



بنك ظفار  
BankDhofar

# INVESTOR PRESENTATION

MARCH 2019



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## Snapshot of BankDhofar

<b>Establishment</b>	<ul style="list-style-type: none"> <li>▶ BankDhofar SAOG (“BankDhofar” or “the Bank”) was established in the Sultanate of Oman (“Oman”) in January 1990 as a public joint stock company and is engaged in retail banking, corporate banking, investment banking and treasury services.</li> <li>▶ Second largest listed bank in Oman by total assets as at 31<sup>st</sup> March 2019 which currently stand at USD 11,416 billion and has approximately 1,603 employees as at 31<sup>st</sup> of March 2019.</li> <li>▶ Offers both conventional and Islamic products.</li> </ul>	
<b>Operations</b>	<ul style="list-style-type: none"> <li>▶ Operates a network of 71 branches with 61 conventional branches (including 1 corporate center), 10 Islamic branches, total 190 ATM/CDM/FFM machines made up of 120 Automated Teller Machines (“ATMs”), 56 Cash and Cheque Deposit Machines (“CCDMs”) and 14 Full Function Machines (“FFMs”) as at 31<sup>st</sup> March 2019</li> <li>▶ Offers its services and products exclusively within Oman.</li> </ul>	
<b>Business Segments</b>	<ul style="list-style-type: none"> <li>▶ Operates via business divisions: Retail Banking, Wholesale Banking, Treasury and FI Banking, Islamic Banking (as a separate window) and Government Banking.</li> <li>▶ Retail and Wholesale Banking represents the Bank’s largest business segments, collectively contributing to 79% of the total assets and 83% of the net operating income as at 31<sup>st</sup> March 2019.</li> <li>▶ In 2013, MAISARAH (the Islamic Banking window) was launched, offering retail and corporate Shari’ah-compliant financial services and products to its customers.</li> </ul>	
<b>Rating Agency</b>	<b>Date</b>	<b>Long Term Rating</b>
<b>Moody’s</b>	March 2019	<b>Ba1</b>
<b>FitchRatings</b>	March 2019	<b>BB</b>

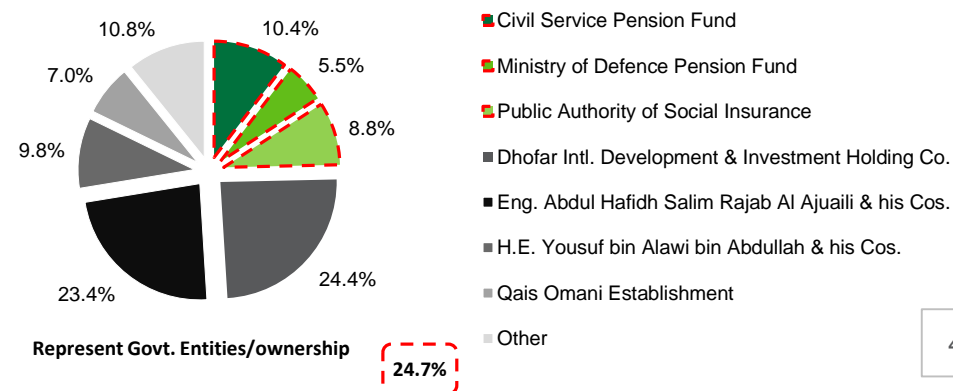
Conversion Rate: 1.00 USD = 2.5974 OMR  
 Source: BankDhofar’s Annual & Quarterly Reports

## Financial Highlights

USD million	2015	2016	2017	2018	Q1-2018	Q1-2019	Yoy. Change
Total Assets	9,332	10,265	11,030	<b>10,944</b>	<b>10,914</b>	<b>11,416</b>	<b>501</b>
Total Equity	1,239	1,387	1,525	<b>1,813</b>	<b>1,509</b>	<b>1,761</b>	<b>252</b>
Net Loans, Advances & Financing to Customers	7,088	7,764	8,439	<b>8,205</b>	<b>8,366</b>	<b>8,078</b>	<b>-288</b>
Customer Deposits	6,732	7,494	7,970	<b>7,596</b>	<b>8,203</b>	<b>7,842</b>	<b>-361</b>
Total Operating Income	299	331	330	<b>348</b>	<b>86</b>	<b>88</b>	<b>3</b>
Net Profit	121	124	124	<b>131</b>	<b>35</b>	<b>33</b>	<b>-3</b>
CET 1 Ratio	9.43%	9.85%	10.53%	<b>11.88%</b>	<b>10.33%</b>	<b>11.74%</b>	<b>1.41%</b>
Capital Adequacy	14.70%	14.41%	15.44%	<b>17.33%</b>	<b>14.03%</b>	<b>17.04%</b>	<b>3.01%</b>

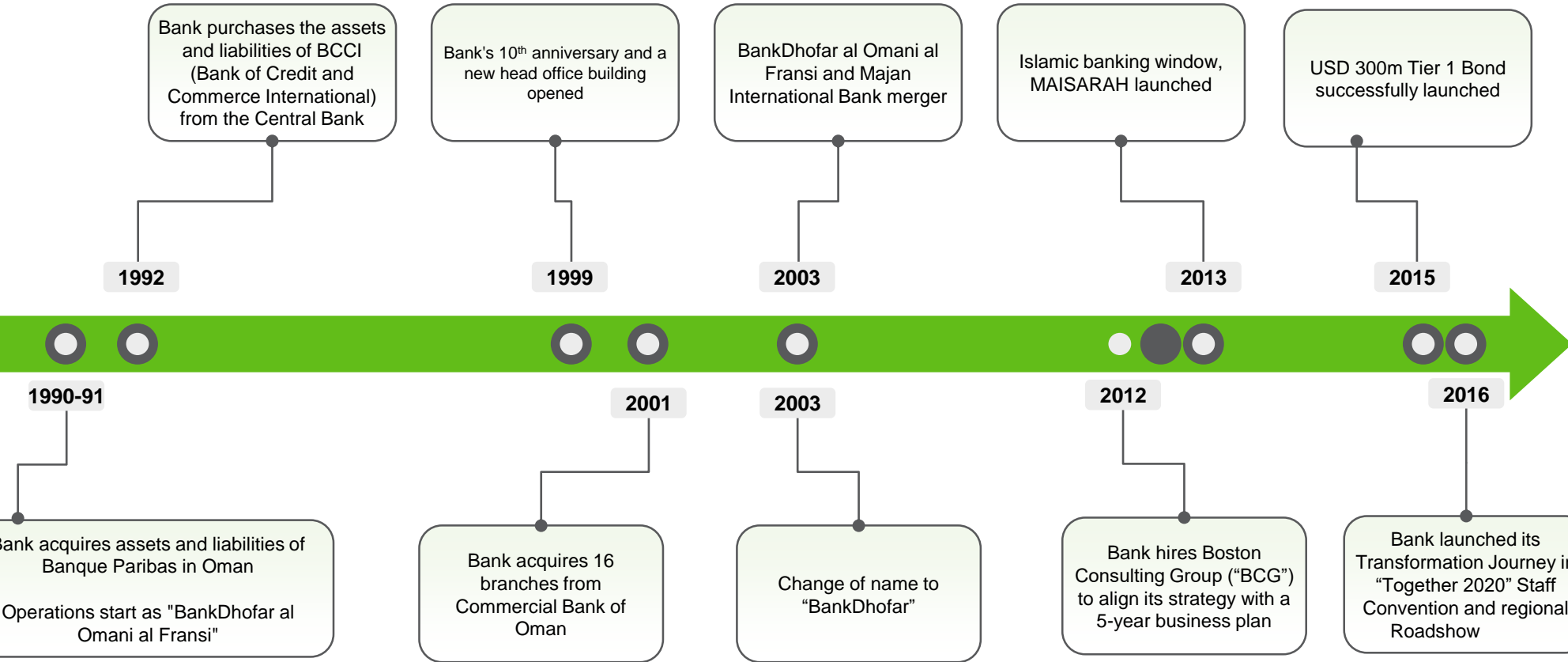
## Ownership Structure (as at 31<sup>st</sup> March 2019)

**BankDhofar is listed on the Muscat Securities Market (MSM) with a market capitalisation of USD 1.052 billion as at 31<sup>st</sup> March 2019**



# BankDhofar's Historic Evolvement

**BANKDHO FAR HAS BEEN SERVING OMANI CUSTOMERS SINCE 1990**



Source: BankDhofar

# Key Credit Strengths

## Strong Relations with the Omani Government

- ▶ 25% Government ownership in the Bank enabling strong relations with local government departments.
- ▶ Supplier of banking services and products to the employees of the Ministry of Education, the Ministry of Health and the Ministry of Defense.

## Strong Asset Quality

- ▶ Continued improvement in asset quality with a relatively low Net NPL ratio at 1.11% as at 31<sup>st</sup> March 2019.
- ▶ Conservative lending policy has allowed the Bank to achieve a continued decline in non-performing loans and limited formation of new NPLs.
- ▶ Prudent lending policy.

## Robust Corporate Governance and Risk Management Culture

- ▶ Particular focus on maintaining the highest standards of corporate governance with a well-established Risk Management framework.

## Islamic Banking Window

- ▶ Introduction of MAISARAH in March 2013 offering Shari'ah compliant products and services to retail and corporate customers.
- ▶ One of the fastest growing Islamic banking windows in Oman in asset book and customer base.
- ▶ Best Islamic Retail Bank Oman 2017 – Maisarah Islamic Banking by Global Banking & Finance Review
- ▶ Best Islamic bank in Oman - Maisarah Islamic Banking Services at the Middle East Banking Awards 2017 and 2018 (EMEA Finance).
- ▶ Most innovative Islamic Bank in Oman by the International Finance Banking in 2018.



## Developed & Diversified Distribution & Delivery Channels

- ▶ Products offered through a large number of delivery channels (71 branches, 190 ATMs/CDM/FFM made up of 120 ATMs, 56 CCDMs and 14 FFM as at 31<sup>st</sup> Mar 2019) alongside innovative technology.
- ▶ Focus on determining optimal channel mix to customers that will maximize revenue (or reduce costs) without reducing customer satisfaction or engagement
- ▶ Actively reduce its retail customer servicing costs, where possible, by offering alternatives to the traditional branch network including internet banking, mobile banking

## Operating Performance and Profitability

- ▶ Strong financial performance has helped BankDhofar expand the network strategically across Oman.
- ▶ Net profit for the quarter ended 31<sup>st</sup> March 2019 Decreased by -7.25% USD 32.72M. (vs. Mar-18 USD 35.33M.).

## Strong Brand Recognition

- ▶ Well recognized brand in the Omani market, reflecting high-quality customer service and established track record in retail banking, corporate banking.
- ▶ Proven track record in offering innovative and reliable products across business segments.

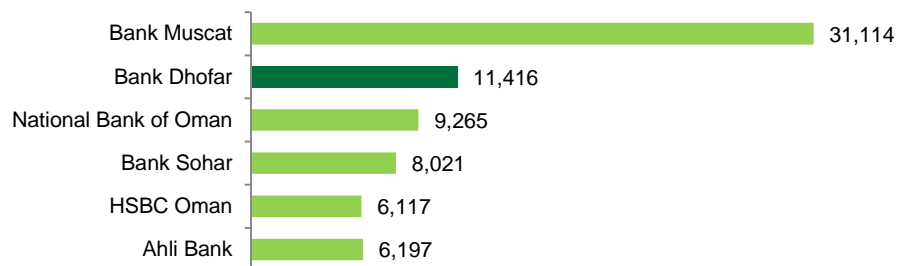
## Experienced Management

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

# Omani Banking Sector Comparison

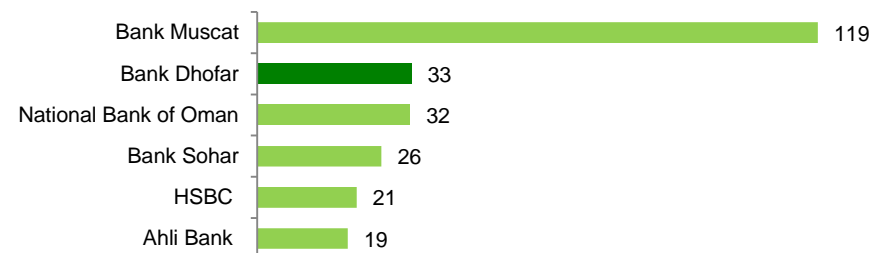
## TOTAL ASSETS

USD million, 31st March 2019



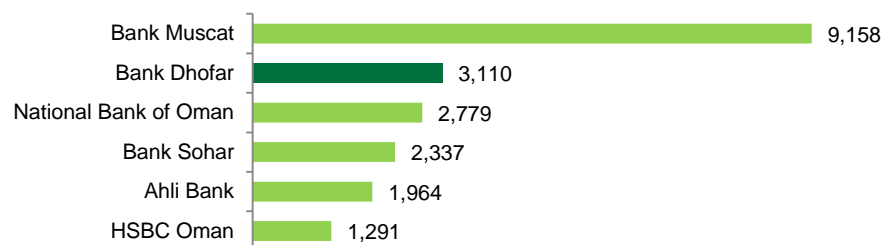
## NET PROFIT

USD million, 31st March 2019



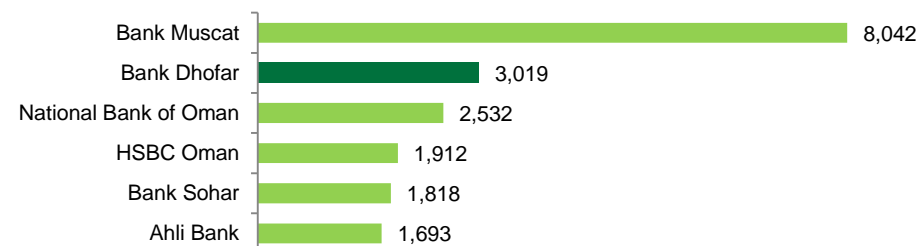
## NET LOANS

USD million, 31st March 2019



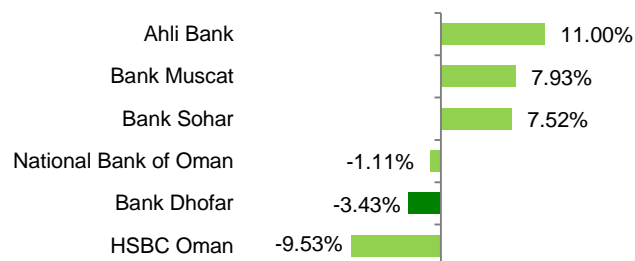
## TOTAL CUSTOMER DEPOSITS

USD million, 31st March 2019



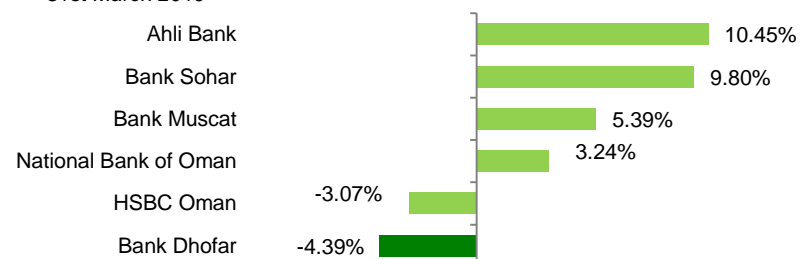
## NET LOANS GROWTH

31st March 2019



## CUSTOMER DEPOSIT GROWTH

31st March 2019



Conversion Rate: 1.00 USD = 2.5974 OMR

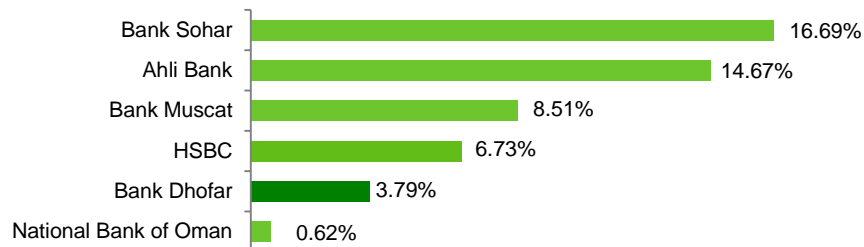
Source: Banks' Annual & Quarterly Reports

Comparison includes only MSM listed banks, Excluding Islamic banks

# Omani Banking Sector Comparison

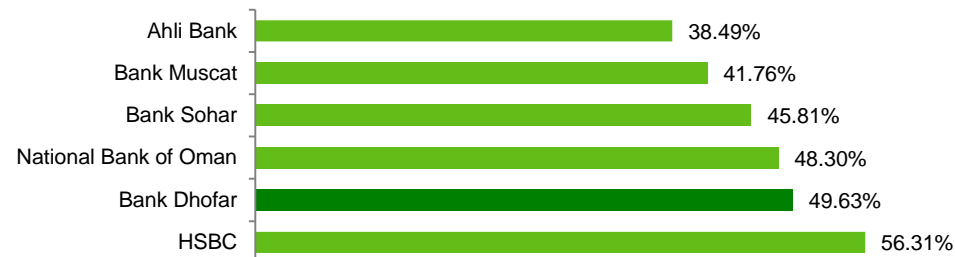
## OPERATING INCOME GROWTH

Per cent., 31st March 2019



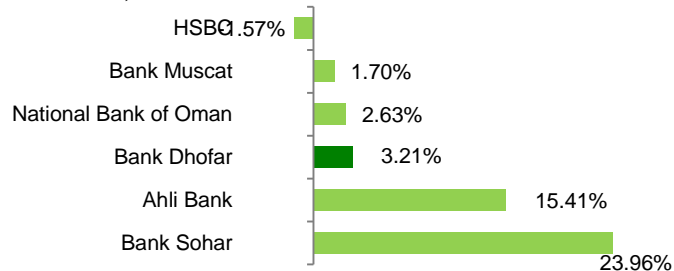
## COST TO INCOME RATIO

Per cent., 31st March 2019



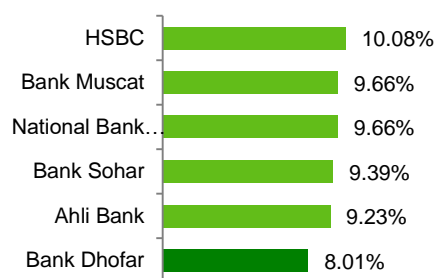
## OPERATING COST INCREASE

Per cent., 31st March 2019



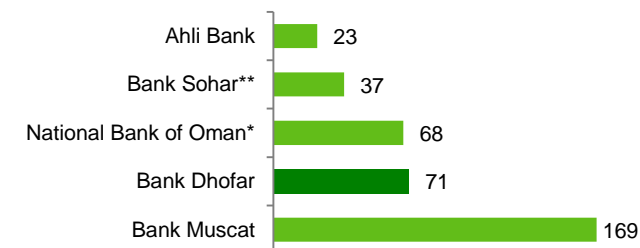
## RETURN ON EQUITY

Per cent., 31st March 2019



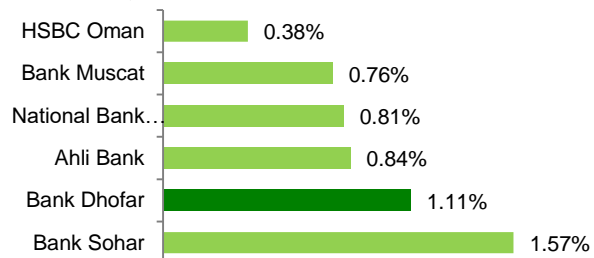
## BRANCHES (Domestic)

31st March 2019



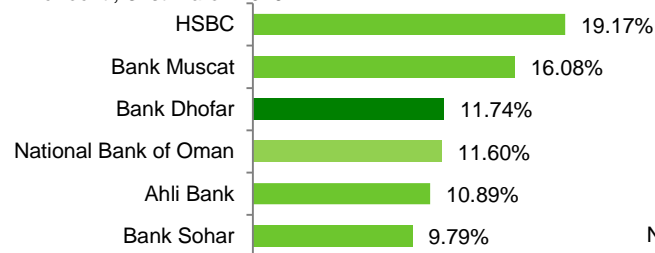
## Net NPL RATIO

Per cent., 31st March 2019



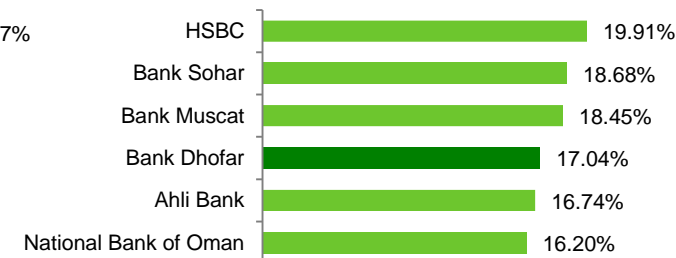
## CET-1 RATIO

Per cent., 31st March 2019



## CAPITAL ADEQUACY RATIO

Per cent., 31st March 2019



Conversion Rate: 1.00 USD = 2.5974 USD

Source: Banks' Annual & Quarterly Reports

Comparison includes only MSM listed banks, Excluding Islamic banks

\* NPL Ratio (NPA Less Interest reserve & IFRS-9 S3 ECL/Gross Loans)



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# Sultanate of Oman - Overview

## Overview

- ▶ **2<sup>nd</sup> largest country in the GCC** with an area covering approximately 309,500 km<sup>2</sup>. Strategically placed on the Arabian Gulf, Oman is divided into eleven main governorates and shares borders with Saudi Arabia and UAE.
- ▶ **Stable Political System** - Monarchy led by His Majesty Sultan Qaboos bin Said Al Said.
- ▶ **Population of 4.66mn** - predominantly represented by Omani Nationals who account for 55% of the total population.
- ▶ **Resilient and Solid Economy** – focus on long-term planning with the implementation of a five-year economic development strategy plan.
- ▶ **“Vision 2020”** - government led diversification program aiming at reducing economic reliance on hydrocarbon sector’s contribution to GDP

## Key Figures



Key Indicators	2018	2017
<b>Sovereign Ratings (Moody's / S&amp;P / Fitch)</b>	Ba1/BB/BBB-	Baa3/BB/BBB-
<b>Gross Domestic Product</b>	USD 72.47 bn*	USD 66.75 bn
<b>Foreign Assets</b>	USD 16.10*	USD 20.0bn
<b>Government Debt (% of GDP)</b>	31.4%**	12.8%**

Source: Central Bank of Oman website, Rating Reports: Moody's and S&P as of February 2016

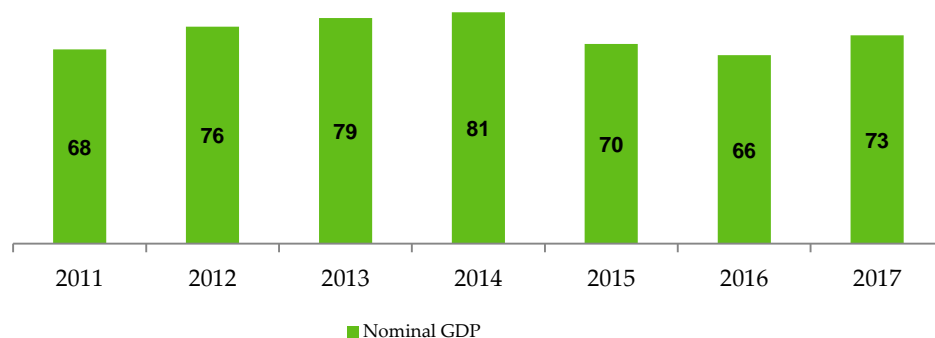
(1)2015 figure represents an average of: S&P 8.1% and Moody's 11.2% estimates

\* Provisional

\*\* As of 31-Dec-2016

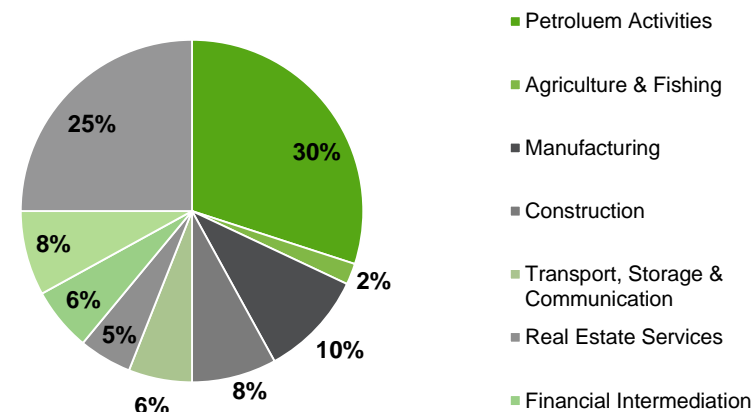
## Nominal GDP

USD billion



## GDP Composition (2017)

2017



## Overview

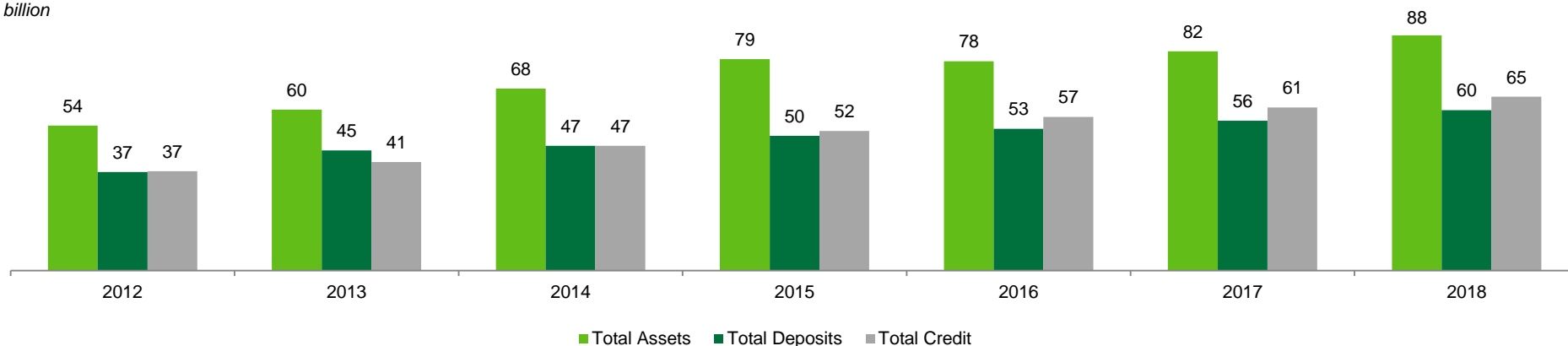
<b>Commercial and Islamic Banks (Dec 2016)</b>	Total = 18, of which <ul style="list-style-type: none"> <li>• 7+2 locally incorporated</li> <li>• 9 branches of foreign banks</li> </ul>
<b>Other Financial Services Providers (Dec 2014)</b>	Total = 8 of which <ul style="list-style-type: none"> <li>• 2 govt. owned specialised banks</li> <li>• 6 leasing companies</li> </ul>
<b>Commercial Banking Assets (Dec 2018)</b>	USD 88bn
<b>Commercial &amp; Islamic Bank Branch Network (Dec 2017)</b>	512 branches
<b>Commercial Bank ATMs/CDMs (Aug 2018)</b>	1,288 ATMs 225 CDMs
<b>Full Islamic Banks (Dec 2017)</b>	2

## Oman / GCC Banking Sector Resilient to Oil Price Shocks

- ▶ Risks of falling oil prices to the Oman and GCC banking systems are limited by:
  - ▶ Implementation of Basel III regulation in effect from January 2014
  - ▶ Conservative Central Bank of Oman
  - ▶ Adequate bank capitalization levels.
  - ▶ Stable profitability despite declining oil prices as the non-oil sector continues to post solid growth.
  - ▶ Low non-performing loans and improving asset quality.
  - ▶ Deposit-based funding and significant liquidity buffers.
  - ▶ Large government infrastructure development goals which continue to support credit growth.

## Oman Commercial Banking Assets, Deposits and Credit

USD billion



\* Provisional, Source : CBO Aug-18 Monthly bulletins

Source: BankDhofar's Central Bank of Oman, along with GCC Central Bank reports, Moody's Country Reports and S&P BICRA Reports

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## Long Term Strategic Goal:

**Aim in delivering one of the best-amongst-peers customers' experiences and streamlining its products and services and implement its "Together 2020" strategy in becoming the best bank in the gulf region**

### Customer Experience

- ▶ Ensure promptness of the delivery of services.
- ▶ Tailor made product offerings to customers.
- ▶ Active monitoring of customer satisfaction levels.

### Brand

- ▶ Close monitoring of the effectiveness of marketing initiatives and the perception of brand.
- ▶ Emphasis of its strengths to customers, including the speed and variety of channels of delivery of service.

### Performance Based Culture

- ▶ Focus on
  - setting clear objectives for staff
  - encouraging a high quality performance-based culture
  - monitoring performance regularly
- ▶ Implementation of a Bank-wide balance scorecard.

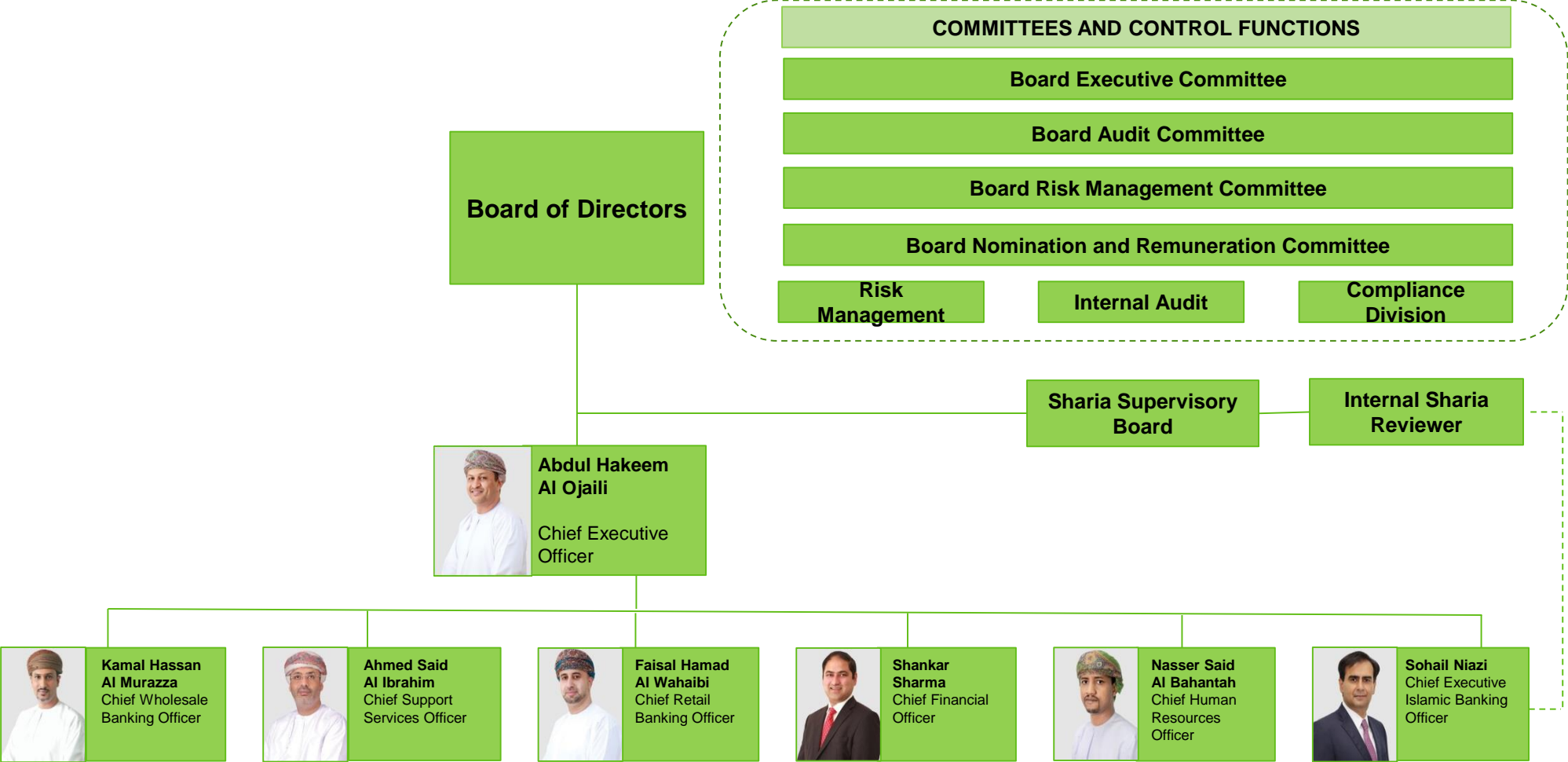
### Lean Operating Model

- ▶ Efforts to consolidate branches and position ATMs in strategic locations throughout Oman.
- ▶ Consolidate teams and operations in order to drive efficiency.
- ▶ Evaluating all operations and trying to implement the easiest and fastest way from customer perspective.

## Implementation of Strategy: Key Themes

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>✓ Achieve growth through inorganic expansion</li> <li>✓ Identify, penetrate and develop new and existing market and customer segments</li> <li>✓ Achieve efficiency of capital and improve cost of funding</li> <li>✓ Leverage and optimise distribution</li> </ul> | <ul style="list-style-type: none"> <li>✓ Maximise cross-selling opportunities</li> <li>✓ Continue to expand Islamic banking capabilities</li> <li>✓ Develop project financing capabilities</li> <li>✓ Maintain and develop relationships with the Omani Government and Government-related entities</li> </ul> |
|--|---|

# Organizational Structure



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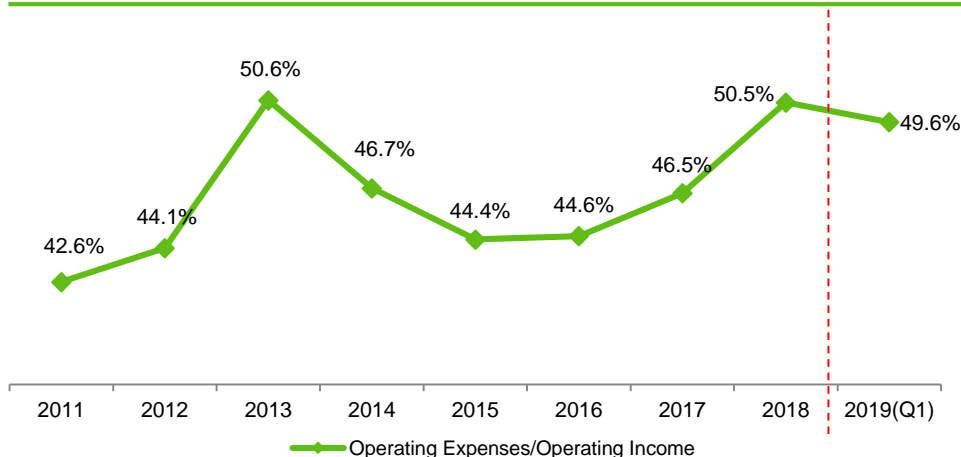
# Profitability and Operating Performance

## Highlights

### Financial Performance

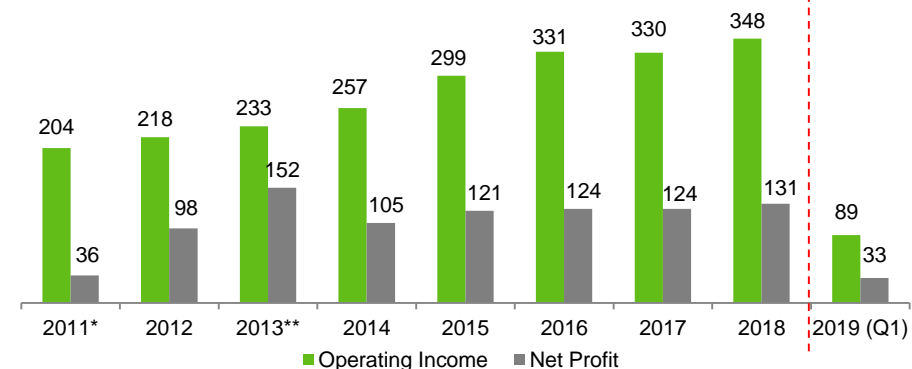
- Net profits reported for the quarter ended 31st March 2019 was USD 32.75mn. compared to USD 35.33mn. reported during the same period in 2018.
- Operating Income reported for the quarter ended 31st March 2019 was USD 89.13mn. compared to USD 84.41mn. reported during the same period in 2018, a 5.60 percent increase.
- Operating Income has been on a consistent upward trajectory for the last 6 years, reflecting solid growth in the underlying business with an incline of 5.60 percent reported for the quarter ended 31st March 2019 compared to the same period in 2018.
- Cost to Income ratio as 31st March 2019 is at 49.63%.

## Cost to Income Ratio



## Profitability

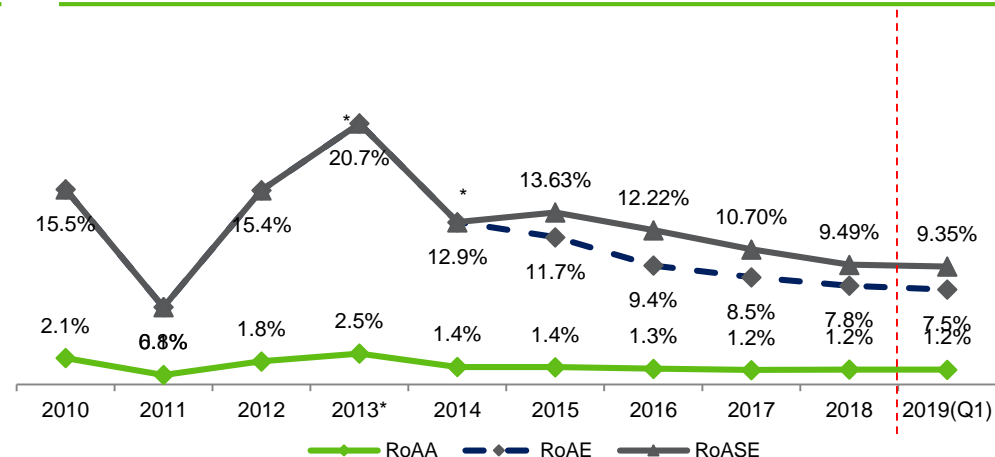
USD million



\* 2011 includes legal case loss charge off of USD 68 million.

\*\* 2013 includes recovery from the legal case of USD 68 million. The Net Profits excluding the legal case recovery in 2013 was USD 91.95 million.

## Annualised Return on Average Assets, Equity & Shareholders Equity (%)



\* 2013 includes recovery from the legal case of USD 67.86mn. Excluding the legal case recovery RoAA was 1.5% and RoAE was 12.5%.

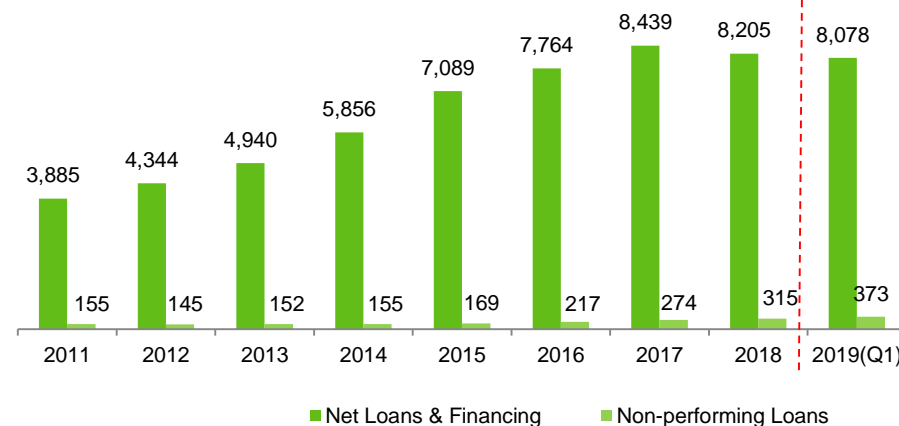


## Highlights

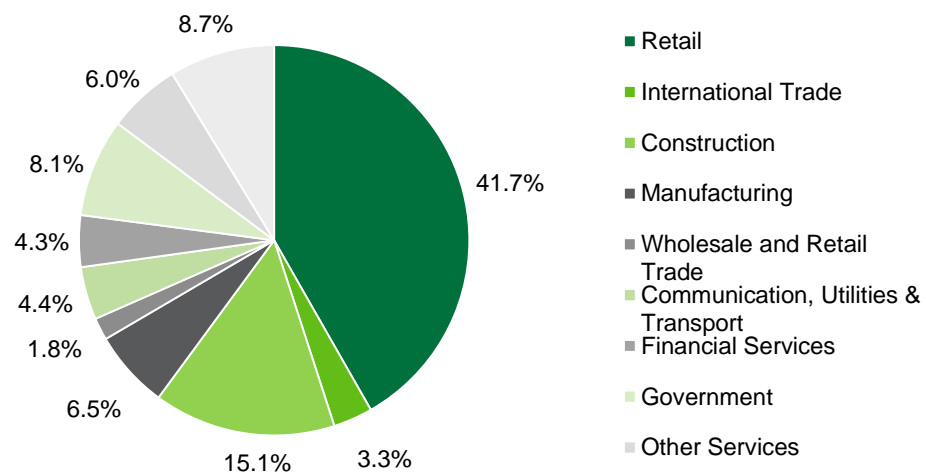
- ▶ BankDhofar has witnessed a strong balance sheet growth in terms of total assets, loans and deposits over the years.
- ▶ Stable loan book growth
  - Conservative lending approach
- ▶ Diversified loan portfolio across sectors.
- ▶ Prudent provisioning for impaired assets.
- ▶ Strong asset quality with declining NPL Ratio.

## Loan & Financing Portfolio

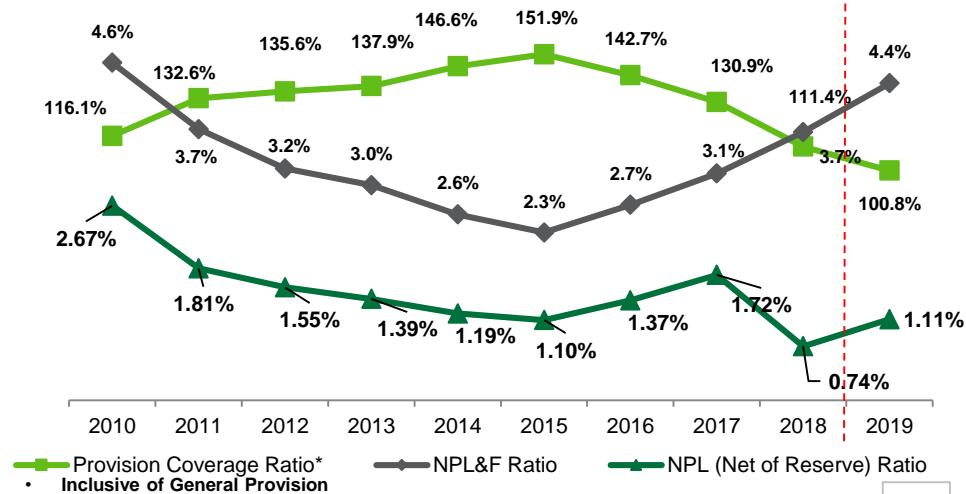
USD million



## Breakdown of Gross Loans by Sector (31st Dec 2018)

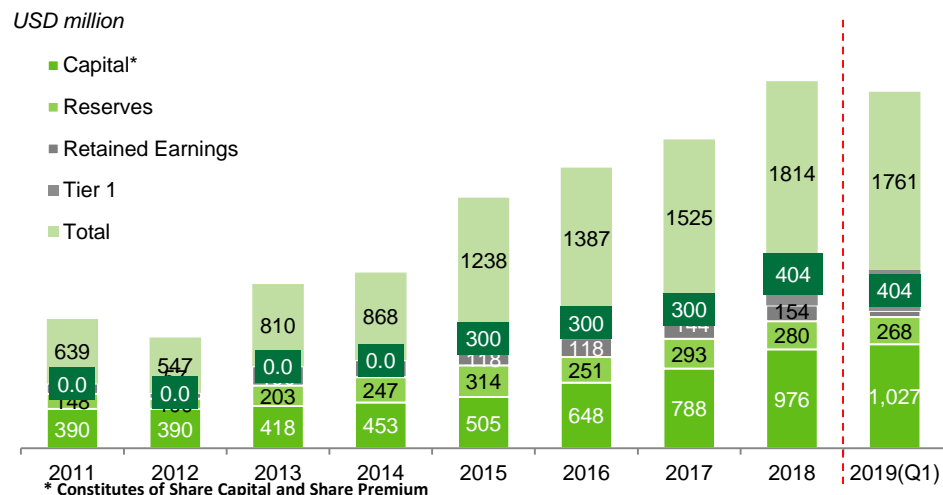


## Non-Performing Loans & Financing

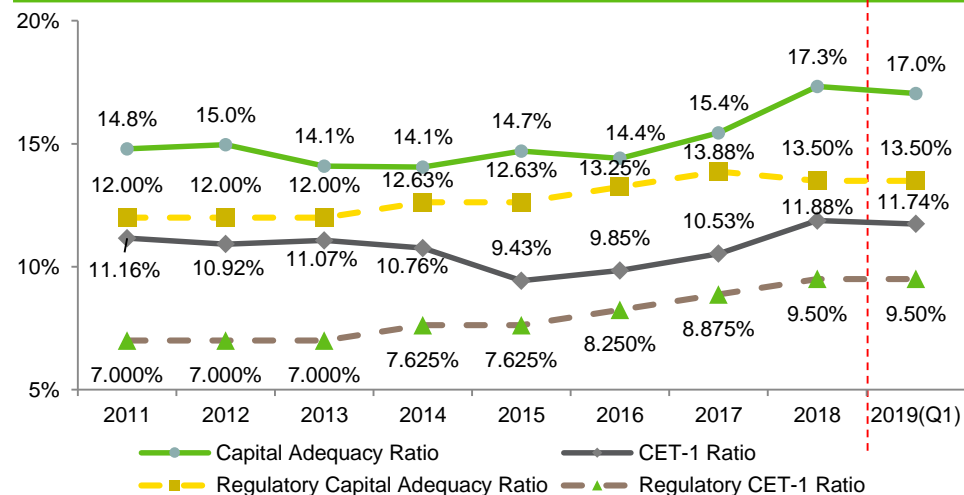


# Capitalisation Overview

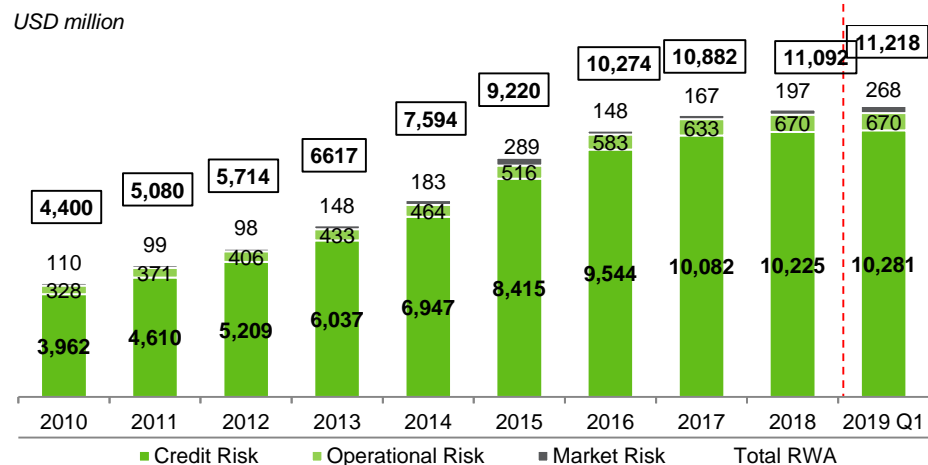
### Total Equity Breakdown



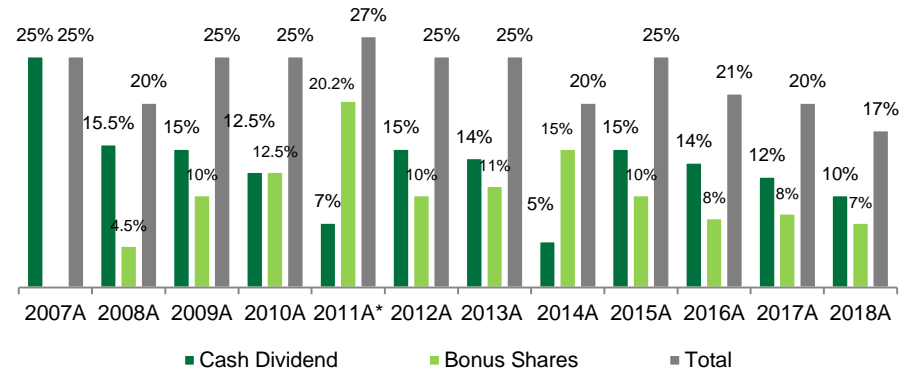
### Capital Ratios vs. Regulatory Capital Requirements



### Risk Weighted Asset Breakdown



### Dividend Payout and Bonus Shares

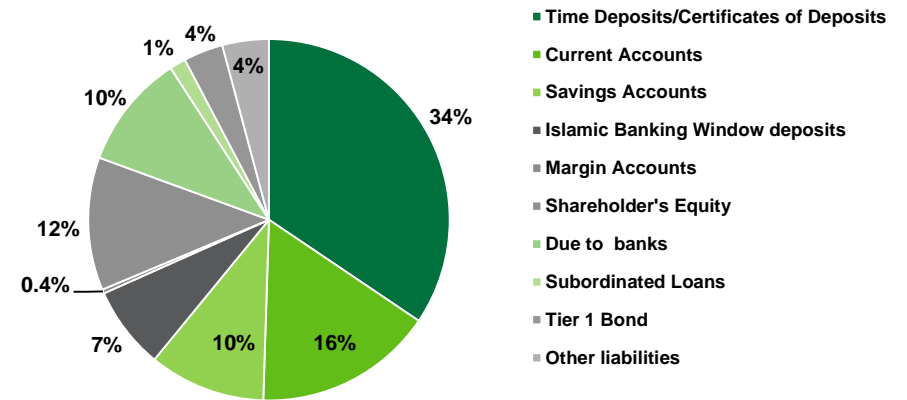


\* 2011 Bonus from Share Premium Account

## Highlights

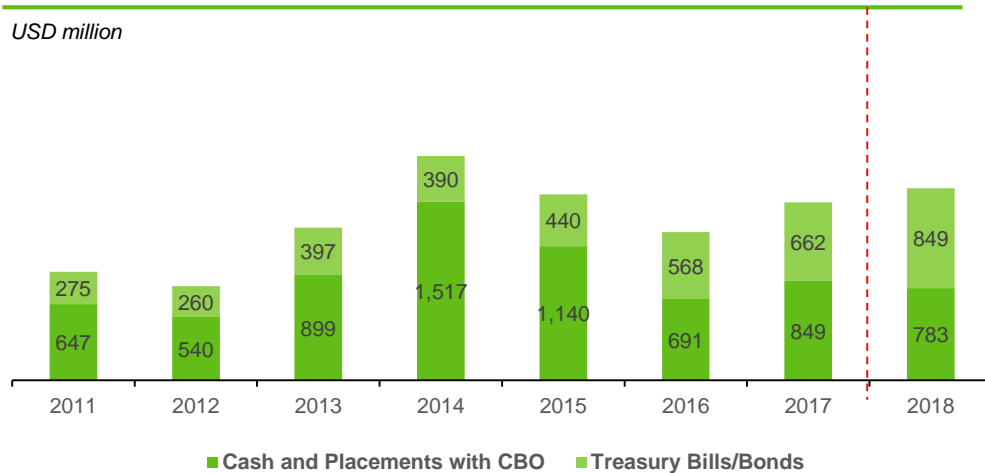
- ▶ Stable funding structure with a diversified funding base.
- ▶ Sufficient liquidity
- ▶ The Bank holds a portfolio of highly liquid investment securities which consists primarily of treasury bills issued by Central banks

## Funding Mix (USD 11,416 bn as at 31<sup>st</sup> March 2019)



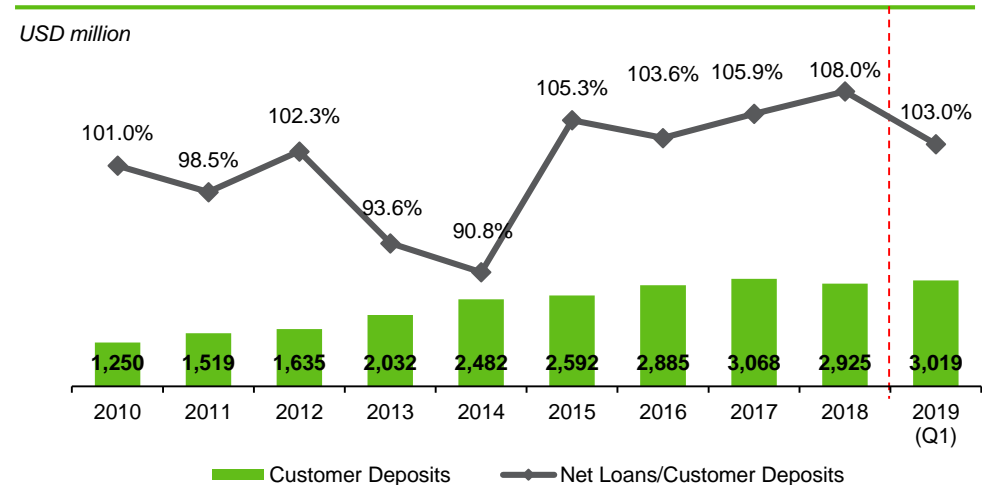
## Overview of Liquidity

USD million



## Customer Deposits and Loan to Deposit Ratio

USD million



Retail and Wholesale Banking represents the Bank's largest business segments, collectively contributing to 79% of the total assets and 83% of the operating income (as at 31<sup>st</sup> March 2019).

## Retail Banking (Consolidated)

- ▶ Provides banking services to over 290,000 customers as of 31-Dec-18.
- ▶ Network of 71 branches, 120 ATM, 56 CCDMs, 14 FFM units as at 31<sup>st</sup> March 2019.
- ▶ Services offered include deposits, lending, debit and credit cards, priority banking, Hawa ladies banking and bancassurance.

## Wholesale Banking (Consolidated)

- ▶ Provides banking services to over 17,000 corporate and SME customers.
- ▶ Wholesale Banking departments consist of corporate banking, business banking, Government banking, Treasury & Financial Institutions, payments and cash management services, corporate advisory and investment banking, projects & MIS department and trade finance (with **one** corporate centre).
- ▶ Services offered include syndicated loans, structured finance, trade finance, working capital finance and term loans.

## Treasury and FI (Consolidated)

- ▶ Manages the funding and liquidity requirements.
- ▶ Network of over 200 correspondent banks.
- ▶ Services include treasury and foreign exchange and interest rate hedging instruments.

## Islamic Banking\*

- ▶ Maisarah offers retail, corporate and treasury Shari'ah-compliant financial services and products, through a network of 10 branches.
- ▶ Deposits as at 31<sup>st</sup> March 2019 were USD 844MN (USD 977 mn: 31<sup>st</sup> March 2018)
- ▶ Gross financing to customers was USD 1,044mn as at 31<sup>st</sup> March 2019 (USD 979mn: 31<sup>st</sup> March 2018 ).

March-2019	USD mn	% of Total
<b>Total Assets</b>	3,639	32%
<b>Net Operating Income</b>	33.20	37%
<b>Net Profit</b>	9.71	30%

March-2019	USD mn	% of Total
<b>Total Assets</b>	5,338	47%
<b>Net Operating Income</b>	40.65	46%
<b>Net Profit</b>	14.58	44%

March-2019	USD mn	% of Total
<b>Total Assets</b>	2,439	21%
<b>Net Operating Income</b>	15.27	17%
<b>Net Profit</b>	8.52	26%

## Government Banking \*

- ▶ Dedicated division to customers in the government sector, which includes Government as well as quasi-government entities.
- ▶ Services offered include deposits, loans, credits and foreign currency exchange.

\*For financial reporting purposes, the Bank's business activities are classified within the following operating segments: Retail Banking, Wholesale Banking and Treasury and International Banking (consolidating both Conventional and Islamic Banking figures)

## Overview and Strategy

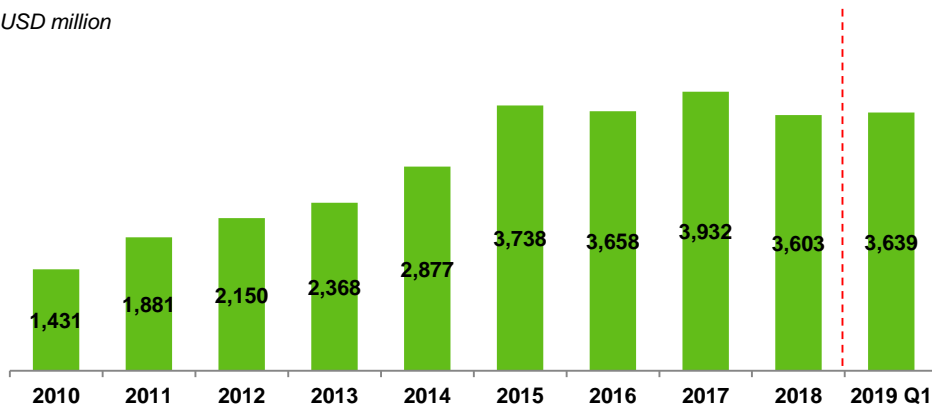
- ▶ BankDhofar's Retail Banking products and services are targeted at both Omani and foreign nationals.
- ▶ Key selling points for its retail customers are:
  - The breadth of services and products offered
  - Extended and strategically located branch network
  - Reliable and expanding electronic distribution channels
- ▶ 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.

## Products and Services

- i. **Current, savings and term deposits:** both interest-bearing and non-interest-bearing deposits products, including time deposits, current and call accounts, and savings accounts.
- ii. **Lending:** credit facilities almost exclusively to customers based in Oman, primarily housing loans, personal loans, education loans and car loans.
- iii. **Credit and debit cards:** branded credit and debit cards (including student credit and debit cards) in association with MasterCard and Visa.
- iv. **Priority banking and Hawa ladies banking:** dedicated to high net worth individuals and personalised Hawa ladies banking services.
- v. **Bancassurance:** home, family and motor insurance products in partnership with Oman United Insurance Company.

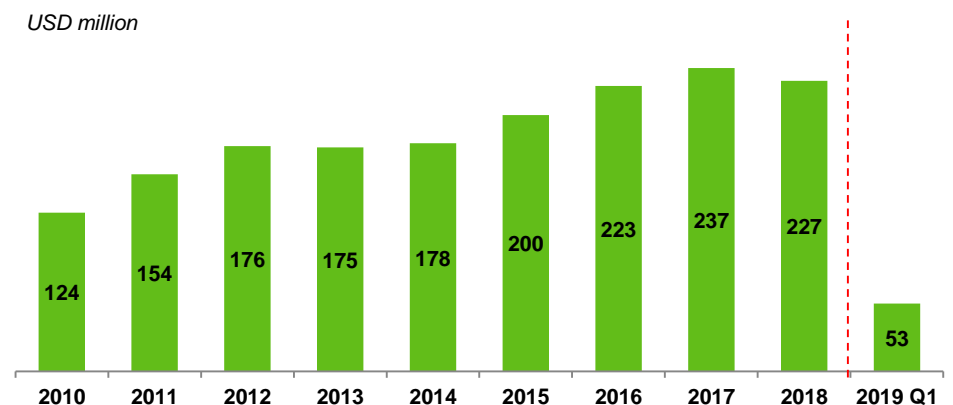
## Asset Growth

USD million



## Operating Gross Revenue

USD million



\* For Q1 March 2019

## Overview and Strategy

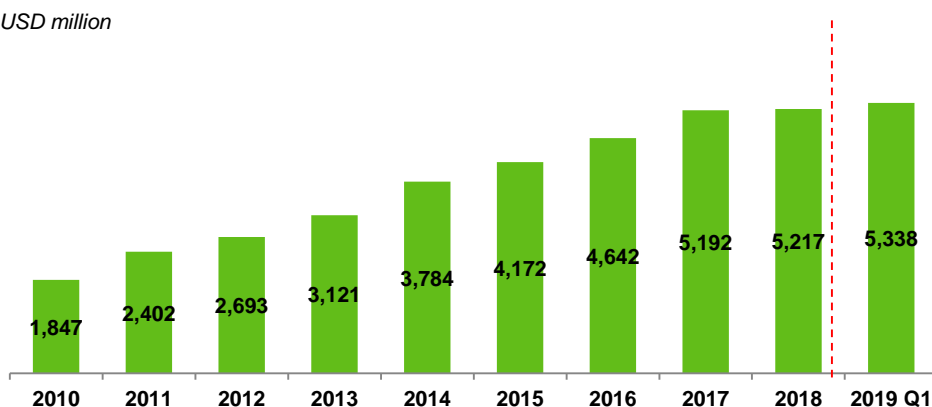
- ▶ BankDhofar's Wholesale Banking operations focus on corporates in Oman, predominantly large and mid-cap companies.
- ▶ The Bank seeks to extend its products and services to SME customers across the country by maximising the use of its delivery channels and by leveraging its technology.
- ▶ The Bank also aims to increase its revenue from corporate advisory and investment banking activities in the next three years.
- ▶ Treasury and Financial Institution and Government Banking Groups brought under Wholesale banking umbrella

## Products and Services

- Corporate Banking:** provides services and products to large corporate customers including project finance and syndication. The corporate customer base includes trading, manufacturing, services and contracting.
- Business Banking:** provides financing solutions and advisory services to SME customers.
- Payments and Cash Management Services:** offers cash management services and solutions such as collection of revenue, disbursements of expenses and other payables.
- Corporate Advisory and Investment Banking:** advisory services to a variety of industry sectors, including oil & gas, telecommunications and financial institutions.
- Wholesale Banking Projects & MIS:** projects relating to available systems and processes within Wholesale Banking.
- Financial Institution and Trade Finance:** develops and markets products in the trade finance sector such as fund-based and non-fund based credit facilities.

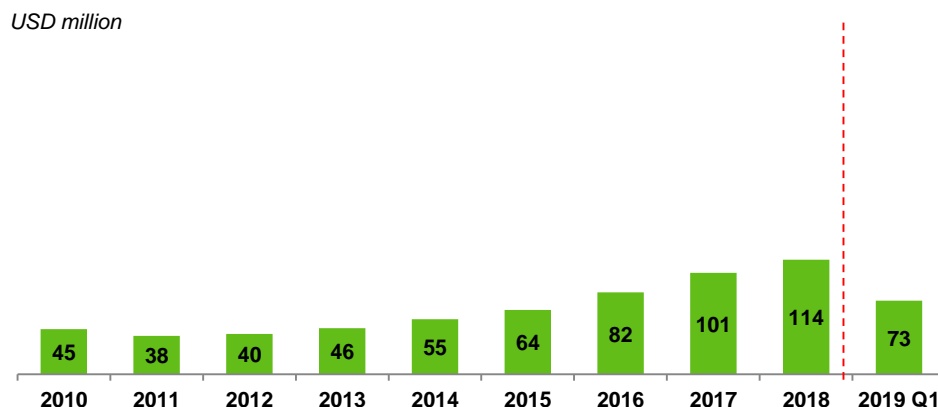
## Asset Growth

USD million



## Operating Gross Revenue\*

USD million



\*Decline in 2011 due to a reclassification of certain items between Retail and Wholesale Banking

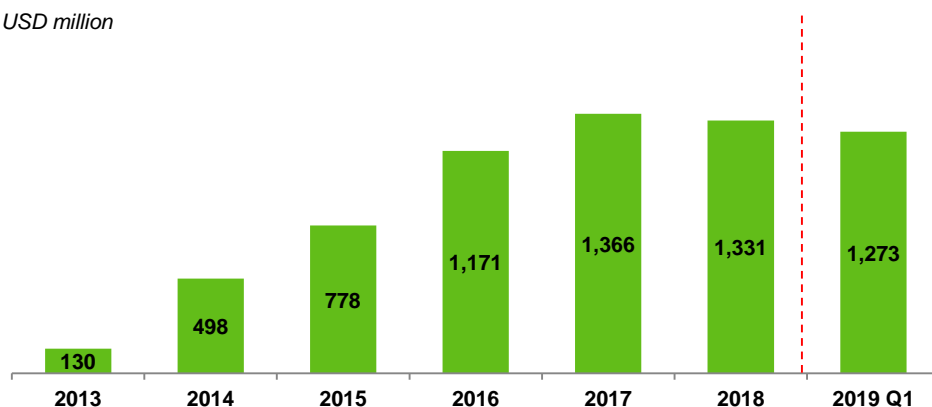
\* For Q1 March 2019

## Overview and Strategy

- ▶ MAISARAH launched in March 2013 to offer Shari'ah-compliant financial services and products to its customers.
- ▶ It aims to be the leader in the provision of Islamic financing solutions for large corporate, mid-sector corporate and SME customers.
- ▶ MAISARAH has also introduced Shari'ah compliant retail banking channels such as ATMs, debit cards and internet banking facilities.
- ▶ MAISARAH also has a dedicated Treasury division which ensures that MAISARAH funds and currency positions are managed prudently by adhering to internal and regulatory limits throughout its business operations
- ▶ Separate Shari'ah Supervisory Board to review MAISARAH's activities and provide necessary guidance. The Bank's Shari'ah Supervisory Board reviews and approves all Islamic banking products prior to their launch and monitors compliance with Shari'ah principles.

## Asset Growth

USD million

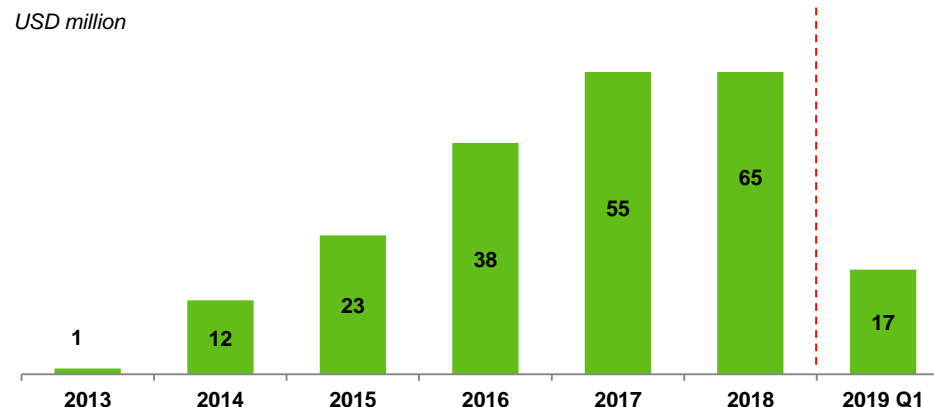


## Products and Services

- i. **Saving Account** launched which is based on the Mudharaba contract.
- ii. **Current Account** holders will receive the debit cards and secure cheque books. The contract used is Qard Hassan and is available to individual and corporate customers.
- iii. **Auto Finance** is based on Murabaha concept and helps customer who would like to have Sharia compliant finance to fulfill their personal needs through easy installments.
- iv. **Home Finance** is structured through Ijara contracts and can be used to finance purchase of homes in Oman.
- v. **Fixed Deposit** is a Mudarabah-based deposit product through which you can invest your savings for periods ranging from 1 month to 5 years and earn profit on a periodic basis.
- vi. **Maisarah Corporate Banking** offers a wide range of Shari'a compliant Islamic Banking solutions, including:
  - 1) Diminishing Musharakah
  - 2) Murabaha
  - 3) Trade finance products and other Shari'a compliant products

## Operating Gross Revenue\*

USD million



\* For Q1 March 2019

## Treasury and Financial Institutions Overview

- ▶ Predominantly manages the funding and liquidity requirements of the Bank and monitors the market risk and liquidity risk.
- ▶ Has a sales team which structures and sells treasury and foreign exchange and interest rate hedging instruments to the Bank's customers.
- ▶ Responsible for developing mutually beneficial relationships with financial institutions worldwide.
- i. Foreign Exchange and Derivatives Sales Desk:** offers foreign exchange, commodities and interest rates solutions designed to manage a customer's financial risk.
- ii. Money Market Desk:** manages the Bank's liquidity and is actively involved in lending and borrowing operations with both local and international banks. Also manages the Bank's investment in its equity portfolio (which is comprised primarily of equities in companies listed on the MSM) and its limited investments in local and global investment grade-rated sovereign bonds.
- iii. Interbank Desk:** plays a key role in mitigating the Bank's market risks arising due to customer's foreign currency and derivative transactions through hedging activities.

## Government Banking Overview

- ▶ Dedicated government banking division which is tasked with leading the business development initiative with regards to customers in the government sector.
- ▶ Deals with Government departments and authorities to facilitate all of the Government's banking requirements including deposits, loans, credits and foreign currency exchange.
- ▶ The Bank has benefitted from developing relationships with Government entities through obtaining access to large numbers of new retail customers.
- ▶ The Bank is a supplier of banking services and products, including salary transfers and deposit taking, for the employees of the Ministry of Education, Ministry of Health and Ministry of Defence.

## Islamic Banking Rewards

- ▶ Most Innovative Islamic Bank - Maisarah Islamic Banking – Oman by The International Finance
- ▶ Best Islamic bank in Oman - Maisarah Islamic Banking Services at the Middle East Banking Awards 2018 (EMEA Finance)
- ▶ Best Deal of the Year Award – Maisarah Islamic Banking Services by Islamic Finance News (IFN)
- ▶ Best Islamic Retail Bank Oman 2017 – Maisarah Islamic Banking by Global Banking & Finance Review.



# Most recent Awards and Accolades



- No. 1 in Large Sized Banks Category at Best Banks Report by Oman Economic Review (OER)



- Best Islamic bank in Oman - Maisarah Islamic Banking Services at the Middle East Banking Awards 2017 & 2018 (EMEA Finance)



- Best Corporate Banking Institution – Oman in The Business Awards 2017 by MEA Markets



- Best Islamic Retail Bank Oman 2017 – Maisarah Islamic Banking by Global Banking & Finance Review



- The Business Excellence Award from the BIZZ AWARDS (World Confederation of Business) 2018



- Best mobile app from Pan Arab Web Awards 2018



- Best Private Bank Oman 2017 – Bank Dhofar by Global Banking & Finance Review



- Best Bank for Human Resources Oman 2017 by the Global Business Outlook Award 2017



- Straight-Through-Processing (STP) Excellence Award from CITI bank



- Best Digital Bank Oman 2018 from International Business Magazine Award

- Best Business Leaders award to CEO for Bank Dhofar at the prestigious MENA awards 2018

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# Balance Sheet

USD millions	2013	2014	2015	2016	2017	2018	2018(Q1)	2019(Q1)
<b>ASSETS</b>								
Cash and balances with Central Bank of Oman	899	1,517	1,143	691	849	782	639	847
Loans, advances and financing to banks	314	236	358	883	779	855	844	1,244
Loans, advances and financing to customers	4,940	5,857	7,088	7,764	8,439	8,205	8,364	8,078
Investment Securities	462	460	532	662	756	790	766	909
Intangible asset	8	5	5	5	3	3	3	3
Property and equipment	29	26	23	21	26	39	29	42
Other assets	117	195	182	242	179	270	270	294
<b>Total Assets</b>	<b>6,769</b>	<b>8,296</b>	<b>9,332</b>	<b>10,268</b>	<b>11,031</b>	<b>10,943</b>	<b>10,914</b>	<b>11,416</b>
<b>LIABILITIES</b>								
Due to banks	275	455	803	912	1,008	958	564	1,171
Deposits to customers	5,278	6,447	6,732	7,494	7,969	7,595	8,203	7,842
Subordinated loans	195	270	270	140	299	410	166	166
Other liabilities	231	281	288	332	231	166	473	475
<b>Total liabilities</b>	<b>5,979</b>	<b>7,452</b>	<b>8,094</b>	<b>8,878</b>	<b>9,506</b>	<b>9,130</b>	<b>9,405</b>	<b>9,655</b>
<b>SHAREHOLDERS' EQUITY</b>								
Share capital	314	348	400	496	587	727	634	779
Share premium	104	104	104	156	200	249	203	249
Retained earnings	169	145	117	187	143	153	57	62
Other reserves	203	247	314	249	294	278	317	268
<b>Total shareholders' equity</b>	<b>790</b>	<b>844</b>	<b>943</b>	<b>1,088</b>	<b>1,223</b>	<b>1,408</b>	<b>1,210</b>	<b>1,358</b>
Perpetual Tier 1 Capital Securities	-	-	301	301	301	405	301	405
<b>Total Equity</b>	<b>790</b>	<b>844</b>	<b>1,239</b>	<b>1,390</b>	<b>1,525</b>	<b>1,813</b>	<b>1,509</b>	<b>1,761</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>6,769</b>	<b>8,296</b>	<b>9,332</b>	<b>10,268</b>	<b>11,031</b>	<b>10,943</b>	<b>10,914</b>	<b>11,416</b>

\* Numbers may not fully add up due to rounding  
Conversion Rate: 1.00 USD = 2.5974 OMR  
Source: BankDhofar's Annual & Quarterly Reports

# Income Statement

USD millions	2013	2014	2015	2016	2017	2018	2018(Q1)	2019(Q1)
Interest income	260	278	306	369	418	454	109	112
Interest expense	-88	-86	-88	-132	-200	221	-52	-52
Net interest income	171	192	218	236	221	233	57	60
Net Income from Islamic Financing and Investment Activities	0	8	16	18	23	26	5	5
Fees and Commission Income	26	34	44	47	55	53	13	13
Fees and Commission Expense	-3	-5	-5	-8	-10	-13	-3	-3
Net Fees and Commission Income	23	31	39	39	44	40	10	10
Other Income	36	26	26	39	44	49	13	13
Operating Income	234	257	299	330	330	348	86	88
Operating Expenses	-117	-119	-132	-148	-153	-176	-44	-44
Profit from Operations	114	138	166	184	177	172	42	44
Provisions for impairments, recoveries and write-backs	-57	-18	-31	-42	-31	-17	0	5
Profit from Operations after Provisions	171	119	135	140	145	155	42	39
Income Tax Expense	-21	-13	-16	-18	-21	-24	-5	-5
<b>NET PROFIT FOR THE YEAR</b>	<b>151</b>	<b>104</b>	<b>122</b>	<b>122</b>	<b>125</b>	<b>131</b>	<b>36</b>	<b>34</b>

\* Numbers may not fully add up due to rounding  
Conversion Rate: 1.00 USD = 2.5974 USD  
Source: BankDhofar's Annual & Quarterly Reports

Thank You