



بنك ظفار
BankDhofar

INVESTOR PRESENTATION

DECEMBER 2021



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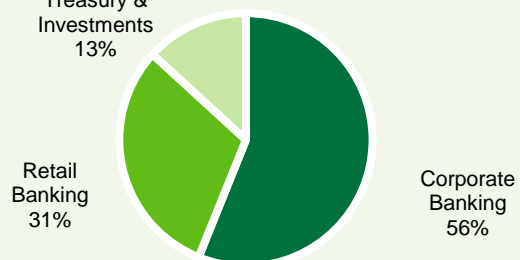
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Bank Dhofar Overview

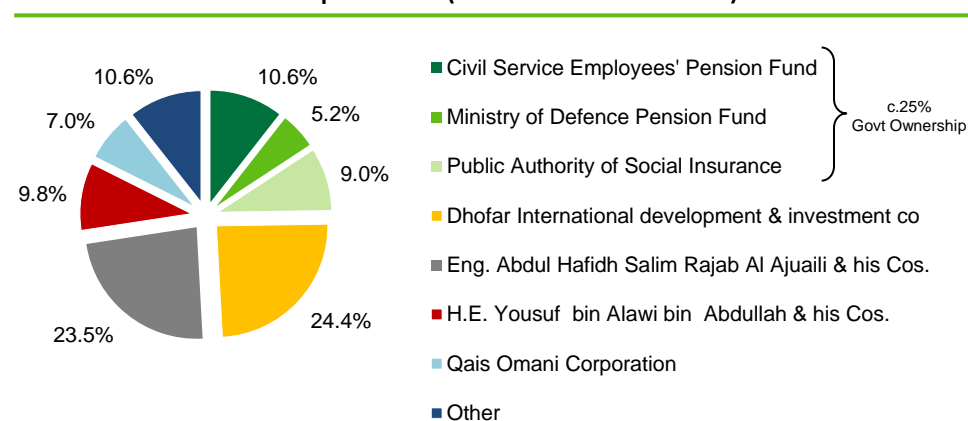
Snapshot of Bank Dhofar

Description	<ul style="list-style-type: none"> ➤ Bank Dhofar S.A.O.G. ("Bank Dhofar" or the "Bank") was established in the Sultanate of Oman ("Oman") in 1990 as a public joint stock company ➤ The Bank has a well-established retail franchise and a leader in providing corporate banking, investment banking and treasury services in Oman ➤ 2nd largest listed bank in Oman by total assets of USD 11.5 billion and 1,481 employees as of December 2021 ➤ Offers both conventional and Islamic products ➤ Operates a network of 64 branches with 54 conventional branches and 10 Islamic branches, as of December 2021
Business Segments	<p>Total Assets Split as of December 2021</p>  <p>Treasury & Investments 13%</p> <p>Retail Banking 31%</p> <p>Corporate Banking 56%</p>
Credit Rating	<ul style="list-style-type: none"> ➤ Rated 'Ba3 with outlook stable' by Moody's – October 2021 ➤ Rated 'BB- with outlook stable' by Fitch – January 2022

Financial Highlights

USD Million	2019	2020	2021
Total Assets	11,236	11,057	11,529
Total Equity	1,782	1,807	1,814
Net Loans, Advances and Financing to Customers	7,957	8,482	8,691
Customer Deposits	7,645	7,432	7,729
Total Operating Income	338	338	328
Net Profit	79	79	65
CET 1 Ratio	12.59%	12.45%	12.89%
Capital Adequacy	17.86%	17.70%	17.74%

Ownership Structure (as of 31st December 2021)



Bank Dhofar is listed on the Muscat Stock Exchange (MSX)

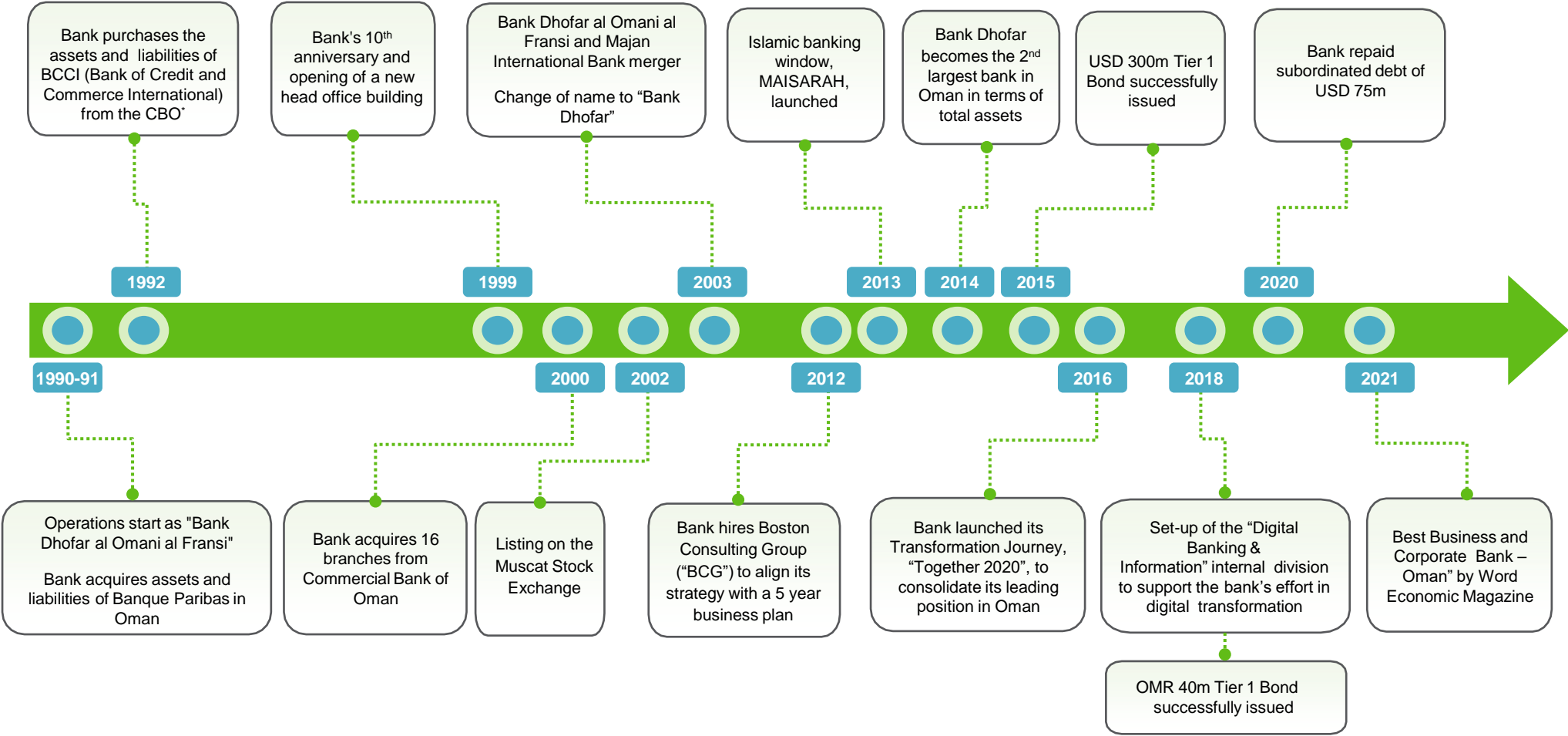
Conversion Rate: U.S.\$1 = RO 0.385

Source: Bank Dhofar's prospectus dated [28] March 2022, Bank Dhofar's Annual & Quarterly Reports

Bank Dhofar's Historic Evolvement



BANK DHOFAR HAS BEEN PROUDLY SERVING OMANI CUSTOMERS SINCE 1990



Source: Bank Dhofar
* Central Bank of Oman

1. Leading Franchise in Oman

- » 2nd largest listed bank in Oman by total assets, total customer deposits and loans, and market capitalisation
- » Diversified product offering with a well-established retail banking franchise
- » Strong corporate banking platform supporting the Government of Oman and Oman GREs
- » Award winning and one of the fastest growing Islamic banking windows in Oman

6. Experienced & Seasoned Management

- » Experienced and dedicated management team with many years of regional and global experience with leading financial institutions in both conventional banking and Islamic finance

5. Diversified & Smart Distribution Channels

- » Strong distribution network with an optimal coverage of the Oman territory (64 branches, 122 ATMs, 57 CCDMs¹, 21 FFMs² as of 31st December 2021)
- » Continuous branches modernisation with introduction of multi-function kiosk machine for convenient banking 24/7
- » Market-edge internet banking and mobile banking in Oman



2. Government Ownership

- » The Government of Oman (directly and indirectly) owns c.25% of Bank Dhofar
- » High probability of support from the government, if required, given Bank Dhofar's systemic importance for the country

3. Stable & Growing Operating Environment

- » Stable banking sector
- » Prudent regulatory environment
- » Stable political system in the Oman with excellent diplomatic relationship in the region
- » Positioned to benefit from growth in Oman with economic diversification focus, favorable population demographics and clear policy measures that would lead to the reduction of the deficit

4. Solid & Robust Capitalisation

- » Strong capital position with CAR at 17.74% and CET1 at 12.89% as of December 2021, which are well above the minimum regulatory requirements (13.5%³ and 9.5% respectively)
- » The Bank has been consistently paying dividends over the past 15 years
- » Strong shareholder base which has consistently supported the bank's capital position

1. Cash and Cheque Deposit Machines ("CCDMs")

2. Full Function Machines ("FFMs")

3. Including capital conservation buffers

MOODY'S

Foreign Long Term Bank Deposits Rating	Ba3
Outlook	Stable
Affirmed	18 th Oct 2021

“A well-established retail franchise, which supports the bank's profitability

We expect Bank Dhofar's profitability to increase, from latest reported levels, as the operating environment improves in the outlook period, following the pandemic hit and low oil prices level in 2020.”

“Very high likelihood of government support in case of need

The bank's long-term foreign and local currency deposit ratings at Ba3 are aligned with its BCA and Adjusted BCA, which are at the same level as the sovereign rating.

Our assessment of a very high likelihood of support reflects (1) the Omani government's stake in the bank (25% as of December 2020); (2) Bank Dhofar's importance to the local financial system, as the country's second-largest bank, with a 12% deposit market share; (3) the large balance of government-related deposits at the bank (32% of the bank's total deposit base as of June 2021); and (4) the Omani authorities' strong track record of supporting banks.”

Source: Moody's Investor Service Credit Opinion - October 24th, 2021

Fitch Ratings

Long Term Issuer Default Rating	BB-
Outlook	Stable
Affirmed	13 th Jan 2022

“BD is the second largest bank in Oman with a 12% market share of end-2020 sector assets supported by a large domestic branch network and a long-standing presence in retail banking (around 13% share of sector retail loans)”

“The bank is increasingly benefiting from the diversification provided by its sharia-compliant business, which was launched in 2013 and represents around 17% of the bank's profits before for tax and around 15% of total assets. In 2020 additional capital of OMR15 million was injected internally from the conventional bank to the Islamic bank to support future growth”

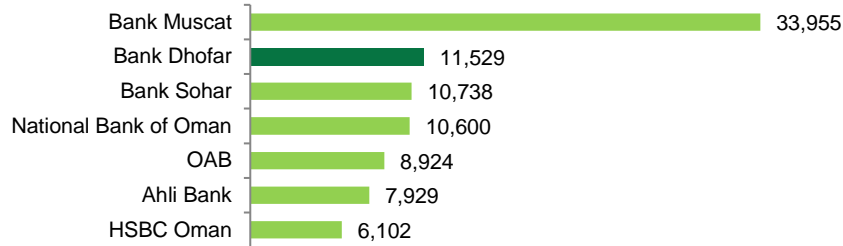
“BD's strategic objectives are focused on the diversification of the corporate lending franchise and improving the funding mix through growth in retail and corporate CASA (current accounts and savings accounts) deposits.”

Source: Fitch Ratings Rating Report – Jan 13th, 2022

Oman Banking Sector Comparison

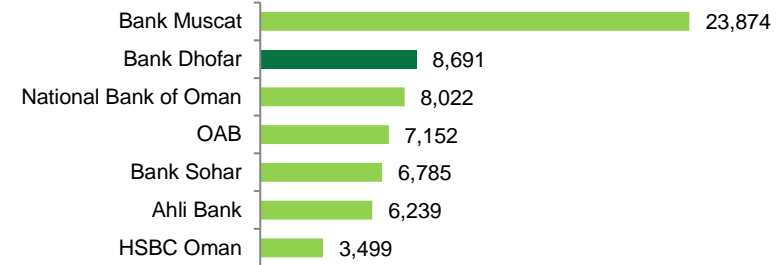
Total Assets

USD million, 31st December 2021



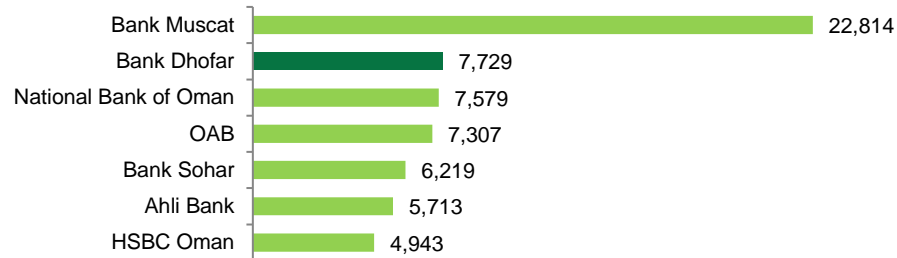
Net Loans

USD million, 31st December 2021



Total Customer Deposits

USD million, 31st December 2021



Loans To Deposits Ratio*

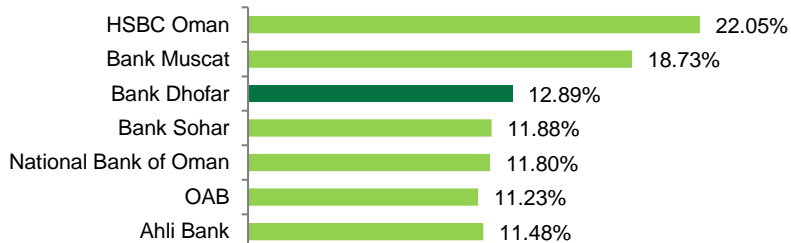
Per cent., 31st December 2021



* Net loans, advances and financing to customers divided by deposits from customers

CET 1 Ratio

Per cent., 31st December 2021



Capital Adequacy Ratio

Per cent., 31st December 2021



Conversion Rate: U.S.\$1 = RO 0.385

Source: Bank Dhofar's Prospectus dated [28] March 2022

Comparison includes only MSM listed banks, Excluding Islamic banks; Source for Comparable Banks: SNL Data

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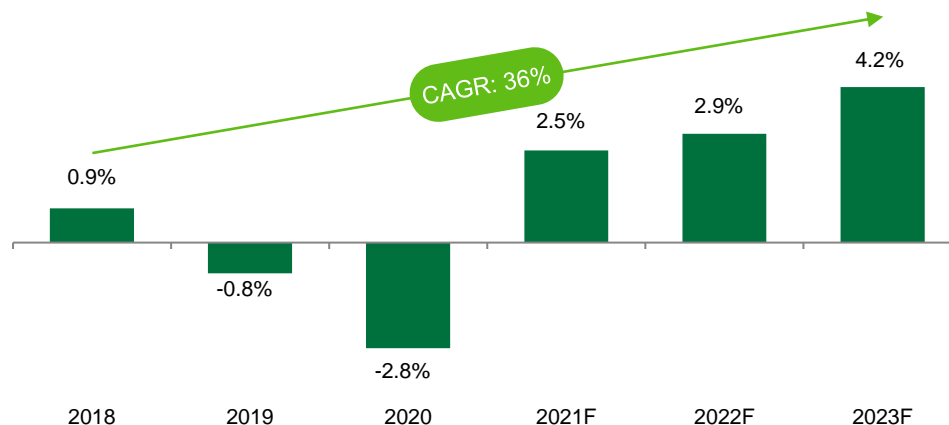
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Overview of Sultanate of Oman

Overview

- **2nd largest country in the GCC** with an area covering approximately 309,500 km². Strategically placed on the Arabian Gulf, Oman is divided into 11 main governorates and shares borders with Saudi Arabia and UAE.
- **Stable Political System** - smooth transition of power to His Majesty Haitham bin Tariq Al Said in January 2020. In his opening speech, His Majesty promised to uphold his predecessor's peace-making foreign policy and to further develop Oman's economy
- **Population of 4.5mn** - predominantly represented by Omani Nationals who account for 61% of the total population
- **Resilient and Solid Economy** – focus on long-term planning with the implementation of a five-year economic development strategy plan.
- **Real GDP growth is forecasted to increase** to 2.9% in 2022 and continue to grow and projected to reach 4.2% in 2023 (IMF)
- **“Vision 2040”** – government led programme, aimed at creating wealth through economic diversification and private sector partnership, building world-class infrastructure, and preserving environment sustainability

Real GDP Growth²



2. Source: IMF World Economic Database (October 2021)

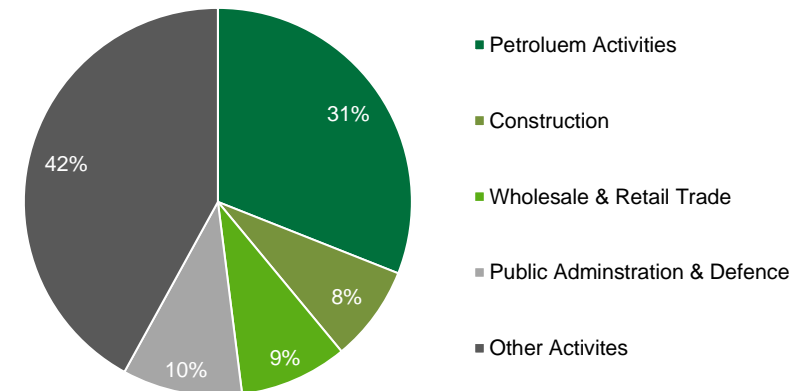
Key Figures



Key Indicators	Dec 2021
Sovereign Ratings (Moody's / S&P / Fitch)	Ba3/B+/BB-
Gross Domestic Product	USD 80.61bn ¹
Gross Domestic Product Per Capita	USD 17,632 ¹
Government Net Debt (% of GDP)	30.32% ¹
Inflation	3.00%
Population	4.5 million

1. Source: IMF World Economic Database (October 2021), Forecast figures

GDP Composition (September 2021)³



3. Source: National Centre For Statistics & Information (NCSI) - September 2021

Oman Credit Strengths & Robust Long-Term Plan

Committed to fiscal sustainability through the Tawazun Program, designed to achieve a primary fiscal balance by 2024 and strengthening the Sultanate's credit position

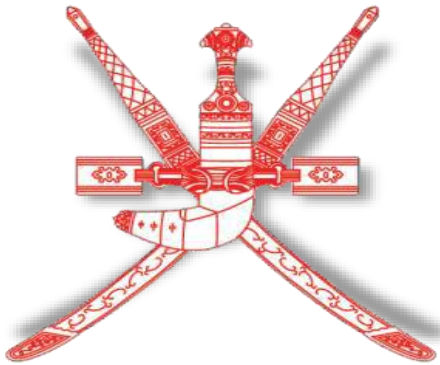
Continuing reform momentum to improve the domestic investment environment and promote private sector-led growth and job creation

Focused plan to diversify the economy beyond the hydrocarbon sector, strengthening economic resilience

Robust external position reflecting the impact of reform initiatives with external buffers enhancing the economy's capacity to absorb shocks

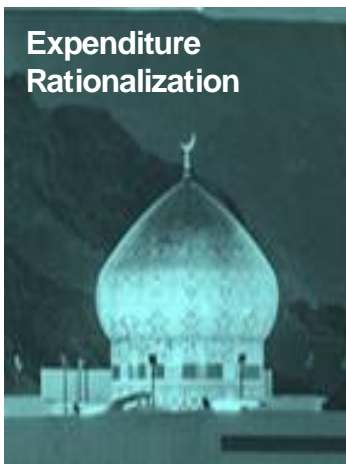
Effective decision-making and institutional depth showcased by rapid implementation of supportive measure to limit the impact of COVID-19

Oman's geographical location, at a crossroads of global trade, and its resource mix position it as an international centre for trade and shipping as well as highlights its attractiveness as a touristic destination



The Tawazun Program has led to the Development of the MTFP 2020 - 2024, which includes a mix of revenue mobilization and expenditure rationalization initiatives as well as measures to strengthen governance around the management of public finances

Expenditure Rationalization



Civil Ministries and Expenditures

- Introduction of individual and entity performance management system

Wage Bill

- Government has continued to keep strict control over the civil service wage bill
- Hiring freeze on new entrants

Defense and Security

- Strategic procurement management
- Enhanced sourcing, controls, standardized pricing, and expertise

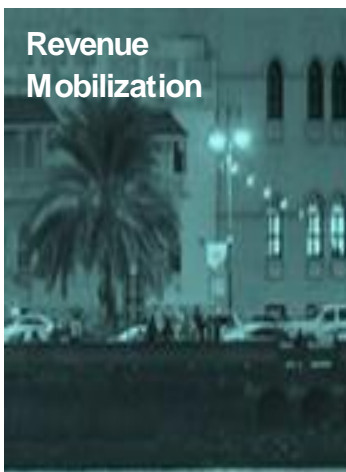
Electricity and Water Subsidy Removal

- First phase of gradual removal has begun
- Phasing out expected to take place from 2021 to 2025

Civil Investment

- Review/optimize commitments
- Rationalize new spend
- Strengthen capex spending governance / oversight
- Oil and Gas shifted off-budget

Revenue Mobilization



Value Added Tax

- Implemented at a base rate of 5% in line with other GCC member states on 16 April 2021

Enhancing Investment Returns

- Established SOE Reform
- Established dividend targets

Strengthening Tax Administration and Collection

- Technical assistance from HMRC (UK)
- Corporate income tax registration compliance
- Statutory penalties / fines
- HR / capabilities
- Integration of tax management systems
- Review tax regime
- Risk based audit framework/procedures

Personal Income Tax

- Approved as part of the Tawazun Program
- Consultant working on benchmarking, developing policy framework and reviewing legal framework.

Economic Stimulus Plan

- Support economic recovery efforts
- Stimulating business environment and investment climate
- Reducing income tax from 15% to 12% for SMEs

Overview of the Oman Banking Sector

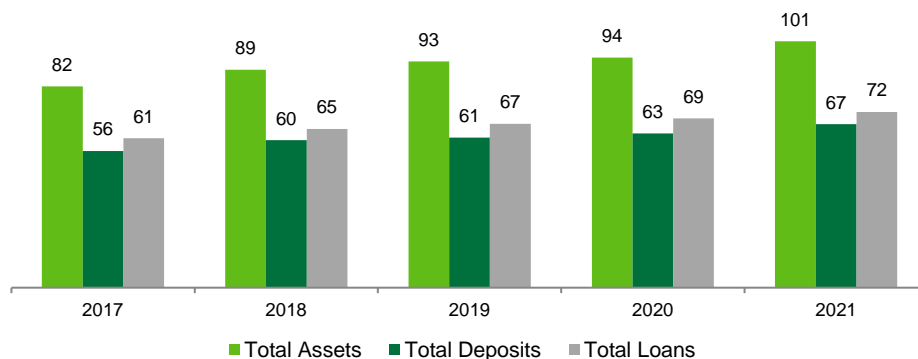
- The Oman Banking Sector comprises 20 licensed banks, of which:
 - 16 conventional commercial banks: 7 locally incorporated and 9 branches of foreign banks
 - 2 state-owned specialised banks: Oman Housing Bank and Oman Development Bank
 - 2 full-fledged locally incorporated Islamic banks
- The Oman banking sector has been growing consistently in the past decade with banking assets reaching over USD 101 billion as at December 2021:
 - USD 86 billion for conventional banks and USD 15 billion for Islamic banks and windows
 - Islamic banking sub-sector has been growing considerably in the past years
- The banking sector has limited reliance on foreign funding, mainly due to strong domestic deposit base

Regulatory Frame set by The Central Bank of Oman (“CBO”)

- Several regulatory and supervisory initiatives have been implemented by the CBO to develop a competitive and sound banking system
- Imposing robust bank capitalization levels
 - Implementation of Basel III regulation
 - Introduction of a Prompt Corrective Action framework (the PCA) in 2005, which makes it mandatory for banks to take corrective actions if their total capital adequacy ratio falls below a certain level
- Credit quality and provisioning – implementation of IFRS 9 as a more conservative accounting standard for measuring and booking credit related provisions
- Funding and liquidity - directing Oman banks towards a deposit-based funding and significant liquidity buffers
 - NSFR (minimum of 100%) and LCR (minimum of 100% by January 2019): key reforms to maintain a stable funding profile and a sound liquidity level
- Oman is one of the first country in the region to issue a bank resolution framework in 2019 to reinforce further financial stability in the banking sector

Assets, Deposits and Loans of Oman Banks

USD billion



Islamic Banking Assets of Oman Banks

USD billion

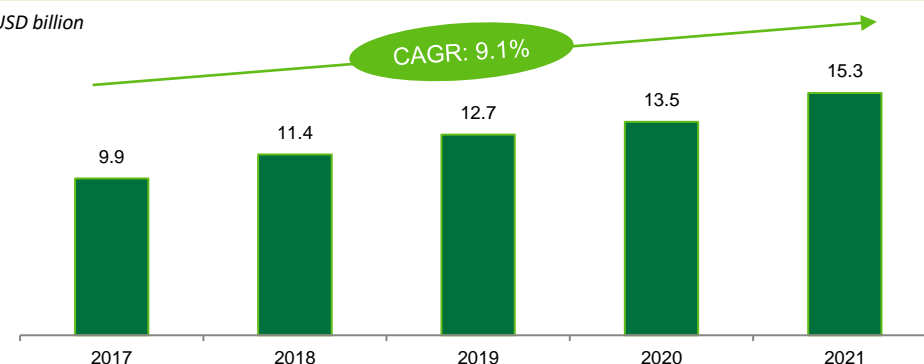


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Retail Banking Group

- Provides banking services to over 279,000 customers as of 31st December 2021
- Network of 64 branches, 122 ATMs, 57 CCDMs, 21 FFMs as of 31st December 2021
- Wide range of services tailored to retail customer needs, including deposits, lending, education loans, debit and credit cards, priority banking, Hawa ladies banking, Youth and Student Banking, savings products and bancassurance
- The Bank is actively strengthening its retail customer experience by strongly promoting alternatives to the traditional branch network including internet banking, mobile banking, ATMs, CCDMs and FFMs

Wholesale Banking Group

Corporate Banking

- Solid client base with banking services provided to approximately 17,000 corporate customers as of 31st December 2021
- The Corporate Banking department provides services and products tailored to appeal to large corporate customers and growing corporates in Oman and includes project finance and syndication for infrastructure projects
- The Bank's corporate customer base is spread out across a wide range of industries which include trading, manufacturing, services and contracting

Treasury & Investments

- The Treasury & Investments department predominantly manages the funding and liquidity requirements of the Bank. The department also manages the interest rate risk, exchange rate risk, market risk and liquidity risk to which the Bank is exposed to
- The operations of the Treasury & Investments department are arranged by the following desks: Foreign Exchange and Derivatives Sales, Money Market and Intra-bank Desks
- The Bank has recently received a license from the CBO allowing it to sell commodities directly to customers for hedging purposes

Islamic Banking (Maisarah)

- In 2013, the Bank launched Maisarah, under which offers retail, corporate, treasury and investment banking Shari'ah-compliant financial services and products to its customers
- All activities conducted by Maisarah are independent and separate from the Bank's conventional banking operations. To date, the Bank has established an Islamic finance banking team at its head office and has opened 10 dedicated Islamic banking branches (which are exclusively available to its Islamic banking customers)
- Maisarah named Best Islamic Bank in Oman in 2019 (by Middle East Banking Awards, EMEA Finance)

December 2021	USD mn	% of Total
Total Assets	3,082	26.7%
Net Operating Income	104.3	31.8%
Net Profit	9.7	14.9%

December 2021	USD mn	% of Total
Total Assets	5,444	47.2%
Net Operating Income	126.2	38.4%
Net Profit	7.5	11.5%

December 2021	USD mn	% of Total
Total Assets	1,216	10.6%
Net Operating Income	45.6	13.9%
Net Profit	24.8	38.1%

December 2021	USD mn	% of Total
Total Assets	1,787	15.5%
Net Operating Income	52.3	15.9%
Net Profit	23.2	35.5%

“Bank’s Strategic Pillars - enablers to consolidate our position as a leading bank in Oman

Focus on four strategic axes

Unparalleled Customer Experience

- Ensure consistency and promptness of the delivery of services across all channels
- Segment-specific model including products, services, and channels
- Digital Banking program to offer convenience and optimize customer reach

- ✓ Designed and implemented customer journeys across multiple channels including e-Banking and new branches
- ✓ Re-engineering and digitization of multiple processes aimed at improving efficiencies and customer experience
- ✓ Implemented CRM to drive sales and enhance customer experience

Strong Brand

- Strengthen brand visibility
- Monitoring of marketing initiatives’ effectiveness and brand perception
- Emphasis on the unique offerings to customers

- ✓ “Best Customer Experience Transformation Strategy Award” – by Customer Experience - Middle East Awards
- ✓ Bank’s branding at Muscat international airport
- ✓ Significant engagement in Social Media

Performance Based Culture

- Increase employee engagement, employee experience and strong performance management
- Improve talent acquisition and retention
- Promote a value-based compliance culture

- ✓ Built the Bank Dhofar Performance Academy and a strong e-learning platform to drive performance culture
- ✓ Continuous review and enhancement of our compliance policies and procedures to ensure full compliance with regulatory guidelines and relevant international standards and practices

Lean Operating Model

- Building a lean culture aimed to achieve continuous improvement to the Bank’s operations
- Ongoing review and revamp of operating models and operations in order to achieve the best fit target operating model for various departments

- ✓ Established Lean Six Sigma Certification program with approximately 120 staff enrolled in yellow, green and black belt certification programs
- ✓ Starting to reap benefits (both financial and non-financial) from lean programs



Continue to expand Islamic banking capabilities



Strengthen Bank Dhofar’s business through inorganic expansion

Award winning and one of the fastest growing Islamic banking windows in Oman

Consider selective inorganic growth opportunities that fit Bank Dhofar’s Strategy and could create value for the different stakeholders of the Bank

Most Recent Awards and Accolades

The Bank's efforts in product development, innovative solutions and enhanced customer experience were widely recognized by various reputable local and international organizations. Despite all economic challenges posed by the unprecedented COVID-19 pandemic, the Bank has solidified its brand image during 2021

This can be corroborated by the fact that Bank Dhofar was announced most trusted brand by Oman Economic Review Magazine (OER). Moreover, the Bank was also proclaimed "**Best Business and Corporate Bank – Oman**" by Word Economic Magazine. Finance Derivative Magazine crowned the Bank with two awards i.e. **Best Investment Bank and Best Commercial Bank** respectively. Most recently, Asiamoney Middle East acknowledged Bank Dhofar as **Best Bank for SMEs and Best Digital Bank** in Oman banking sector.



Best Commercial Bank – Sultanate of Oman – Finance Derivative Magazine Awards 2021



Best Investment Bank - Sultanate of Oman – Finance Derivative Magazine Awards 2021



Technology Innovation of the Year Award – Sultanate of Oman by the ABF Corporate & Investment Banking Awards 2021



Ranked among top 50 banks in Middle East – Forbes Middle East



Best Digital Bank in Oman– Asiamoney Middle East's Best Bank Awards 2021



Best Islamic bank in Oman – Maisarah Islamic Banking Services at the Middle East Banking Awards 2019



Corporate & Investment Bank of the Year – Oman by the Asian Banking and Finance Corporate and Investment Banking Awards 2019



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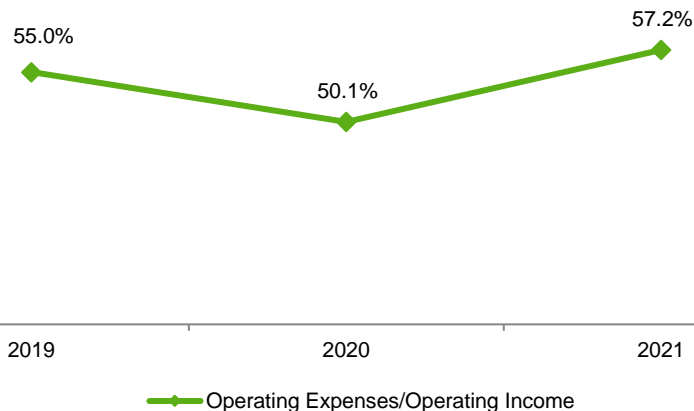
Appendix

Profitability & Operating Performance

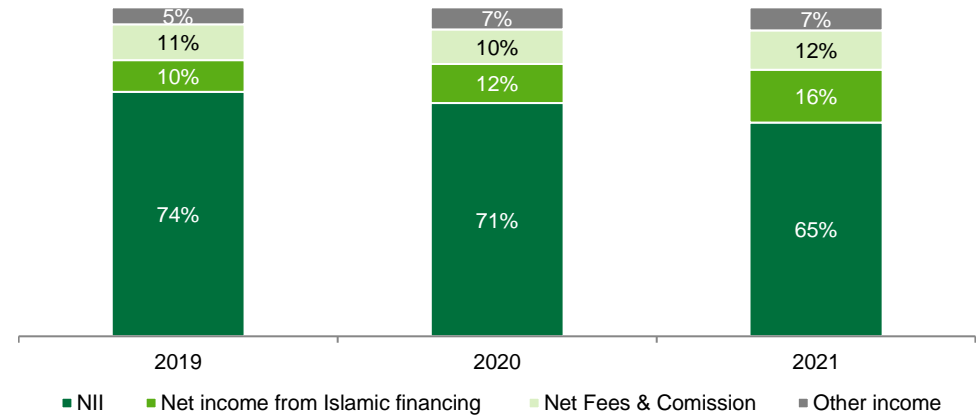
Highlights

- Operating income has remained relatively stable despite a decrease in net loans, supported by an increase in investment income
- Increase in cost to income ratio due to the Bank's investment program with the opening of new, modern branches and technological investments to support its digitalization
 - Management team is focused on optimizing the cost to income ratio
- Evolution of RoAE should be looked at in conjunction with the improvement of the Bank's
 - CET1 – resulting in a higher capital base

Operating Income-to-Operating Expense

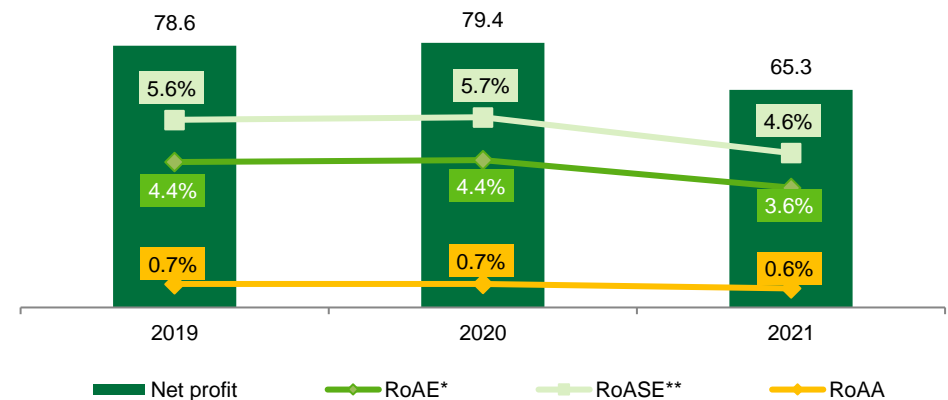


Net Revenue Breakdown



Net Profit and Annualised Return on Average Assets & Shareholders Equity

USD million



Conversion Rate: U.S.\$1 = RO 0.385

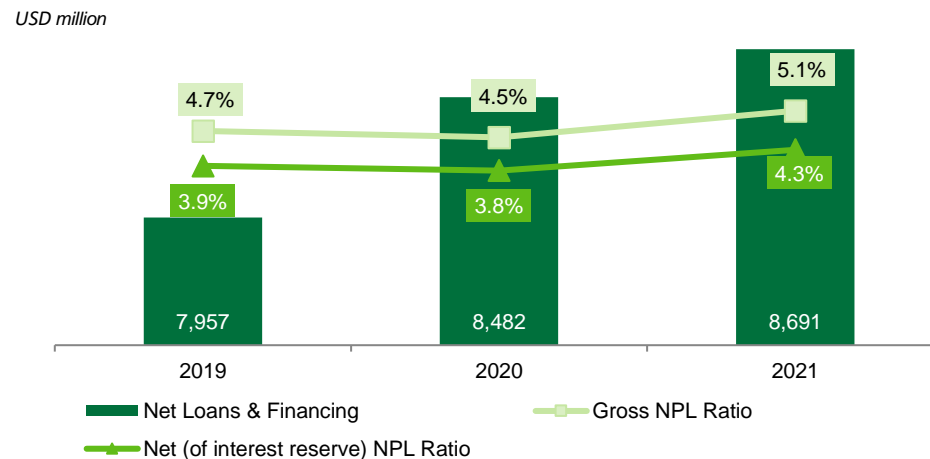
Source: Bank Dhofar's prospectus dated [28] March 2022, Bank Dhofar's Annual & Quarterly Reports

*Return of Average Total Equity **Return on Average Shareholder Equity

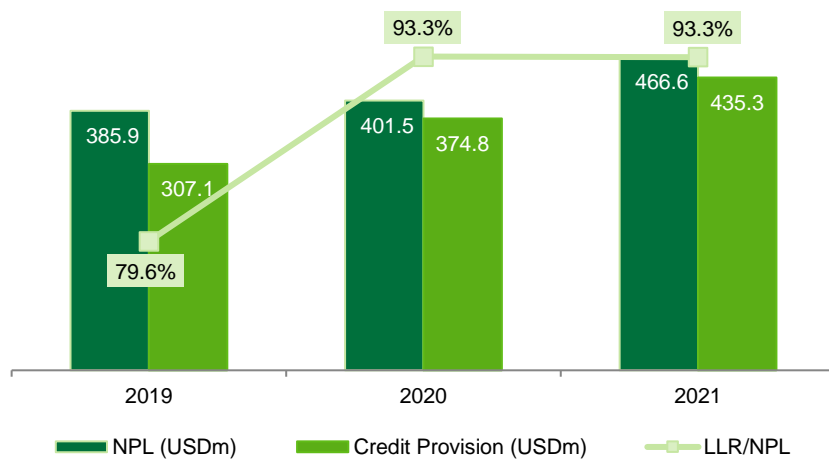
Highlights

- After a period of rapid growth, the Bank has pro-actively reduced its loan growth starting 2017 by adopting a more conservative lending approach with a focus on credit quality
- Diversified loan portfolio across the sectors with a strong franchise in retail
- Increase in NPL ratio due to negative loan growth and softer economic environment
- The Bank's expected credit losses on financial assets for the year decreased by 15.0% in 2021 (compared to 2020)
- This decrease was principally a result of reduced expected credit losses on stage 2 and stage 3 for the year ended 31 December 2021 as compared to previous year

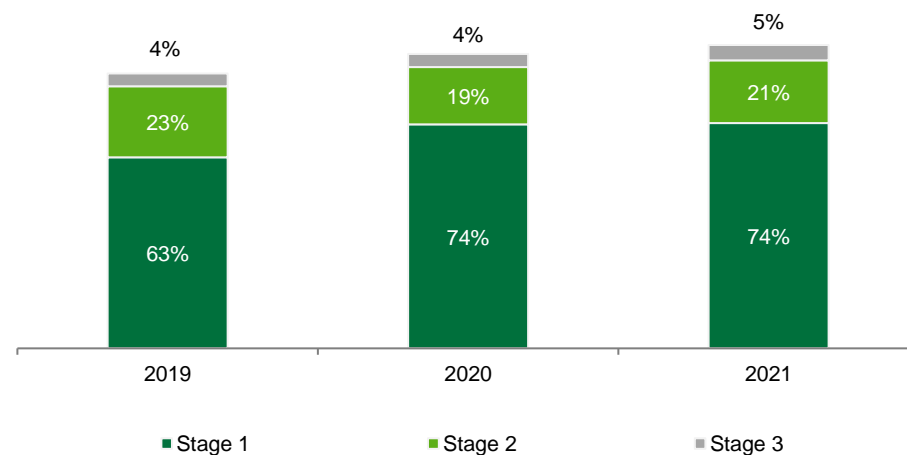
Net Loan & Financing Portfolio and Non-Performing Loans



Impaired Assets & Provisioning



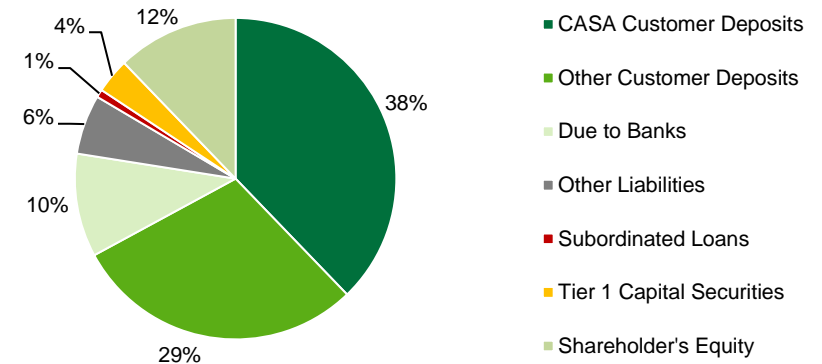
Asset Quality



Highlights

- Stable funding structure with access to diversified sources of funding
- The Bank is primarily deposit-funded with a broadly stable deposit base, including sticky deposits from GREs
- The Bank holds a portfolio of highly liquid investment securities which consists primarily of Oman sovereign instruments, available for repo to obtain immediate liquidity from the CBO if needed
- NSFR compliant with a ratio of 110.49%, and a strong LCR of 154.09% as of December 2021

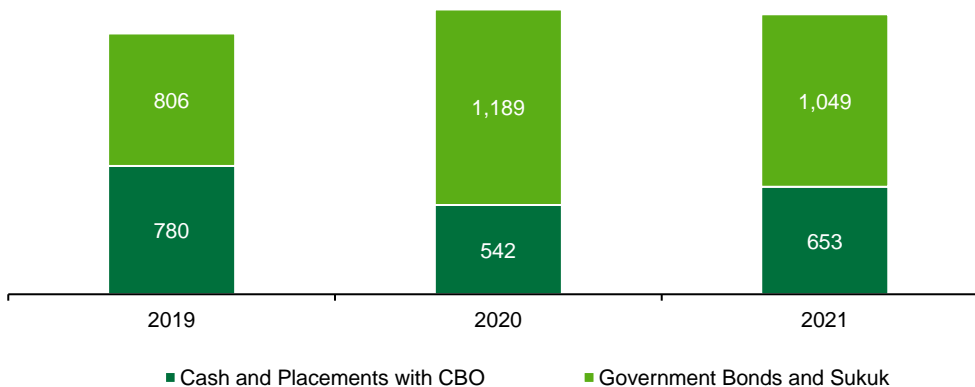
Funding Mix (USD 11,529 bn as of 31st December 2021)



CASA represents 56% of Total customer deposits as at 31st December 2021

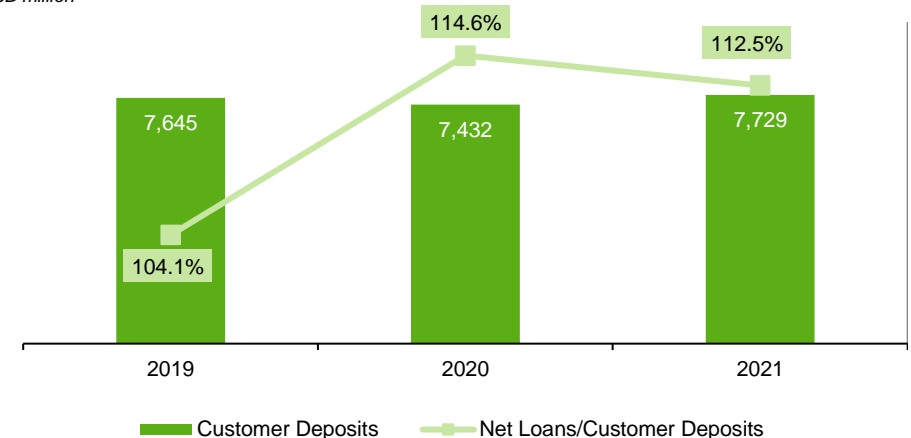
Overview of Liquidity

USD million



Customer Deposits and Loan to Deposit Ratio

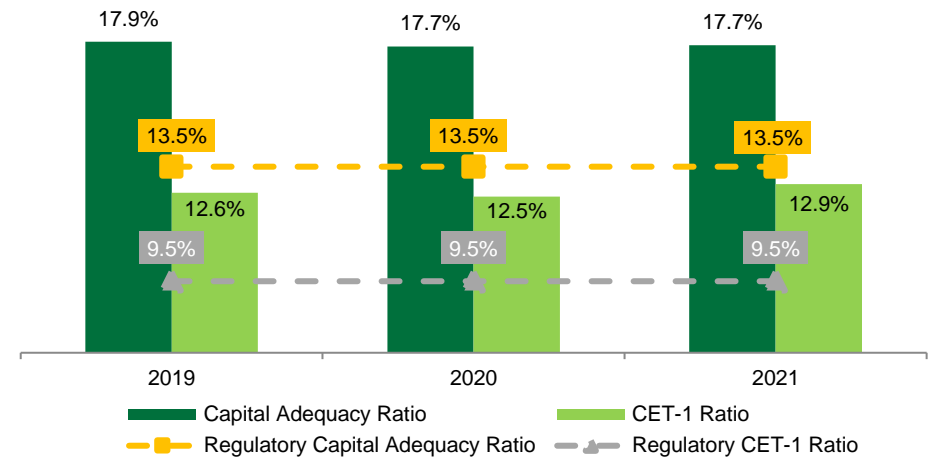
USD million



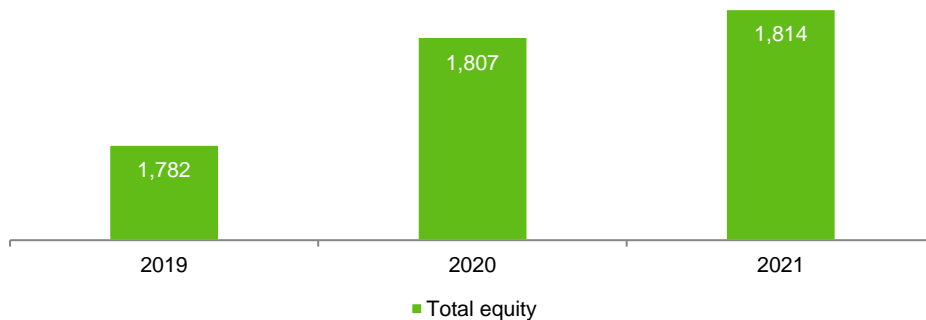
Highlights

- Significant improvement of the Bank's capital position thanks to a combination of rights issue, retained earnings and balance sheet optimisation while the initial impact of IFRS 9 on capital was minimal
- The Bank is reporting capital ratios comfortably above minimum regulatory requirements
- The Bank has been able to constantly distribute dividends during the past few years

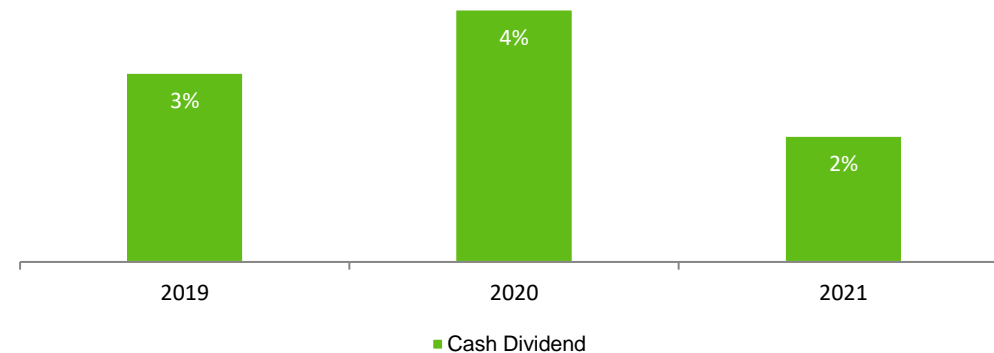
Capital Ratios vs. Regulatory Capital Requirements



Total Equity¹



Cash Dividend²



Conversion Rate: U.S.\$1 = RO 0.385

Source: Bank Dhofar's prospectus dated [28] March 2022, Bank Dhofar Annual & Quarterly Reports

1. Including Tier 1 capital. 2. Cash dividends over Share capital.

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Risk Management Structure

The Risk Management Division, Board of Directors and management committees work closely together to implement the Bank's risk policy and framework across all activities of the Bank. The following diagram sets out the Bank's risk management structure



Board Members & Board Committees

Bank Dhofar Board of Directors

Shari'ah Supervisory Board

BEC

Board Executive Committee

BAC

Board Audit Committee

BRC

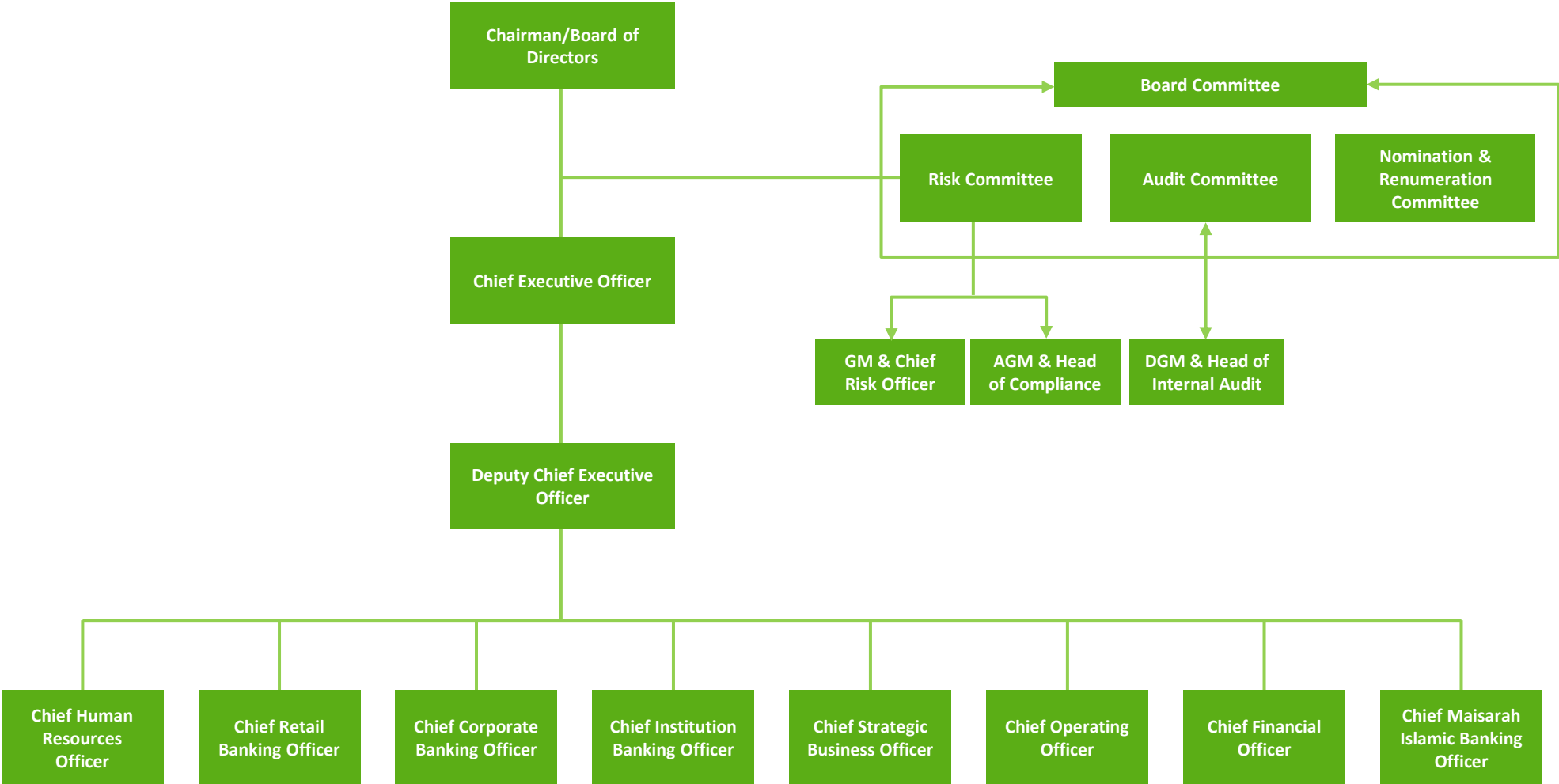
Board Risk Committee

BNRC

Board Nomination &
Remuneration Committee

Name of Director	Position	Year of Appointment	Appointment Expiration	Representing
H.E. Eng. Abdul Hafidh Salim Rajab Al Ojaili	Chairman	2022	2025	Himself
Mr. Ahmed bin Said Al Mahrezi	Vice-Chairman	2022	2025	Civil Services Employees' Pension Fund
Sheikh Tariq Salim Mustahail Al Mashani	Director	2022	2025	Qais Omani Establishment
Mr. Mohammed Yousuf Alawi Al Ibrahim	Director	2022	2025	Himself
Mr. Tariq Abdul Hafidh Al Aujaili	Director	2022	2025	Himself
Sheikh Khalid Said Al Wahaibi	Director	2022	2025	Malatan Trading and Contracting LLC
Mr. Ahmed Sultan Rashid Al Yaqoubi	Director	2022	2025	Himself
Mr. Hamdan Abdul Hafidh Hamdan Al Farsi	Director	2022	2025	Public Authority for Social Insurance
Mr. Faisal Mohammed Moosa Al Yousef	Director	2022	2025	Dhofar International

Organizational Structure



Source: Bank Dhofar

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Overview of the Terms of Bank Dhofar AT1 Offering

Issuer	Bank Dhofar S.A.O.G.
Issuer's Senior Rating (Moody's) / (Fitch)	Ba3 (Stable) / BB- (Stable)
Issue Rating	Unrated
Format / Size	Reg-S USD [●]m
Maturity / Call Dates	Perp-NC[5.25]. [callable at any time from year 5 to 5.25 and thereafter on every interest payment date]
Status of the Capital Securities	The payment obligations of the Bank under the Capital Securities will: (a) constitute Tier 1 Capital of the Bank; (b) constitute direct, unsecured, unconditional and subordinated obligations of the Bank that rank pari passu amongst themselves; (c) rank junior to all Senior Obligations; (d) rank pari passu with Pari Passu Obligations; and (e) rank in priority only to all Junior Obligations
Distributions	[●]% payable semi-annually until the First Reset Date To be reset to a new fixed rate on the First Reset Date and every 5 years thereafter to the then prevailing 5-Year Treasuries + initial credit spread) Non-cumulative cancellation at the Issuer's discretion, subject to a Dividend Stopper Non-payment upon (i) the Issuer having insufficient Distributable Items (ii) breach by the Issuer of Applicable Regulatory Capital Requirements (iii) the request of the Regulator or (iv) the Issuer electing not to pay an interest payment
Dividend Stopper	Following non-payment of interest on the Capital Securities, distributions on, redemption or purchase of share capital and parity securities are restricted, until one Interest Payment amount has been paid in full
Optional Early Redemptions	Tax Event, at par, subject to Redemption and Variation Conditions Capital Event (full disqualification), at 101%, subject to Redemption and Variation Conditions
Variation	Upon Capital Event or Tax Event, subject to Redemption and Variation Conditions
Point of Non-Viability	On a Non-Viability Event, the Capital Securities shall be written-down permanently (in whole or in part) to the extent required except where a public sector injection of capital (or equivalent support) is required, where the write-down shall be full and permanent
Expected IFRS Treatment	Equity
Governing Law	English Law except for the subordination clause to be governed by the laws of Oman
Listing	Euronext Dublin
Denominations	USD 200,000 and integral multiples of USD 1,000 in excess thereof
Global Coordinator	HSBC Bank plc
Joint Lead Managers and Joint Bookrunners	Bank ABC, Barclays Bank PLC, Bank Dhofar, Emirates NBD Capital Limited, First Abu Dhabi Bank PJSC, HSBC Bank plc, J.P. Morgan Securities plc and Standard Chartered Bank

Bank Dhofar & Recent GCC AT1 Issuances

	Bank Dhofar	Riyad	Warba	KFH	AUBK	ENBD	DIB	Boubyan	NBK	NCB	DIB	CBD	FAB	ENBD	NBK
Issue Date	[•]-22	Feb-22	Nov-21	Jun-21	Jun-21	May-21	Apr-21	Apr-21	Feb-21	Jan-21	Nov-20	Oct-20	Oct-20	Jul-20	Nov-19
Sukuk/Bond	Bond	Sukuk	Sukuk	Sukuk	Sukuk	Bond	Sukuk	Sukuk	Bond	Sukuk	Sukuk	Bond	Bond	Bond	Bond
Interest / Profit Rate	[•]%	4.000%	4.000%	3.600%	3.875%	4.250%	3.375%	3.950%	3.625%	3.500%	4.625%	6.000%	4.500%	6.125%	4.500%
Issuer Ratings (M / S / F)	Ba3/-/BB-	A2/ BBB+ / BBB+	Baa2-/A	A2-/A+	A2-/A+	A3-/A+	A3-/A	A3/A-/A+	A1/A/AA-	A1/BBB+/ A-	A3-/A	Baa1-/A-	Aa3/AA-/AA-	A3-/A+	Aa3/A+/AA-
Issue Ratings (M / S / F)	Unrated	Unrated	Unrated	Unrated	Unrated	Unrated	Unrated	Unrated	Baa3	Unrated	Unrated	Unrated	Baa3 / - / -	Unrated	Baa3 / - / -
Issue Size	[\$•]MM	\$750MM	\$250MM	\$750MM	\$600MM	\$750MM	\$500MM	\$500MM	\$700MM	\$1,250MM	\$1,000MM	\$600MM	\$750MM	\$750MM	\$750MM
Tenor	[PerpNC5.25 (3m par call)]	PerpNC5.5 (6m par call)	PerpNC5 (no par call)	PerpNC5.5 (6m par call)	PerpNC5.5 (6m par call)	PerpNC6 (3m par call)	PerpNC6 (6m par call)	PerpNC6 (6m par call)	PerpNC6 (6m par call)	PerpNC6 (6m par call)	PerpNC6 (6m par call)	PerpNC6 (6m par call)	PerpNC6 (6m par call)	PerpNC6 (3m par call)	PerpNC6 (3m par call)
Reset Benchmark	5Y UST	5Y UST	5Y UST	5Y UST	6Y UST	6Y UST	6Y UST	6Y UST	6Y UST	6Y UST	6Y UST	6Y UST	6Y UST	6Y UST	6Y UST
Reset Margin	[•]bps	217bps	274.8bps	262.9bps	301.1bps	315.5bps	224.6bps	289.6bps	287.5bps	288.9bps	407.7bps	559.7bps	413.8bps	570.2bps	283.2bps
Discretionary Interest / Profit Payment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dividend Stopper	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dividend Pusher	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Contractual Non Viability Loss Absorption	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off	Yes Full / Partial & permanent write-off
CET1 Trigger based Principal LA	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
Optional Early Redemption	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory	Tax, Regulatory
Listing	Dublin	London	Dublin/Dubai	London	Dublin / Dubai	Luxembourg/ Dubai	Dublin/ Dubai	Dublin	Dublin	London	Dublin / Dubai	Dublin / Dubai	London	Luxembourg/ Dubai	Dublin

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Balance Sheet

USD millions	2019	2020	2021
ASSETS			
Cash and balances with the Central Bank of Oman	780.3	542.4	653.2
Loans, advances and financing to banks	1,223.8	315.6	324.9
Loans, advances and financing to customers (conventional)	6,798.3	7,248.0	7,417.1
Islamic financing receivables	1,159.0	1,233.8	1,274.4
Total Net Loans & Financing	7,956.8	8,481.8	8,691.5
Investment Securities	983.2	1,189.1	1,159.0
Other assets	238.4	458.6	638.4
Deferred tax assets	2.7	13.9	8.9
Intangible asset	1.0	30.7	33.2
Property and equipment	49.8	25.0	20.3
Total assets	11,236.0	11,057.2	11,529.3
LIABILITIES			
Due to banks	1,273.2	1,173.9	1,197.1
Deposits from customers	6,592.1	6,462.5	6,593.8
Islamic customers deposits	1,052.5	969.5	1,135.1
Total Deposits	7,644.6	7,432.0	7,728.9
Other liabilities	336.0	499.9	667.4
Tax liabilities	29.5	46.2	24.5
Employee benefit obligations	4.5	6.8	6.1
Subordinated loan(s)	165.9	90.9	90.9
Total liabilities	9,453.7	9,249.8	9,715.0
SHAREHOLDERS' EQUITY			
Share capital	778.3	778.3	778.3
Share premium	248.5	248.5	248.5
Retained earnings	27.1	88.8	75.1
Other Reserves	324.5	288.0	308.6
Total equity attributable to the equity holders of the Bank	1,378.3	1,403.5	1,410.4
Perpetual Tier 1 Capital Securities	403.9	403.9	403.9
Total equity	1,782.2	1,807.4	1,814.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,236.0	11,057.2	11,529.3

Conversion Rate: U.S.\$1 = RO 0.385

Source: Bank Dhofar's Prospectus dated [28] March 2022

Income Statement

USD Millions	2019	2020	2021
Interest income	473.1	454.4	449.7
Interest expense	(222.0)	(214.9)	(234.7)
Net interest income	251.0	239.5	215.0
Income from Islamic financing	68.2	78.7	87.2
Unrestricted investment account holders' share of profit and profit expense	(35.9)	(38.7)	(36.2)
Net income from Islamic financing and investment activities	32.3	40.1	51.1
Fees and commission income	47.8	42.8	46.5
Fees and commission expenses	(10.8)	(7.5)	(6.4)
Net fees and commission income	37.0	35.3	40.1
Other income	17.3	22.8	22.3
Operating income	337.6	337.6	328.4
Staff and administrative costs	(170.9)	(151.7)	(169.5)
Depreciation	(14.8)	(17.3)	(18.4)
Operating expenses	(185.6)	(169.0)	(187.9)
Net impairment losses on financial instruments	(58.2)	(75.3)	(64.0)
Bad debts written-off	(0.0)	(0.0)	(0.0)
Profit before taxation	93.7	93.3	76.5
Income tax expense	(15.2)	(13.9)	(11.3)
Profit for the year	78.6	79.4	65.3

Conversion Rate: U.S.\$1 = RO 0.385

Source: Bank Dhofar's Prospectus dated [28] March 2022

Thank You