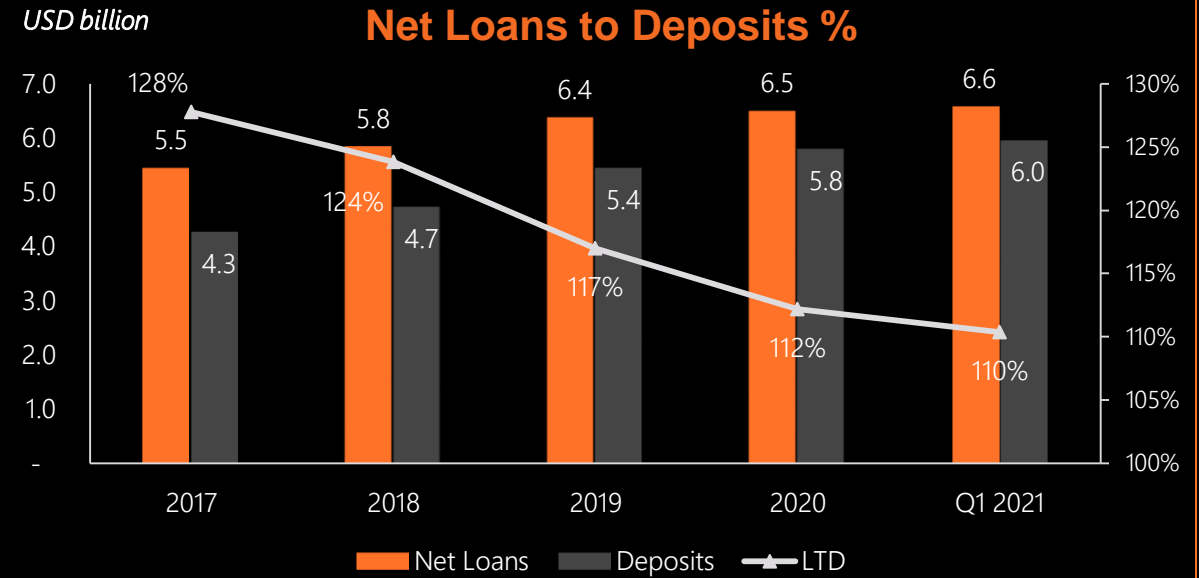
Coverage Ratio



Funding & Liquidity



- Loan to deposit ratio declined continuously over recent years reflecting managements focus on building strong funding and liquidity platform, positioning the bank for further growth.
- Focus on building a stable, low cost deposit base has seen continued improvement in the Bank's CASA ratio; from 42% in 2017 to 50% in Q1 2021.
- Strong market support, as the Bank successfully raised 2-year syndicated borrowings of USD 100 million in Q1 2020 at competitive market rates.
- Current holdings of high quality liquid assets and investments in the form of Oman government bonds and Treasury bills support Bank's overall liquidity management.

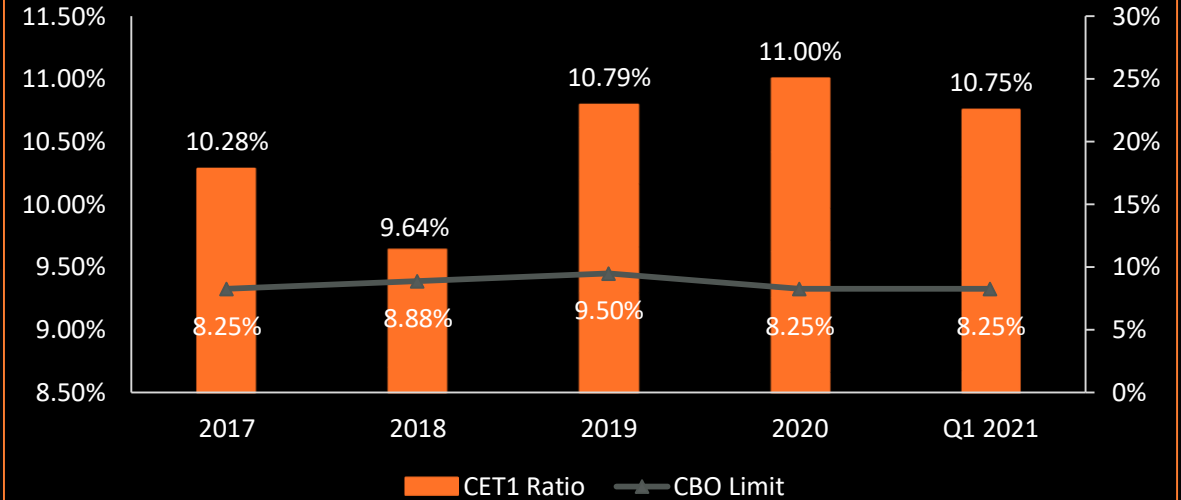


Capitalization

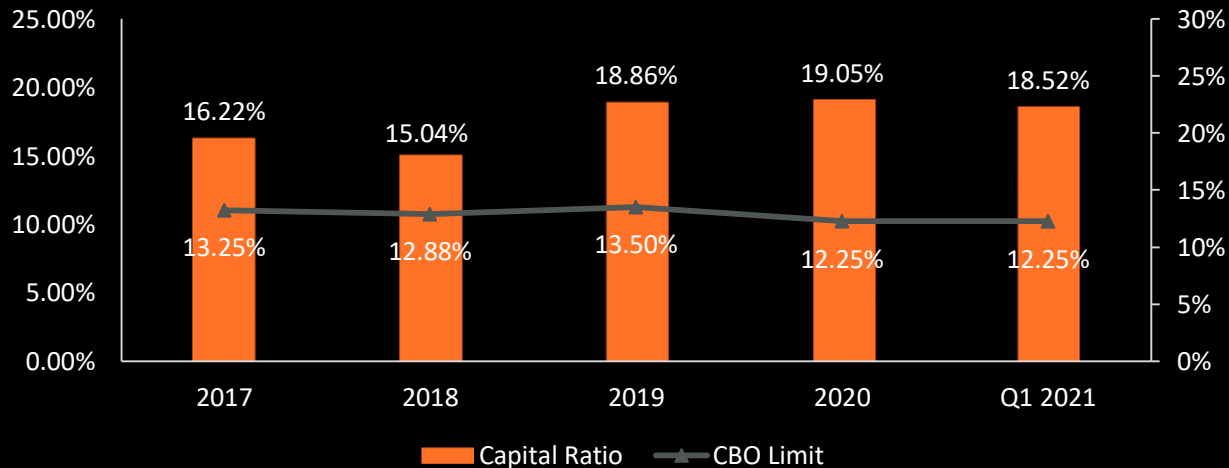


- Capital ratios are all above minimum regulatory requirements.
- CET1 capital ratio currently stands at 10.75% and is complemented by Additional Tier 1 capital securities of OMR 200m that supports a strong total capital adequacy ratio and optimizes the overall capital structure to support growth plans.
- Strong and committed shareholders.

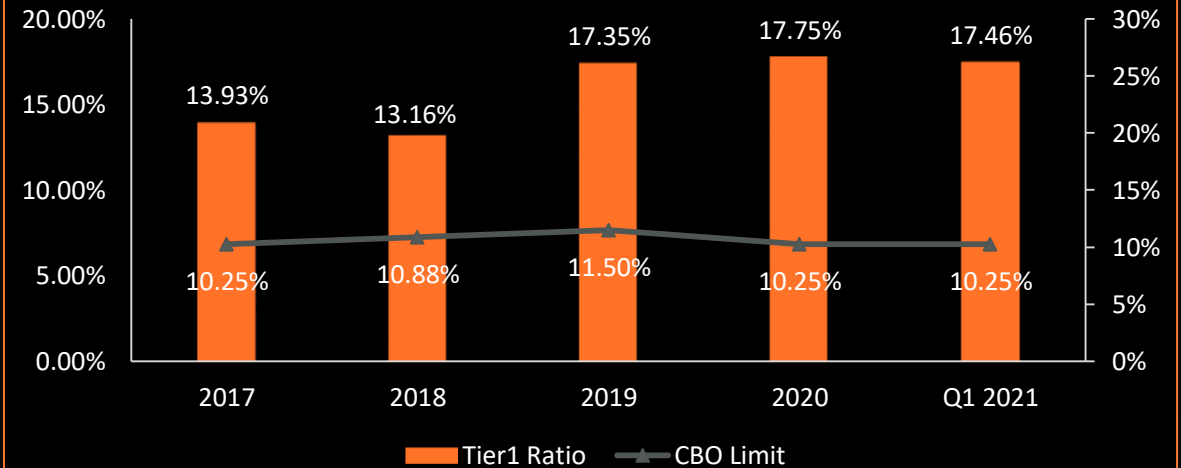
CET1 Capital Ratio



Total Capital Ratio



Tier 1 Capital Ratio



Profit & Loss Summary



USD million	2017	2018	2019	2020	Q1 2021
Interest income	284	339	381	382	91
Interest expense	(160)	(192)	(199)	(195)	(46)
Net interest income	124	147	182	187	45
Net income from Islamic financing and investing activities	10	12	15	15	4
Net fees and commission	47	41	50	33	9
Other income	17	45	25	4	10
TOTAL OPERATING INCOME	198	245	272	239	68
TOTAL OPERATING EXPENSES	(90)	(103)	(118)	(117)	(31)
NET OPERATING INCOME	108	142	154	122	37
Loan impairment charges and other credit risk provisions (net)	(30)	(53)	(49)	(60)	(16)
PROFIT BEFORE TAX	78	89	105	62	21
Income tax expense	(12)	(13)	(16)	(10)	(3)
PROFIT FOR THE PERIOD	66	76	89	52	18

Conversion rate: 1.00 OMR = 2.5974 USD
Source: Sohar International's Annual and Quarterly Financial Statements

Balance Sheet Summary



USD million	2017	2018	2019	2020	Q1 2021
ASSETS					
Cash and balances with Central Bank	474	188	233	526	286
Due from banks and other money market placements	271	315	515	212	279
Loans, advances and financing, net	5,451	5,849	6,374	6,503	6,574
Investment securities	1,075	1,384	1,656	1,821	2,258
Property, equipment and fixtures	44	51	100	115	119
Other assets	69	126	226	202	235
TOTAL ASSETS	7,384	7,913	9,104	9,379	9,751
LIABILITIES					
Due to banks and other money market borrowings	1,867	1,875	1,910	1,872	2,052
Customer deposits	4,267	4,723	5,448	5,796	5,957
Subordinated loans	92	92	92	92	93
Other liabilities	136	222	262	238	266
TOTAL LIABILITIES	6,362	6,912	7,712	7,998	8,368
EQUITY					
Share capital	464	515	614	637	637
Share premium	46	47	52	47	47
Retained earnings	188	101	100	36	34
Other reserves	64	78	107	142	146
<i>Total Shareholders' Equity</i>	762	741	873	862	864
Perpetual Tier 1 capital securities	260	260	519	519	519
TOTAL EQUITY	1,022	1,001	1,392	1,381	1,383
TOTAL LIABILITIES AND EQUITY	7,384	7,913	9,104	9,379	9,751

Conversion rate: 1.00 OMR = 2.5974 USD

Source: Sohar International's Annual and Quarterly Financial Statements

**Thank
You**

