



**Unaudited interim condensed financial statements  
For the six-month period ended 30 June 2025**

**Registered office and principal place of business:**

Bank Dhofar Building  
Bank Al Markazi street  
Post Box 1507, Ruwi  
Postal Code 112  
Sultanate of Oman

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**BANK DHOFAR S.A.O.G.****THE BOARD OF DIRECTORS' REPORT FOR THE SIX MONTHS ENDED****30 June 2025****Dear Shareholders,**

On behalf of the Board of Directors of Bank Dhofar S.A.O.G., I am pleased to present Bank's unaudited interim condensed financial statements for the period ended 30 June 2025.

**Bank Dhofar SAOG - Financial Highlights**

The first half of 2025 marked a period of strong strategic execution for the Bank, as we continued to advance our commitment to becoming a more customer-centric, accessible, and digitally empowered institution. We significantly expanded our physical presence, growing our branch network to 140 locations across the country. This milestone reinforces our promise of being closer to our customers and serving communities more effectively. Despite this growth, our commitment to service excellence remains steadfast, 95% of our customers are now served within 10 minutes of entering our branches, a benchmark that ranks among the best in the country.

We also entered an exclusive partnership with Mastercard, a move aimed at delivering differentiated, high-value card propositions to our customers, further strengthening our retail offerings. Innovation in outreach took a new form with the launch of our mobile banking van, designed to bring essential banking services—such as account opening and loan origination—right to our customers' doorsteps, especially in underserved and remote areas.

On the digital front, we launched an enhanced version of our digital onboarding journey, making it simpler and faster for customers to open their first account with the bank. This aligns with our broader investments in digital transformation, which continue at pace to deliver improved customer experiences and greater self-service capabilities across a wide spectrum of banking services.

These initiatives collectively reflect our ongoing journey of transformation—one that is anchored in accessibility, excellence, and innovation.

For the Half Year ended 30 June 2025, the Bank's operational income grew by 8.06% to RO 84.46 million, demonstrating a growth of RO 6.30 million, compared to RO 78.16 million for the same period of 2024.

Interest income and income from Islamic financing grew to RO 143.73 million for the Half Year ended 30 June 2025, a 3.76% increase over the same period of last year. The net fee and other income increased from RO 17.81 million during the Half Year ended 30 June 2024, to RO 24.52 million for the Half Year period ended 30 June 2025, by 37.69%. The Bank's overall operating profit (before expected credit loss) for the Half Year ended on 30 June 2025, was RO 43.76 million. This is an increase of 8.35% from the RO 40.39 million reported for the same period last year.

Bank recorded a net profit of RO 23.67 million for the Half Year ended on 30 June 2025, a 6.99 % increase over the RO 22.12 million reported for the same period last year.

The total operating expense for the Half Year ended on 30 June 2025 is RO 40.70 million as compared to RO 37.77 million recorded for the same period in 2024, a 7.76% increase. The cost to income ratio for the Half Year ended 30 June 2025 decreased to 48.18% from 48.32% reported for the same period in 2024.

The Bank recognized expected credit losses of RO 16.19 million (net of recoveries) to the income statement for the Half Year ended 30 June 2025. This is an increase of 8.43% from the expected credit losses of RO 14.93 million (net of recoveries) reported for the same period last year.

As at 30 June 2025, Net loans and advances (including Islamic finance receivables) amounted to RO 4.17 billion, up by 11.79% from RO 3.73 billion as at 30 June 2024. Furthermore, as compared to 31 December 2024, there was an increase of 6.10% in net loans and advances as at 30 June 25.

Customer deposits as at 30 June 2025, were RO 4.03 billion, compared to RO 3.56 billion as at 30 June 2024 with an increase of 13.57%. As compared to 31 December 2024, customer deposits (including Islamic deposits) has increased by 7.18% as at 30 June 25.

Earnings per share (EPS) for the Half Year ended 30 June 2025, is RO 0.0061, an increase over the RO 0.0055 recorded for the same period last year.

## **BANK DHOFAR SAOG**

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### **Dhofar Islamic - Financial Performance Highlights**

Dhofar Islamic posted a notable growth in earning assets, financing and deposits portfolio during the first half of 2025. Gross financing portfolio has increased from RO 721.10 million at June 2024 to RO 796.82 million at June 2025, thus posting growth of 10.5%. The gross Sukuk investment portfolio increased by 33.10% from RO 94.40 million at June 2024 to RO 125.65 million at June 2025.

As at June 2025 the total customer deposit stood at RO 798.68 million, registering a significant growth of 26.10% compared to RO 633.36 million at same period last year. The total assets have increased by 9.68% to RO 999.23 million at June 2025 from RO 911.07 million at June 2024.

The gross income from financing, placement and investment increased by 9.49% to RO 25.72 million as at June 2025 from RO 23.49 million reported during the same period last year. The net Profit income (after cost of funds) increased by 21.48% year-on-year reaching RO 10.86 million during six-months period ending June 2025, against RO 8.94 million at June 2024.

Dhofar Islamic total income for the period ended June 2025 stood at RO 14.47 million compared to RO 11.89 million at June 2024, posting an increase of 21.70%. The administrative cost has increased by 15.09% reaching RO 6.94 million compared to RO 6.03 million last year. Dhofar Islamic posted year to date Operating Profit (before ECL) of RO 7.53 million which is 28.50% above the last year operating profit of RO 5.86 million.

Dhofar Islamic registered a profit before tax of RO 2.27 million as at June 2025, compared to RO 4.52 million as at June 2024, reflecting a decline of 49.78% over last year. The drop in profit before tax is mainly attributed to the higher ECL charge during the year which stood at RO 5.25 million at June 2025, compared to RO 1.34 million last year.

### **Corporate Social Responsibility and Sustainability**

As part of its ongoing commitment to social development and environmental stewardship, the Bank proudly supported two impactful initiatives during the quarter 2 of 2025.

- SQU Summer School Sponsorship – In support of youth education and academic enrichment, the Bank contributed toward Sultan Qaboos University's Summer School program.
- Environmental Council Project in Partnership with the Environment Authority – Reinforcing its dedication to sustainability, to support of Student Environmental Council initiative.

In quarter 2 of 2025, Bank Dhofar advanced its sustainability agenda with the release of the 2024 Sustainability Report, showcasing our ongoing ESG commitments. We introduced 25 hybrid vehicles to replace part of our fleet, reducing emissions and fuel consumption. Key initiatives included internal and external awareness campaigns, the rollout of new internal sustainability policies, a partnership with a national recycling provider, and energy-saving upgrades through LED lighting and motion sensors. These efforts reflect our commitment to operational efficiency and environment responsibility.

### **Recognitions and Awards**

In order to improve client experience, the Bank - an institution that prioritizes innovation and customer satisfaction that continues to create and provide retail, corporate, and investment banking solutions. This was demonstrated by the Bank's receipt of the ensuing accolades in 2025.

- Fastest Growing Branch Network Award by World Business Outlook.
- The 2025 Gazet International Awards Best Bank - Mena 2025.

### **Acknowledgment**

On Behalf of the Board, I would like to express my profound appreciation to all stakeholders involved for their patronage and confidence they have reposed in the Bank's Board of Directors and Executive Management. I would like to express my gratitude to Dhofar Islamic's Sharia Supervisory Board for their contribution to the Sharia compliance. I express my gratitude to the Management and Staff for their unwavering and invaluable assistance in guiding the bank towards accomplishing its goals.

The Central Bank of Oman and the Financial Services Authority are also acknowledged by the Board of Directors for their persistent support and direction of Oman's banking and financial industry.

Finally, the Bank's Board of Directors and all of its employees would like to sincerely thank His Majesty Sultan Haitham Bin Tariq for his unwavering support of the economy, which cleared the path for a long-term, sustainable recovery.




**Eng. Abdul Hafidh Salim Rajab Al-Ojaili**  
Chairman

# BANK DHOFAR SAOG

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Notes	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun- 2024 RO'000	Audited 31-Dec- 2024 RO'000
<b>Assets</b>				
Cash and balances with Central Bank of Oman	5	80,434	151,782	197,174
Investment securities	8	672,093	533,399	648,485
Loans, advances, and financing to banks	6	282,900	317,964	196,479
Loans, advances, and financing to customers (conventional)	7 (a)	3,390,962	3,018,526	3,221,225
Islamic financing receivables	7 (b)	782,743	715,100	712,390
Other assets		86,012	76,764	80,939
Deferred tax assets		462	6,209	364
Property and equipment	10	14,982	9,185	15,404
Intangible assets	9	13,467	12,105	12,587
<b>Total assets</b>		<b>5,324,055</b>	<b>4,841,034</b>	<b>5,085,047</b>
<b>Liabilities</b>				
Due to banks	11	382,515	430,752	438,438
Deposits from customers (conventional)	12	3,229,965	2,907,347	3,066,881
Islamic customers deposits	12	803,243	643,810	695,980
Other liabilities		127,435	119,579	129,924
Tax liabilities		10,790	14,205	11,511
Employee benefit obligations		2,026	1,740	1,882
Subordinated loans	13	31,305	-	-
<b>Total liabilities</b>		<b>4,587,279</b>	<b>4,117,433</b>	<b>4,344,616</b>
<b>Shareholders' equity</b>				
Share capital	14	303,980	299,635	299,635
Share premium		95,656	95,656	95,656
Legal reserve		76,192	71,831	76,192
Special reserve		16,988	16,988	16,988
Special reserve –restructured loans		1,281	1,281	1,281
Special impairment reserve		12,184	12,184	12,184
Special revaluation reserve - investment		(709)	(709)	(709)
Investment revaluation reserve		(4,449)	(2,512)	(2,605)
Cash flow hedge reserve		89	-	645
Retained earnings		80,064	73,747	85,664
<b>Total equity attributable to the equity holders of the Bank</b>		<b>581,276</b>	<b>568,101</b>	<b>584,931</b>
Perpetual Tier 1 Capital Securities		155,500	155,500	155,500
<b>Total equity</b>		<b>736,776</b>	<b>723,601</b>	<b>740,431</b>
<b>Total liabilities and equity</b>		<b>5,324,055</b>	<b>4,841,034</b>	<b>5,085,047</b>
Contingent liabilities and commitments	20	757,765	642,499	718,428
<b>Net assets per share (Rial Omani)</b>	15	<b>0.191</b>	<b>0.190</b>	<b>0.195</b>

The interim condensed financial statements including notes and other explanatory information on pages 9 to 57 were approved by the Board of Directors and signed on their behalf by:

  
Eng. Abdul Hafidh Salim Rajab Al- Ojaili  
Chairman

  
K. Gopakumar  
Acting Chief Executive Officer

# BANK DHOFAR SAOG

## INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

		Unaudited 6 months 30-Jun- 2025 RO'000	Unaudited 6 months 30-Jun- 2024 RO'000	Unaudited 3 months 30-Jun- 2025 RO'000	Unaudited 3 months 30-Jun-2024 RO'000
	Notes				
Interest income	16	118,011	115,028	59,423	59,315
Interest expense	17	(69,173)	(64,475)	(34,446)	(32,741)
<b>Net interest income</b>		<b>48,838</b>	<b>50,553</b>	<b>24,977</b>	<b>26,574</b>
Income from Islamic financing / Investments	16	25,716	23,489	13,328	11,942
Unrestricted investment account holders' share of profit and profit expense	17	(14,619)	(13,695)	(7,465)	(6,958)
<b>Net income from Islamic financing and Investment activities</b>		<b>11,097</b>	<b>9,794</b>	<b>5,863</b>	<b>4,984</b>
Fees and commission income	21	21,644	17,027	11,196	8,626
Fees and commission expense	21	(5,476)	(4,267)	(2,785)	(2,502)
<b>Net fees and commission income</b>		<b>16,168</b>	<b>12,760</b>	<b>8,411</b>	<b>6,124</b>
Other operating income		8,354	5,049	4,081	2,230
<b>Operating income</b>		<b>84,457</b>	<b>78,156</b>	<b>43,332</b>	<b>39,912</b>
Staff and administrative costs		(37,243)	(34,256)	(18,531)	(17,455)
Depreciation		(3,452)	(3,510)	(1,742)	(1,834)
<b>Operating expenses</b>		<b>(40,695)</b>	<b>(37,766)</b>	<b>(20,273)</b>	<b>(19,289)</b>
Net Impairment losses on financial assets		(17,738)	(15,466)	(11,188)	(7,982)
Recovery of bad debts written-off		1,909	539	1,420	346
Bad debts written off		(356)	-	(14)	-
<b>Profit from operations after provision</b>		<b>27,577</b>	<b>25,463</b>	<b>13,277</b>	<b>12,987</b>
Income tax expense		(3,912)	(3,345)	(1,767)	(1,674)
<b>Profit for the period</b>		<b>23,665</b>	<b>22,118</b>	<b>11,510</b>	<b>11,313</b>
<b>Other comprehensive income:</b>					
<i>Items that will not be reclassified to Profit and Loss:</i>					
Movement in fair value reserve - FVOCI equity instrument		(2,839)	(566)	2,889	(383)
Realised (loss) / gain FVOCI equity instrument		(27)	(483)	-	(483)
<i>Items that are or may be reclassified to profit or loss in subsequent periods:</i>					
Movement in fair value reserve - FVOCI debt Instruments		995	(1,888)	584	(2,320)
Change in fair value of cash flow hedge		(556)	-	(75)	-
Other comprehensive (loss) / income for the period		(2,427)	(2,937)	3,398	(3,186)
<b>Total comprehensive income for the period</b>		<b>21,238</b>	<b>19,181</b>	<b>14,908</b>	<b>8,127</b>
Earnings per share attributable to equity shareholders of the Bank (basic and diluted) (Rials Omani)	18	0.0061	0.0055	0.0021	0.0020

The accompanying notes on pages 9 to 57 form an integral part of these interim condensed financial statements.

## BANK DHOFAR SAOG

### INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

Notes	Share capital	Share premium	Legal reserve	Special reserve	Special reserve restructured loan	Special impairment reserve	Special revaluation reserve	Cash flow hedge reserve	Investment revaluation reserve	Retained earnings	Total	Perpetual Tier 1 capital securities	Total equity
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>Balances as at 1 January 2025</b>	<b>299,635</b>	<b>95,656</b>	<b>76,192</b>	<b>16,988</b>	<b>1,281</b>	<b>12,184</b>	<b>(709)</b>	<b>645</b>	<b>(2,605)</b>	<b>85,664</b>	<b>584,931</b>	<b>155,500</b>	<b>740,431</b>
<b>Profit for the period</b>	-	-	-	-	-	-	-	-	-	23,665	23,665	-	23,665
<i>Other comprehensive income for the period:</i>													
Cashflow hedge	-	-	-	-	-	-	-	(556)	-	-	(556)	-	(556)
<b>Net changes of fair value reserve</b>													
FVOCI equity instruments	-	-	-	-	-	-	-	-	(2,839)	(27)	(2,866)	-	(2,866)
FVOCI debt instruments	-	-	-	-	-	-	-	-	995	-	995	-	995
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	(556)	(1,844)	23,638	21,238	-	21,238
<i>Perpetual Tier 1 capital securities:</i>													
Payment towards perpetual additional Tier 1 coupon	-	-	-	-	-	-	-	-	-	(5,267)	(5,267)	-	(5,267)
Stock dividend	14	4,345	-	-	-	-	-	-	-	(4,345)	-	-	-
Cash dividend	14	-	-	-	-	-	-	-	-	(19,626)	(19,626)	-	(19,626)
<b>Balances as at 30 June 2025</b>	<b>303,980</b>	<b>95,656</b>	<b>76,192</b>	<b>16,988</b>	<b>1,281</b>	<b>12,184</b>	<b>(709)</b>	<b>89</b>	<b>(4,449)</b>	<b>80,064</b>	<b>581,276</b>	<b>155,500</b>	<b>736,776</b>

The accompanying notes on pages 9 to 57 form an integral part of these interim condensed financial statements.

# BANK DHOFAR SAOG

## INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (CONTINUED)

Notes	Share capital	Share premium	Legal reserve	Special reserve	Special reserve restructured loan	Special impairment reserve	Special revaluation reserve	Subordinated loans reserve	Investment revaluation reserve	Retained earnings	Total	Perpetual Tier 1 capital securities	Total equity
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>Balances as at 1 January 2024</b>	299,635	95,656	71,831	16,988	1,281	12,184	(709)	-	(58)	80,646	577,454	155,500	732,954
<b>Profit for the period</b>	-	-	-	-	-	-	-	-	-	22,118	22,118	-	22,118
<b>Other comprehensive income for the period:</b>													
<b>Net changes of fair value reserve</b>													
FVOCI equity instruments	-	-	-	-	-	-	-	-	(566)	(483)	(1,049)	-	(1,049)
FVOCI debt instruments	-	-	-	-	-	-	-	-	(1,888)	-	(1,888)	-	(1,888)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	-	(2,454)	21,635	19,181	-	19,181
<b>Perpetual Tier 1 capital securities:</b>													
Payment towards perpetual additional Tier 1 coupon	-	-	-	-	-	-	-	-	-	(5,312)	(5,312)	-	(5,312)
Dividend	14	-	-	-	-	-	-	-	-	(23,222)	(23,222)		(23,222)
<b>Balances as at 30 June 2024</b>	299,635	95,656	71,831	16,988	1,281	12,184	(709)	-	(2,512)	73,747	568,101	155,500	723,601

The accompanying notes on pages 9 to 57 form an integral part of these interim condensed financial statements.



## BANK DHOFAR SAOG

### INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (CONTINUED)

Notes	Share capital	Share premium	Legal reserve	Special reserve	Special reserve restructured loan	Special impairment reserve	Special revaluation reserve	Cash flow hedge reserve	Investment revaluation reserve	Retained earnings	Total	Perpetual Tier 1 capital securities	Total equity
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>Balances as at 1 January 2024</b>	299,635	95,656	71,831	16,988	1,281	12,184	(709)	-	(58)	80,646	577,454	155,500	732,954
<b>Profit for the period</b>	-	-	-	-	-	-	-	-	-	43,609	43,609	-	43,609
<i>Other comprehensive income for the period:</i>													
<b>Net changes of fair value reserve</b>													
FVOCI equity instruments	-	-	-	-	-	-	-	645	(832)	(383)	(570)	-	(570)
FVOCI debt instruments	-	-	-	-	-	-	-	-	(1,715)	-	(1,715)	-	(1,715)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	645	(2,547)	43,226	41,324	-	41,324
Transfer to legal reserve	-	-	4,361	-	-	-	-	-	-	(4,361)	-	-	-
<b>Perpetual Tier 1 capital securities:</b>													
Payment towards perpetual additional Tier 1 coupon	-	-	-	-	-	-	-	-	-	(10,625)	(10,625)	-	(10,625)
Dividend	14	-	-	-	-	-	-	-	-	(23,222)	(23,222)	-	(23,222)
<b>Balances as at 31 December 2024</b>	299,635	95,656	76,192	16,988	1,281	12,184	(709)	645	(2,605)	85,664	584,931	155,500	740,431

The accompanying notes on pages 9 to 57 form an integral part of these interim condensed financial statement

## BANK DHOFAR SAOG

### INTERIM CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	27,577	25,463
<i>Adjustment for:</i>		
Depreciation, amortization and impairment	3,452	3,510
Net impairment on financial assets and recovery of bad debts written off	16,185	14,927
Dividend income	(2,870)	(511)
End of service provision for the period	265	171
(Gain) on disposal of property and equipment	-	(67)
<b>Operating profit before operating assets and liabilities changes</b>	<b>44,609</b>	<b>43,493</b>
<i>Net increase/(decrease) in:</i>		
Due to banks	(55,923)	(75,164)
Loans, advances and financing to banks	11,042	(58,729)
Loans & advances and financing to customers	(256,275)	17,031
Other assets	(6,231)	3,814
Customer deposits	270,347	251,934
Other liabilities	15,919	(10,876)
<b>Cash generated from operations before tax and end of service benefits</b>	<b>23,488</b>	<b>171,503</b>
Taxes paid	(4,633)	(4,649)
End of service benefits paid	(121)	(170)
<b>Net cash generated from operating activities</b>	<b>18,734</b>	<b>166,684</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net movement in investment securities	(24,294)	(76,860)
Dividend received investment securities	2,870	511
Sale proceeds of property	-	67
Purchase of property, equipment and intangible assets	(3,910)	(3,860)
Acquisition consideration in cash	(18,784)	-
<b>Net cash (used in) investing activities</b>	<b>(44,118)</b>	<b>(80,142)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Subordinated loan	31,000	-
Dividend	(19,626)	(23,222)
Payment of AT1 coupon cost	(5,267)	(5,312)
<b>Net cash generated from financing activities</b>	<b>6,107</b>	<b>(28,534)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(19,277)</b>	<b>58,008</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>324,808</b>	<b>265,319</b>
<b>Cash and cash equivalents at end of the period</b>	<b>305,531</b>	<b>323,327</b>
<i>Cash and cash equivalent comprise of:</i>		
Cash and balances with Central Bank of Oman	80,434	151,782
Capital deposit with Central Bank of Oman	(500)	(500)
Due from banks with a short-term maturity of 3 months or less	225,597	172,045
	<b>305,531</b>	<b>323,327</b>

The accompanying notes on pages 9 to 57 form an integral part of these interim condensed financial statements.

# **BANK DHOFAR SAOG**

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## **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

### **1. LEGAL STATUS AND PRINCIPAL ACTIVITIES**

#### **1.1 Bank Dhofar SAOG**

Bank Dhofar SAOG (the “Bank”) is incorporated in the Sultanate of Oman as a public joint stock company and is principally engaged in corporate, retail and investment banking activities through a network of 140 branches (30 June 2024: 118 branches) which comprises of 29 Islamic branches (30 June 2024: 24 Islamic branches) and 111 conventional branches (30 June 2024: 94 conventional branches). The Bank’s Islamic Banking Window, “Dhofar Islamic” has an allocated capital of RO 70 Million (30 June 2024: RO 70 million) from the core paid up capital of the shareholders. The Bank has a primary listing of its ordinary shares on the Muscat Stock Exchange (“MSX”), and the Bank’s Additional Tier I Perpetual Bonds are listed on the Muscat Stock Exchange (“MSX”). The Bank’s principal place of business is its Head Office located at Central Business District (“CBD”), Muscat, Sultanate of Oman.

The Bank employed 1,783 employees as of 30 June 2025 (30 June 2024: 1,737 employees).

#### **1.2 Acquisition of the assets and liabilities of Bank of Baroda (BoB) Oman Branch**

The acquisition of the assets and liabilities of Bank of Baroda (BoB) Oman Branch was completed as of 1 April 2025 (acquisition date). The acquisition resulted in all of BoB Oman branch rights, obligations, assets (including contracts and employees) and liabilities transferring to the bank by operation of law (as a going concern). The shareholders of BoB Oman Branch received their full consideration for the acquisition of the assets and liabilities, in the form of cash, in accordance with the terms of the business transfer agreement dated 27 January 2025 (as amended from time to time).

### **2 BASIS OF PREPARATION**

#### **2.1 Statement of compliance and basis of accounting.**

The unaudited interim condensed financial statements for the six-month period ended 30 June 2025 of the Bank are prepared in accordance with International Accounting Standard (IAS) 34, ‘Interim Financial Reporting’, applicable regulations of the Central Bank of Oman (CBO) and the disclosure requirements set out in the Rules and Disclosure and Proformas issued by the Financial Services Authority (FSA) formerly Capital Market Authority (CMA).

These unaudited interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the Bank’s last annual financial statements as at and for the year ended 31 December 2024 (‘the last annual financial statements’).

They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank’s financial position and performance since the last annual financial statements.

#### **2.2 Basis of measurement.**

The financial statements have been prepared under the historical cost convention except for derivative financial instruments, financial instruments at fair value through profit or loss (FVTPL) and financial instruments at fair value through other comprehensive income (FVOCI).

#### **2.3 Functional and presentation currency.**

The financial statements are presented in Rial Omani (“RO”), which is the Bank’s functional (currency of primary economic environment in which the Bank operates) and presentation currency, rounded to the nearest million unless otherwise stated.

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****2.4 Use of estimates and judgments.**

In preparing these interim condensed financial statements in conformity with IFRSs requires management to make judgements estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2024.

**2.5 Business Combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date i.e. the date from which control is transferred to the Bank. Under this method, identifiable assets and liabilities acquired from the merged entity (BoB Oman Branch) are measured at fair value at the merger date except for non-current assets classified as assets held for sale which are accounted for at fair value less costs to sell. Contingent liabilities of the acquired entity are not recognised in the consolidated balance sheet unless they represent a present obligation on the acquisition date and their fair value can be measured reliably. Transaction costs are recognised in profit and loss as cost are incurred.

The difference between the net fair value of the assets acquired and the total consideration paid can be positive (goodwill) or negative (bargain purchase). Goodwill is recognised in the Bank's balance sheet, while a gain on bargain purchase is recognised in profit or loss immediately.

In accordance with IFRS3, the Bank is in the process of initiating an independent Purchase Price Allocation (PPA) review of the fair values of the identifiable assets and liabilities acquired relative to the total consideration paid to identify any intangible assets, changes in fair values, or other adjustments which have not been identified at the acquisition date and which should be reflected as goodwill or an adjustment to any gain on bargain purchase already recognised. The Bank may recognise such adjustments within 12 months of the merger date.

**3 Standards effective from 1 January 2025.**

A number of new or amended standards became applicable for the current reporting period. The Bank did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

**4 Standards issued but not yet effective.**

A number of new standards and amendments have been issued by the International Accounting Standards Board (IASB) but are not yet mandatory for the period beginning 1 January 2025. The Bank is evaluating the impact on future financial statements, if any, on adopting these pronouncements.

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 5. Cash and balances with the Central Bank of Oman

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec-2024 RO'000
Cash in hand	48,972	40,326	46,628
Balances with the Central Bank of Oman	31,433	111,450	133,219
Placements with the Central Bank of Oman	4	4	17,325
Cash held by a custodian	25	2	2
	<u>80,434</u>	<u>151,782</u>	<u>197,174</u>

As at 30 June 2025 cash and balances with Central bank of Oman includes capital deposit amounting to RO 1 million (30 June 2024 - RO 0.5 million and 31 December 2024 – RO 0.5 million). This is not available for day-to-day operations of the Bank and cannot be withdrawn without the Central Bank of Oman approval.

#### 6. Loans, advances and financing to banks (at amortised cost)

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec-2024 RO'000
Syndicated loans to other banks	27,913	4,268	29,579
Placements with other banks	232,723	298,970	141,800
Current clearing accounts	22,338	15,217	25,193
	<u>282,974</u>	<u>318,455</u>	<u>196,572</u>
Less: impairment allowance	(74)	(491)	(93)
	<u>282,900</u>	<u>317,964</u>	<u>196,479</u>

**BANK DHOFAR SAOG****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****7. Loans, advances and financing to customers (Conventional and Islamic)**

<b>(a) Conventional Banking</b>	<b>Unaudited 30-Jun-2025 RO'000</b>	<b>Unaudited 30-Jun-2024 RO'000</b>	<b>Audited 31-Dec-2024 RO'000</b>
Loans	3,202,900	2,860,132	3,054,196
Overdraft	149,108	134,149	140,489
Loans against trust receipts	158,922	128,942	140,504
Bills discounted	35,605	41,299	29,869
Advances against credit cards	15,597	11,635	14,379
Gross Loans, advances and financing to customers	3,562,132	3,176,157	3,379,437
Less: Impairment allowance including reserved interest	(171,170)	(157,631)	(158,212)
	<u>3,390,962</u>	<u>3,018,526</u>	<u>3,221,225</u>
<b>(b) Islamic Banking Window financing</b>	<b>Unaudited 30-Jun-2025 RO'000</b>	<b>Unaudited 30-Jun-2024 RO'000</b>	<b>Audited 31-Dec-2024 RO'000</b>
Housing finance	244,264	225,624	232,180
Corporate finance	539,831	488,264	479,226
Consumer finance	25,766	22,144	23,788
	809,861	736,032	735,194
Less: Impairment allowance	(27,118)	(20,932)	(22,804)
	<u>782,743</u>	<u>715,100</u>	<u>712,390</u>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 7. Loans, advances, and financing to customers (*continued*)

##### (c) The movement in the allowance for expected credit losses is analysed below:

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec-2024 RO'000
<b>i. Allowance for expected credit losses (Conventional and Islamic)</b>			
1 January	155,805	169,188	169,188
Reclassification of ECL related to accrued interest	-	(1,441)	(1,441)
Allowance made during the period	22,819	25,726	47,180
Released to the profit or loss during the period	(5,575)	(10,665)	(15,340)
Written off during the period	(4,524)	(29,467)	(43,782)
Balance at the end of the period	168,525	153,341	155,805
<b>ii. Reserved interest</b>			
1 January	25,211	35,023	35,023
Reserved during the period	9,962	11,893	22,784
Recoveries to profit or loss during the period	(5,183)	(9,873)	(15,514)
Written-off during the period	(227)	(11,821)	(17,082)
Balance at the end of the period	29,763	25,222	25,211
<b>Total allowance for expected credit losses</b>	<b>198,288</b>	<b>178,563</b>	<b>181,016</b>

# BANK DHOFAR SAOG

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

### 7. Loans, advances and financing to customers; (continued)

(c) The movement in the impairment allowance is analysed below; (continued):

#### i. Comparison of provision held as per IFRS 9 and required as per CBO norms

Disclosure requirements containing the risk classification –wise gross and net amount outstanding, provision required as per CBO norms, allowance made as per IFRS 9, interest recognized as per IFRS 9 and reserve interest required as per CBO are given below based on CBO circular BM 1149.

In accordance with CBO circular BM 1149 Banks should continue to maintain and update the risk classification (i.e. standard, special mention, substandard, etc.) of accounts as per the extant CBO norms, including those on restructuring of loans accounts for regulatory reporting purposes.

As at 30 June 2025

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net Carrying Amount as per CBO norms*	Net Carrying Amount as per IFRS 9	Interest recognised in P&L as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)- (10)	(8) = (3)- (5)	(9)	(10)
Standard	Stage 1	3,387,294	43,732	9,307	34,425	3,343,562	3,377,987	-	-
	Stage 2	342,862	3,375	12,289	(8,914)	339,487	330,573	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		3,730,156	47,107	21,596	25,511	3,683,049	3,708,560	-	-
Special Mention	Stage 1	710	6	6	(0)	704	704	-	-
	Stage 2	433,403	4,116	60,059	(55,943)	422,396	373,344	-	6,891
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		434,113	4,122	60,065	(55,943)	423,100	374,048	-	6,891
Substandard	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	29,209	5,704	7,100	(1,396)	23,097	22,109	-	408
Subtotal		29,209	5,704	7,100	(1,396)	23,097	22,109	-	408
Doubtful	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	17,029	6,258	6,267	(9)	10,183	10,762	-	588
Subtotal		17,029	6,258	6,267	(9)	10,183	10,762	-	588
Loss	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	161,486	109,077	73,497	35,580	30,533	87,989	-	21,876
Subtotal		161,486	109,077	73,497	35,580	30,533	87,989	-	21,876
Total loans and advances		4,371,993	172,268	168,525	3,743	4,169,962	4,203,468	-	29,763
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	2,164,875	147	2,623	(2,476)	2,164,728	2,162,252	-	-
	Stage 2	322,237	-	2,646	(2,646)	322,237	319,591	-	-
	Stage 3	2,874	-	1,351	(1,351)	2,874	1,523	-	-
Subtotal		2,489,986	147	6,620	(6,473)	2,489,839	2,483,366	-	-
Total (30 June 2025)	Stage 1	5,552,879	43,885	11,936	31,949	5,508,994	5,540,943	-	-
	Stage 2	1,098,502	7,491	74,994	(67,503)	1,084,120	1,023,508	-	6,891
	Stage 3	210,598	121,039	88,215	32,824	66,687	122,383	-	22,872
	Total	6,861,979	172,415	175,145	(2,730)	6,659,801	6,686,834	-	29,763

\* Net of provision and reserve interest as per CBO norms

Other items disclosed above includes outstanding exposure and respective provisions held against due from banks, investments, other assets, loan commitments and financial guarantees.



# BANK DHOFAR SAOG

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

### 7. Loans, advances and financing to customers (*continued*)

#### (c) The movement in the impairment allowance is analysed below (*continued*):

##### i. Comparison of provision held as per IFRS 9 and required as per CBO norms

As at 30 June 2024

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net Carrying Amount as per CBO norms* (7)=(3)-(4)- (10)	Net Carrying Amount as per IFRS 9 (8) = (3)- (5)	Interest recognised in P&L as per IFRS 9 (9)	Reserve interest as per CBO norms (10)
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)- (10)	(8) = (3)- (5)	(9)	(10)
Standard	Stage 1	2,959,642	38,043	13,243	24,800	2,921,599	2,946,399	-	-
	Stage 2	362,950	4,145	17,994	(13,849)	358,805	344,956	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		3,322,592	42,188	31,237	10,951	3,280,404	3,291,355	-	-
Special Mention	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	389,815	4,488	41,382	(36,894)	382,457	348,433	-	2,870
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		389,815	4,488	41,382	(36,894)	382,457	348,433	-	2,870
Substandard	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	28,820	7,467	8,468	(1,001)	20,798	20,352	-	555
Subtotal		28,820	7,467	8,468	(1,001)	20,798	20,352	-	555
Doubtful	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	29,916	10,456	8,422	2,034	17,586	21,494	-	1,874
Subtotal		29,916	10,456	8,422	2,034	17,586	21,494	-	1,874
Loss	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	141,046	93,719	63,832	29,887	27,404	77,214	-	19,923
Subtotal		141,046	93,719	63,832	29,887	27,404	77,214	-	19,923
Total loans and advances		3,912,189	158,318	153,341	4,977	3,728,649	3,758,848	-	25,222
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,989,306	179	3,183	(3,004)	1,989,127	1,986,123	-	-
	Stage 2	290,516	-	5,616	(5,616)	290,516	284,900	-	-
	Stage 3	4,048	-	1,640	(1,640)	4,048	2,408	-	-
Subtotal		2,283,870	179	10,439	(10,260)	2,283,691	2,273,431	-	-
Total (30 June 2024)	Stage 1	4,948,948	38,222	16,426	21,796	4,910,726	4,932,522	-	-
	Stage 2	1,043,281	8,633	64,992	(56,359)	1,031,778	978,289	-	2,870
	Stage 3	203,830	111,642	82,362	29,280	69,836	121,468	-	22,352
	Total	6,196,059	158,497	163,780	(5,283)	6,012,340	6,032,279	-	25,222

\* Net of provision and reserve interest as per CBO norms

Other items disclosed above includes outstanding exposure and respective provisions held against due from banks, investments, other assets, loan commitments and financial guarantees.

# BANK DHOFAR SAOG

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

### 7. Loans, advances and financing to customers (*continued*)

#### (c) The movement in the impairment allowance is analysed below (*continued*):

##### i. Comparison of provision held as per IFRS 9 and required as per CBO norms

As at 31 December 2024

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net Carrying Amount as per CBO norms* (7)=(3)-(4)-(10)	Net Carrying Amount as per IFRS 9 (8) = (3)-(5)	Interest recognised in P&L as per IFRS 9 (9)	Reserve interest as per CBO norms (10)
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)-(10)	(8) = (3)-(5)	(9)	(10)
Standard	Stage 1	3,155,963	43,336	8,910	34,426	3,112,627	3,147,053	-	-
	Stage 2	293,017	2,688	16,183	(13,495)	290,329	276,834	-	-
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		3,448,980	46,024	25,093	20,931	3,402,956	3,423,887	-	-
Special Mention	Stage 1	66	1	1	-	65	65	-	-
	Stage 2	473,597	4,489	46,836	(42,347)	464,832	426,761	-	4,276
	Stage 3	-	-	-	-	-	-	-	-
Subtotal		473,663	4,490	46,837	(42,347)	464,897	426,826	-	4,276
Substandard	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	8,376	2,100	2,830	(730)	6,091	5,546	-	185
Subtotal		8,376	2,100	2,830	(730)	6,091	5,546	-	185
Doubtful	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	32,907	10,109	10,788	(679)	21,365	22,119	-	1,433
Subtotal		32,907	10,109	10,788	(679)	21,365	22,119	-	1,433
Loss	Stage 1	-	-	-	-	-	-	-	-
	Stage 2	-	-	-	-	-	-	-	-
	Stage 3	150,705	105,777	70,257	35,520	25,611	80,448	-	19,317
Subtotal		150,705	105,777	70,257	35,520	25,611	80,448	-	19,317
Total loans and advances		4,114,631	168,500	155,805	12,695	3,920,920	3,958,826	-	25,211
Other items not covered under CBO circular BM 977 and related instructions	Stage 1	1,996,316	147	2,410	(2,263)	1,996,169	1,993,906	-	-
	Stage 2	306,717	-	2,222	(2,222)	306,717	304,495	-	-
	Stage 3	3,209	-	1,485	(1,485)	3,209	1,724	-	-
Subtotal		2,306,242	147	6,117	(5,970)	2,306,095	2,300,125	-	-
Total (31 December 2024)	Stage 1	5,152,345	43,484	11,321	32,163	5,108,861	5,141,024	-	-
	Stage 2	1,073,331	7,177	65,241	(58,064)	1,061,878	1,008,090	-	4,276
	Stage 3	195,197	117,986	85,360	32,626	56,276	109,837	-	20,935
	Total	6,420,873	168,647	161,922	6,725	6,227,015	6,258,951	-	25,211

\* Net of provision and reserve interest as per CBO norms

Other items disclosed above includes outstanding exposure and respective provisions held against due from banks, investments, other assets, loan commitments and financial guarantees.

# BANK DHOFAR SAOG

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

### 7. Loans, advances and financing to customers (continued)

#### (d) Restructured Loans

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans, in particular customer finance loans.

#### At 30 June 2025

(Amounts in RO '000)

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net Carrying Amount as per CBO norms*	Net Carrying Amount as per IFRS 9	Interest recognised in P&L as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)- (10)	(8) = (3)- (5)	(9)	(10)
Classified as performing	Stage 1	76,819	799	812	(13)	76,020	76,007	-	-
	Stage 2	366,757	3,586	54,897	(51,311)	363,171	311,860	-	-
Subtotal		443,576	4,385	55,709	(51,324)	439,191	387,867	-	-
Classified as non- performing	Stage 3	23,850	10,730	7,000	3,730	11,157	16,850	-	1,963
Sub total		23,850	10,730	7,000	3,730	11,157	16,850	-	1,963
Total (30 June 2025)	Stage 1	76,819	799	812	(13)	76,020	76,007	-	-
	Stage 2	366,757	3,586	54,897	(51,311)	363,171	311,860	-	-
	Stage 3	23,850	10,730	7,000	3,730	11,157	16,850	-	1,963
	Total	467,426	15,115	62,709	(47,594)	450,348	404,717	-	1,963

\* Net of provision and reserve interest as per CBO norms

#### As at 30 June 2024

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net Carrying Amount as per CBO norms*	Net Carrying Amount as per IFRS 9	Interest recognised in P&L as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)- (10)	(8) = (3)- (5)	(9)	(10)
Classified as performing	Stage 1	89,497	912	1,368	(456)	88,585	88,129	-	-
	Stage 2	295,881	2,910	39,878	(36,968)	292,971	256,003	-	-
Subtotal		385,378	3,822	41,246	(37,424)	381,556	344,132	-	-
Classified as non- performing	Stage 3	21,549	9,063	5,350	3,713	11,176	16,199	-	1,310
Sub total		21,549	9,063	5,350	3,713	11,176	16,199	-	1,310
Total (30 June 2024)	Stage 1	89,497	912	1,368	(456)	88,585	88,129	-	-
	Stage 2	295,881	2,910	39,878	(36,968)	292,971	256,003	-	-
	Stage 3	21,549	9,063	5,350	3,713	11,176	16,199	-	1,310
	Total	406,927	12,885	46,596	(33,711)	392,732	360,331	-	1,310

\* Net of provision and reserve interest as per CBO norms

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 7. Loans, advances, and financing to customers (*continued*)

##### (d) Restructured Loans (*continued*)

At 31 December 2024

Asset Classification as per CBO Norms	Asset Classification as per IFRS 9	Gross Carrying Amount	Provision required as per CBO Norms	Provision held as per IFRS 9	Difference between CBO provision required and provision held	Net Carrying Amount as per CBO norms*	Net Carrying Amount as per IFRS 9	Interest recognised in P&L as per IFRS 9	Reserve interest as per CBO norms
(1)	(2)	(3)	(4)	(5)	(6) = (4)-(5)	(7)=(3)-(4)- (10)	(8) = (3)- (5)	(9)	(10)
Classified as performing	Stage 1	83,794	864	860	4	82,930	82,934	-	-
	Stage 2	379,872	3,704	41,934	(38,230)	376,168	337,938	-	-
	Subtotal	463,666	4,568	42,794	(38,226)	459,098	420,872	-	-
Classified as non- performing	Stage 3	25,458	13,104	6,573	6,531	10,439	18,885	-	1,915
	Sub total	25,458	13,104	6,573	6,531	10,439	18,885	-	1,915
Total (31 December 2024)	Stage 1	83,794	864	860	4	82,930	82,934	-	-
	Stage 2	379,872	3,704	41,934	(38,230)	376,168	337,938	-	-
	Stage 3	25,458	13,104	6,573	6,531	10,439	18,885	-	1,915
	Total	489,124	17,672	49,367	(31,695)	469,537	439,757	-	1,915

\* Net of provision and reserve interest as per CBO

**BANK DHOFAR SAOG****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****7. Loans, advances, and financing to customer (continued)****(e) Comparison of allowance for expected credit losses charges as per IFRS 9 and as per CBO norms****i. Allowance for expected credit losses charge and provisions held**

<b>30 June 2025</b>	<b>As per CBO Norms RO'000</b>	<b>As per IFRS 9 RO'000</b>	<b>Difference RO'000</b>
Provisions required as per CBO – BM 977/ held as per IFRS 9 (Note 1)	<b>172,415</b>	<b>175,145</b>	<b>(2,730)</b>
Gross NPL ratio	<b>4.75%</b>	<b>4.75%</b>	<b>-</b>
Net NPL ratio	<b>1.46%</b>	<b>2.24%</b>	<b>(0.78) %</b>

Gross NPL ratio (Non-performing Loans) is 4.75% and Net NPL ratio is 2.24% based on funded non-performing exposure over funded exposure.

Note 1: Excluding Interest Reserve of RO 22.87 million.

<b>30 June 2024</b>	<b>As per CBO Norms RO'000</b>	<b>As per IFRS 9 RO'000</b>	<b>Difference RO'000</b>
Provisions required as per CBO – BM 977/ held as per IFRS 9 (Note 1)	158,497	163,780	(5,283)
Gross NPL ratio	5.11%	5.11%	-
Net NPL ratio	1.68%	2.47%	(0.79) %

Gross NPL ratio (Non-performing Loans) are 5.11% and Net NPL ratio is 2.47% based on funded non-performing exposure over funded exposure.

Note 1: Excluding Interest Reserve of RO 22.35 million.

<b>31 December 2024</b>	<b>As per CBO Norms RO'000</b>	<b>As per IFRS 9 RO'000</b>	<b>Difference RO'000</b>
Provisions required as per CBO – BM 977/ held as per IFRS 9 (Note 1)	168,647	161,922	6,725
Gross NPL ratio	4.67%	4.67%	-
Net NPL ratio	1.29%	2.12%	(0.83) %

Gross NPL ratio (Non-performing Loans) are 4.67% and Net NPL ratio is 2.12% based on funded non-performing exposure over funded exposure.

Note 1: Excluding Interest Reserve of RO 20.94 million.

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 7. Loans, advances, and financing to customers *(continued)*

##### (f) Stage wise exposure, allowance for expected credit losses and net exposures

The following table discloses the stage-wise gross exposure, impairment, and net exposure of only those financial assets that are tested for impairment under IFRS 9 as at, 30 June 2025:

<b>Gross exposure</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Central Bank balances	31,437			31,437
Cash held by a custodian	25			25
Due from Banks	282,950	24		282,974
Sovereign	478,907			478,907
Investment Securities at amortized cost	40,964			40,964
Investment Securities at FVOCI	40,984	10,000		50,984
Loans and advances	3,388,004	776,265	207,724	4,371,993
Acceptances	33,679	6,433	-	40,112
<b>Total funded gross exposure</b>	<b>4,296,950</b>	<b>792,722</b>	<b>207,724</b>	<b>5,297,396</b>
Letters of credit/guarantee	626,875	128,016	2,874	757,765
Loan commitment / unutilized limits	629,054	177,764	-	806,818
<b>Total non-funded gross exposure</b>	<b>1,255,929</b>	<b>305,780</b>	<b>2,874</b>	<b>1,564,583</b>
<b>Total gross exposure</b>	<b>5,552,879</b>	<b>1,098,502</b>	<b>210,598</b>	<b>6,861,979</b>
<b>Allowance for expected credit losses</b>				
Due from Banks	74	-	-	74
Investment Securities at FVOCI	148	538	-	686
Loans and advances	9,313	72,348	86,864	168,525
Acceptances	665	1	-	666
<b>Total funded impairment</b>	<b>10,200</b>	<b>72,887</b>	<b>86,864</b>	<b>169,951</b>
Letters of credit/guarantee	817	1,507	1,351	3,675
Loan commitment/unutilized limits	919	600	-	1,519
<b>Total non-funded impairment</b>	<b>1,736</b>	<b>2,107</b>	<b>1,351</b>	<b>5,194</b>
<b>Total impairment</b>	<b>11,936</b>	<b>74,994</b>	<b>88,215</b>	<b>175,145</b>
<b>Net exposure</b>				
Central Bank balances	31,437	-	-	31,437
Cash held by a custodian	25	-	-	25
Due from Banks	282,876	24	-	282,900
Sovereign	478,907	-	-	478,907
Investment Securities at amortized Cost	40,816	(538)	-	40,278
Investment Securities at FVOCI	40,984	10,000	-	50,984
Loans and advances	3,378,691	703,917	120,860	4,203,468
Acceptances	33,014	6,432	-	39,446
<b>Total funded net exposure</b>	<b>4,286,750</b>	<b>719,835</b>	<b>120,860</b>	<b>5,127,445</b>
Letter of credit/guarantee	626,058	126,509	1,523	754,090
Loan commitment / unutilized limits	628,135	177,164	-	805,299
<b>Total net non-funded exposure</b>	<b>1,254,193</b>	<b>303,673</b>	<b>1,523</b>	<b>1,559,389</b>
<b>Total net exposure</b>	<b>5,540,943</b>	<b>1,023,508</b>	<b>122,383</b>	<b>6,686,834</b>

Gross exposure of loans and advances of RO 207.72 million under stage 3 includes reserved interest of RO 22.87 million.

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 7. Loans, advances, and financing to customers *(continued)*

##### (f) Stage wise exposure, allowance for expected credit losses and net exposures *(continued)*

	Stage 1	Stage 2	Stage 3	RO'000 Total
<b>Opening Balance – as at 1 January 2025</b>				
Due from banks	93	-	-	93
Loans and advances to customers	8,707	63,223	83,875	155,805
Investment securities at FVOCI (Debt)	240	-	-	240
Loan commitments and financial guarantees	1,045	1,146	1,484	3,675
Acceptances	439	2	-	441
Unutilised	797	870	1	1,668
<b>Total</b>	<b>11,321</b>	<b>65,241</b>	<b>85,360</b>	<b>161,922</b>
<b>Net transfer between stages</b>				
Loans and advances to customers	2,187	(581)	(1,606)	-
Investment securities at FVOCI (Debt)	(88)	88	-	-
Loan commitments and financial guarantees	33	289	(322)	-
Unutilised	(13)	13	-	-
<b>Total</b>	<b>2,119</b>	<b>(191)</b>	<b>(1,928)</b>	<b>-</b>
<b>Charge for the Period (net)</b>				
Due from banks	(19)	-	-	(19)
Loans and advances to customers	(1,581)	9,706	9,119	17,244
Investment securities at FVOCI (Debt)	(4)	450	-	446
Loan commitments and financial guarantees	(261)	72	189	-
Acceptances	226	(1)	-	225
Unutilised	135	(283)	(1)	(149)
Adjustment	(9)	-	-	(9)
<b>Total net of recovery</b>	<b>(1,513)</b>	<b>9,944</b>	<b>9,307</b>	<b>17,738</b>
<b>Written-off</b>	<b>-</b>	<b>-</b>	<b>(4,524)</b>	<b>(4,524)</b>
<b>Closing Balance – as at 30 June 2025</b>				
- Due from banks	74	-	-	74
- Loans and advances to customers	9,313	72,348	86,864	168,525
- Investment securities at FVOCI (Debt)	148	538	-	686
- Loan commitments and financial guarantees	817	1,507	1,351	3,675
- Acceptances	665	1	-	666
- Unutilised	919	600	-	1,519
<b>Total expected credit losses</b>	<b>11,936</b>	<b>74,994</b>	<b>88,215</b>	<b>175,145</b>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**
**7. Loans, advances, and financing to customers (continued)**
**(f) Stage wise exposure, allowance for expected credit losses and net exposures (continued)**

The following table discloses the stage-wise gross exposure, impairment and net exposure of only those financial assets that are tested for impairment under IFRS 9 as at, 30 June 2024:

<b>Gross exposure</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Central Bank balances	111,454	-	-	111,454
Cash held by a custodian	2	-	-	2
Due from Banks	318,455	-	-	318,455
Sovereign	399,575	-	-	399,575
Investment Securities at amortized cost	10,049	-	-	10,049
Investment Securities at FVOCI	29,134	-	-	29,134
Loans and advances	2,959,642	752,765	199,782	3,912,189
Acceptances	35,379	7,357	-	42,736
<b>Total funded gross exposure</b>	<b>3,863,690</b>	<b>760,122</b>	<b>199,782</b>	<b>4,823,594</b>
Letters of credit/guarantee	533,714	104,737	4,048	642,499
Loan commitment / unutilized limits	551,544	178,422	-	729,966
<b>Total non-funded gross exposure</b>	<b>1,085,258</b>	<b>283,159</b>	<b>4,048</b>	<b>1,372,465</b>
<b>Total gross exposure</b>	<b>4,948,948</b>	<b>1,043,281</b>	<b>203,830</b>	<b>6,196,059</b>
<b>Allowance for expected credit losses</b>				
Due from Banks	491	-	-	491
Investment Securities at FVOCI	89	-	-	89
Loans and advances	13,243	59,376	80,722	153,341
Acceptances	15	12	-	27
<b>Total funded impairment</b>	<b>13,838</b>	<b>59,388</b>	<b>80,722</b>	<b>153,948</b>
Letters of credit/guarantee	1,729	4,801	1,640	8,170
Loan commitment/unutilized limits	859	803	-	1,662
<b>Total non-funded impairment</b>	<b>2,588</b>	<b>5,604</b>	<b>1,640</b>	<b>9,832</b>
<b>Total impairment</b>	<b>16,426</b>	<b>64,992</b>	<b>82,362</b>	<b>163,780</b>
<b>Net exposure</b>				
Central Bank balances	111,454	-	-	111,454
Cash held by a custodian	2	-	-	2
Due from Banks	317,964	-	-	317,964
Sovereign	399,575	-	-	399,575
Investment Securities at amortized Cost	10,049	-	-	10,049
Investment Securities at FVOCI	29,045	-	-	29,045
Loans and advances	2,946,399	693,389	119,060	3,758,848
Acceptances	35,364	7,345	-	42,709
<b>Total funded net exposure</b>	<b>3,849,852</b>	<b>700,734</b>	<b>119,060</b>	<b>4,669,646</b>
Letter of credit/guarantee	531,985	99,936	2,408	634,329
Loan commitment / unutilized limits	550,685	177,619	-	728,304
<b>Total net non-funded exposure</b>	<b>1,082,670</b>	<b>277,555</b>	<b>2,408</b>	<b>1,362,633</b>
<b>Total net exposure</b>	<b>4,932,522</b>	<b>978,289</b>	<b>121,468</b>	<b>6,032,279</b>

Gross exposure of loans and advances of RO 199.78 million under stage 3 includes reserved interest of RO 22.35 million.



## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 7. Loans, advances and financing to customers (*continued*)

##### (f) Stage wise exposure, allowance for expected credit losses and net exposures (*continued*)

	Stage 1	Stage 2	Stage 3	RO'000 Total
<b>Opening Balance – as at 1 January 2024</b>				
Due from banks	444	-	-	444
Loans and advances to customers	12,986	56,042	98,719	167,747
Investment securities at FVOCI (Debt)	45	-	-	45
Loan commitments and financial guarantees	1,422	4,360	1,441	7,223
Acceptances	23	12	-	35
Unutilised	1,448	838	1	2,287
<b>Total</b>	<b>16,368</b>	<b>61,252</b>	<b>100,161</b>	<b>177,781</b>
<b>Net transfer between stages</b>				
Loans and advances to customers	2,199	(9,659)	7,460	-
Loan commitments and financial guarantees	945	(945)	-	-
Unutilised	946	(946)	-	-
<b>Total</b>	<b>4,090</b>	<b>(11,550)</b>	<b>7,460</b>	<b>-</b>
<b>Charge for the Period (net)</b>				
Due from banks	47	-	-	47
Loans and advances to customers	(1,942)	12,993	4,010	15,061
Investment securities at FVOCI (Debt)	44	-	-	44
Loan commitments and financial guarantees	(639)	1,386	199	946
Acceptances	(8)	-	-	(8)
Unutilised	(1,534)	911	(1)	(624)
<b>Total net of recovery</b>	<b>(4,032)</b>	<b>15,290</b>	<b>4,208</b>	<b>15,466</b>
<b>Written-off</b>	<b>-</b>	<b>-</b>	<b>(29,467)</b>	<b>(29,467)</b>
<b>Closing Balance – as at 30 June 2024</b>				
Due from banks	491	-	-	491
Loans and advances to customers	13,243	59,376	80,722	153,341
Investment securities at FVOCI (Debt)	89	-	-	89
Loan commitments and financial guarantees	1,728	4,801	1,640	8,169
Acceptances	15	12	-	27
Unutilised	860	803	-	1,663
<b>Total expected credit losses</b>	<b>16,426</b>	<b>64,992</b>	<b>82,362</b>	<b>163,780</b>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 7. Loans, advances, and financing to customer *(continued)*

##### (f) Stage wise exposure, allowance for expected credit losses and net exposures *(continued)*

The following table discloses the stage-wise gross exposure, impairment, and net exposure of only those financial assets that are tested for impairment under IFRS 9 as at, 31 December 2024:

Gross exposure	Stage 1	Stage 2	Stage 3	Total
Central Bank balances	150,544			150,544
Cash held by a custodian	2	-	-	2
Due from Banks	196,572	-	-	196,572
Sovereign	480,313	-	-	480,313
Investment Securities at amortized cost	35,802	-	-	35,802
Investment Securities at FVOCI	47,761	-	-	47,761
Loans and advances	3,156,029	766,614	191,988	4,114,631
Acceptances	40,514	5,872	-	46,386
<b>Total funded gross exposure</b>	<b>4,107,537</b>	<b>772,486</b>	<b>191,988</b>	<b>5,072,011</b>
Letters of credit/guarantee	626,456	88,763	3,209	718,428
Loan commitment / unutilized limits	418,352	212,082	-	630,434
<b>Total non-funded gross exposure</b>	<b>1,044,808</b>	<b>300,845</b>	<b>3,209</b>	<b>1,348,862</b>
<b>Total gross exposure</b>	<b>5,152,345</b>	<b>1,073,331</b>	<b>195,197</b>	<b>6,420,873</b>
<b>Allowance for expected credit losses</b>				
Due from Banks	93	-	-	93
Investment Securities at FVOCI	240	-	-	240
Loans and advances	8,911	63,019	83,875	155,805
Acceptances	439	2	-	441
<b>Total funded impairment</b>	<b>9,683</b>	<b>63,021</b>	<b>83,875</b>	<b>156,579</b>
Letters of credit/guarantee	838	1,352	1,485	3,675
Loan commitment/unutilized limits	800	868	-	1,668
<b>Total non-funded impairment</b>	<b>1,638</b>	<b>2,220</b>	<b>1,485</b>	<b>5,343</b>
<b>Total impairment</b>	<b>11,321</b>	<b>65,241</b>	<b>85,360</b>	<b>161,922</b>
<b>Net exposure</b>				
Central Bank balances	150,544	-	-	150,544
Cash held by a custodian	2	-	-	2
Due from Banks	196,479	-	-	196,479
Sovereign	480,313	-	-	480,313
Investment Securities at amortized Cost	35,802	-	-	35,802
Investment Securities at FVOCI	47,521	-	-	47,521
Loans and advances	3,147,118	703,595	108,113	3,958,826
Acceptances	40,075	5,870	-	45,945
<b>Total funded net exposure</b>	<b>4,097,854</b>	<b>709,465</b>	<b>108,113</b>	<b>4,915,432</b>
Letter of credit/guarantee	625,618	87,411	1,724	714,753
Loan commitment / unutilized limits	417,552	211,214	-	628,766
<b>Total net non-funded exposure</b>	<b>1,043,170</b>	<b>298,625</b>	<b>1,724</b>	<b>1,343,519</b>
<b>Total net exposure</b>	<b>5,141,024</b>	<b>1,008,090</b>	<b>109,837</b>	<b>6,258,951</b>

Gross exposure of loans and advances of RO 191.99 million under stage 3 includes reserved interest of RO 20.94 million.

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 7. Loans, advances, and financing to customers *(continued)*

##### (f) Stage wise exposure, allowance for expected credit losses and net exposures *(continued)*

	Stage 1	Stage 2	Stage 3	RO'000 Total
<b>Opening Balance – as at 1 January 2024</b>				
Due from banks	444	-	-	444
Loans and advances to customers	12,986	56,042	98,719	167,747
Investment securities at FVOCI (Debt)	45	-	-	45
Loan commitments and financial guarantees	1,422	4,360	1,441	7,223
Acceptance	23	12	-	35
Unutilised	1,448	838	1	2,287
<b>Total</b>	<b>16,368</b>	<b>61,252</b>	<b>100,161</b>	<b>177,781</b>
<b>Net transfer between stages</b>				
Loans and advances to customers	2,533	(4,098)	1,565	-
Loan commitments and financial guarantees	1,207	(1,209)	2	-
Unutilised	18	(18)	-	-
<b>Total</b>	<b>3,758</b>	<b>(5,325)</b>	<b>1,567</b>	<b>-</b>
<b>Charge for the Period (net)</b>				
Due from banks	(351)	-	-	(351)
Loans and advances to customers	(6,812)	11,279	27,373	31,840
Investment securities at FVOCI (Debt)	195	-	-	195
Loan commitments and financial guarantees	(1,584)	(2,005)	41	(3,548)
Acceptance	416	(10)	-	406
Unutilised	(669)	50	-	(619)
<b>Total net of recovery</b>	<b>(8,805)</b>	<b>9,314</b>	<b>27,414</b>	<b>27,923</b>
<b>Written-off</b>	<b>-</b>	<b>-</b>	<b>(43,782)</b>	<b>(43,782)</b>
<b>Closing Balance – as at 31 December 2024</b>				
Due from banks	93	-	-	93
Loans and advances to customers	8,707	63,223	83,875	155,805
Investment securities at FVOCI (Debt)	240	-	-	240
Loan commitments and financial guarantees	1,045	1,146	1,484	3,675
Acceptances	439	2	-	441
Unutilised	797	870	1	1,668
<b>Total expected credit loss</b>	<b>11,321</b>	<b>65,241</b>	<b>85,360</b>	<b>161,922</b>

# BANK DHOFAR SAOG

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

### 7. Loans, advances, and financing to customers *(continued)*

#### (g) Reconciliation of financial assets and liabilities

30 June 2025	Notes	Designated as at FVTPL RO'000	FVOCI – equity instruments RO'000	FVOCI – debt instruments RO'000	Amortised cost RO'000	Total carrying amount RO'000
Cash and balances with CBO	5	-	-	-	80,434	80,434
Loans and advances to banks	6	-	-	-	282,900	282,900
Loans and advances to customers	7	-	-	-	4,173,705	4,173,705
Investment securities	8	7,398	94,526	147,098	423,071	672,093
Other assets		2,518	-	-	76,944	79,462
		<u>9,916</u>	<u>94,526</u>	<u>147,098</u>	<u>5,037,054</u>	<u>5,288,594</u>
Due to banks	11	-	-	-	382,515	382,515
Deposits from customers	12	-	-	-	4,033,208	4,033,208
Subordinated liabilities	13	-	-	-	31,305	31,305
Other liabilities		1,326	-	-	128,135	129,461
		<u>1,326</u>	<u>-</u>	<u>-</u>	<u>4,575,163</u>	<u>4,576,489</u>
30 June 2024	Notes	Designated as at FVTPL RO'000	FVOCI – equity instruments RO'000	FVOCI – debt instruments RO'000	Amortised cost RO'000	Total carrying amount RO'000
Cash and balances with CBO	5	-	-	-	151,782	151,782
Loans and advances to banks	6	-	-	-	317,964	317,964
Loans and advances to customers	7	-	-	-	3,733,626	3,733,626
Investment securities	8	923	59,277	125,149	348,050	533,399
Other assets		4,930	-	-	66,851	71,781
		<u>5,853</u>	<u>59,277</u>	<u>125,149</u>	<u>4,618,273</u>	<u>4,808,552</u>
Due to banks	11	-	-	-	430,752	430,752
Deposits from customers	12	-	-	-	3,551,157	3,551,157
Other liabilities		4,076	-	-	117,243	121,319
		<u>4,076</u>	<u>-</u>	<u>-</u>	<u>4,099,152</u>	<u>4,103,228</u>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 7. Loans, advances, and financing to customers *(continued)*

##### (g) Reconciliation of financial assets and liabilities *(continued)*

31 December 2024	Notes	Designated as at FVTPL RO'000	FVOCI – equity instruments RO'000	FVOCI – debt instruments RO'000	Amortised cost RO'000	Total carrying amount RO'000
Cash and balances with CBO	5	-	-	-	197,174	197,174
Loans and advances to banks	6	-	-	-	196,479	196,479
Loans and advances to customers	7	-	-	-	3,933,615	3,933,615
Investment securities	8	2,370	82,479	143,587	420,049	648,485
Other assets		6,095	-	-	69,742	75,837
		<u>8,465</u>	<u>82,479</u>	<u>143,587</u>	<u>4,817,059</u>	<u>5,051,590</u>
Due to banks	11	-	-	-	438,438	438,438
Deposits from customers	12	-	-	-	3,762,861	3,762,861
Other liabilities		4,469	-	-	127,337	131,806
		<u>4,469</u>	<u>-</u>	<u>-</u>	<u>4,328,636</u>	<u>4,333,105</u>

**BANK DHOFAR SAOG****NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****8. Investment's securities**

	<b>Unaudited 30-Jun-25 RO'000</b>	<b>Unaudited 30-Jun-24 RO'000</b>	<b>Audited 31-Dec-24 RO'000</b>
<b>Equity investments:</b>			
Measured at FVTPL	7,398	923	2,370
Measured at FVOCI	94,526	59,277	82,479
<b>Gross equity investments</b>	<b>101,924</b>	<b>60,200</b>	<b>84,849</b>
<b>Debt investments:</b>			
Measured at FVOCI	147,784	125,238	143,827
Measured at amortized cost	423,071	348,050	420,049
<b>Gross debt investments</b>	<b>570,855</b>	<b>473,288</b>	<b>563,876</b>
<b>Total investment securities</b>	<b>672,779</b>	<b>533,488</b>	<b>648,725</b>
Less: Impairment loss allowance	(686)	(89)	(240)
<b>Total investment securities</b>	<b>672,093</b>	<b>533,399</b>	<b>648,485</b>

	<b>Unaudited 30-Jun-25 RO'000</b>	<b>Unaudited 30-Jun-24 RO'000</b>	<b>Audited 31-Dec-24 RO'000</b>
Investment securities measured as at FVTPL	7,398	923	2,370
Investment securities measured at FVOCI	241,624	184,426	226,066
Debt investments measured at amortised cost	423,071	348,050	420,049
	<b>672,093</b>	<b>533,399</b>	<b>648,485</b>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 8. Investment securities (continued)

##### 8.1 Categories of investments by measurement

30 June 2025	Designated at FVTPL RO'000	FVOCI RO'000	Amortized cost RO'000	Total RO'000
<b>Quoted Equities:</b>				
Foreign securities	-	33,026	-	33,026
Other services sector	-	1,854	-	1,854
Unit funds	6,618	-	-	6,618
Financial services sector	-	13,046	-	13,046
Industrial sector	-	45,848	-	45,848
	<u>6,618</u>	<u>93,774</u>	<u>-</u>	<u>100,392</u>
<b>Unquoted Equities:</b>				
Local securities	780	752	-	1,532
Unit funds	-	-	-	-
	<u>780</u>	<u>752</u>	<u>-</u>	<u>1,532</u>
<b>Gross Equity investments</b>	<u>7,398</u>	<u>94,526</u>	<u>-</u>	<u>101,924</u>
<b>Quoted Debt:</b>				
Government Bonds and Sukuk	-	96,800	322,107	418,907
Foreign Bonds	-	-	10,452	10,452
Local Bonds and Sukuks	-	32,325	30,512	62,837
	<u>-</u>	<u>129,125</u>	<u>363,071</u>	<u>492,196</u>
<b>Unquoted Equities:</b>				
Treasury Bills	-	-	60,000	60,000
Foreign bonds	-	18,659	-	18,659
	<u>-</u>	<u>18,659</u>	<u>60,000</u>	<u>78,659</u>
<b>Gross debt investments</b>	<u>-</u>	<u>147,784</u>	<u>423,071</u>	<u>570,855</u>
<b>Total Investment Securities</b>	<u>7,398</u>	<u>242,310</u>	<u>423,071</u>	<u>672,779</u>
Less: Impairment losses on investments	-	(686)	-	(686)
	<u>7,398</u>	<u>241,624</u>	<u>423,071</u>	<u>672,093</u>

The movements in investment securities are summarised as follows:

	FVOCI Debt instruments RO 000's	FVOCI Equity investment RO 000's	Amortised cost RO 000's	FVTPL RO 000's	Total RO 000's
<b>At 1 January 2025</b>	<b>143,609</b>	<b>82,457</b>	<b>420,049</b>	<b>2,370</b>	<b>648,485</b>
Additions	32,655	15,454	105,767	5,325	159,201
Disposals and redemption	(30,030)	(556)	(102,930)	(411)	(133,927)
Gain /(loss) from change in fair value	995	(2,866)	-	114	(1,757)
Amortisation of discount and premium	10	28	185	-	223
Movement in interest accrued	545	9	-	-	554
<b>Total</b>	<b>147,784</b>	<b>94,526</b>	<b>423,071</b>	<b>7,398</b>	<b>672,779</b>
Less: Impairment losses on investments	(664)	(22)	-	-	(686)
<b>At 30 June 2025</b>	<b>147,120</b>	<b>94,504</b>	<b>423,071</b>	<b>7,398</b>	<b>672,093</b>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 8. Investment securities (continued)

##### 8.1 Categories of investments by measurement (continued)

30 June 2024	Designated at FVTPL RO'000	FVOCI RO'000	Amortized cost RO'000	Total RO'000
<b>Quoted Equities:</b>				
Other services sector	-	31,777	-	31,777
Foreign security	171	-	-	171
Financial services sector	-	12,329	-	12,329
Industrial sector	-	10,504	-	10,504
	<u>171</u>	<u>54,610</u>	<u>-</u>	<u>54,781</u>
<b>Unquoted Equities:</b>				
Local securities	752	4,667	-	5,419
Unit funds	-	-	-	-
	<u>752</u>	<u>4,667</u>	<u>-</u>	<u>5,419</u>
<b>Gross Equity investments</b>	<u>923</u>	<u>59,277</u>	<u>-</u>	<u>60,200</u>
<b>Quoted Debt:</b>				
Government Bonds and Sukuk	-	96,104	303,471	399,575
Foreign Bonds	-	-	5,230	5,230
Local Bonds and Sukuks	-	29,134	10,049	39,183
Treasury Bills	-	-	29,300	29,300
<b>Gross debt investments</b>	<u>-</u>	<u>125,238</u>	<u>348,050</u>	<u>473,288</u>
<b>Total Investment Securities</b>	923	184,515	348,050	533,488
Less: Impairment losses on investments	-	(89)	-	(89)
	<u>923</u>	<u>184,426</u>	<u>348,050</u>	<u>533,399</u>

The movements in investment securities are summarised as follows:

	FVOCI Debt instruments RO 000's	FVOCI Equity investment RO 000's	Amortised cost RO 000's	FVTPL RO 000's	Total RO 000's
<b>At 1 January 2024</b>	123,420	45,143	290,159	755	459,477
Additions	10,000	14,764	75,021	170	99,955
Disposals and redemption	(8,172)	(393)	(17,299)	-	(25,864)
Gain /(loss) from change in fair value	(2,378)	(566)	-	(2)	(2,946)
Amortisation of discount and premium	(27)	29	169	-	171
Movement in Interest Accrued	2,395	300	-	-	2,695
<b>Total</b>	<u>125,238</u>	<u>59,277</u>	<u>348,050</u>	<u>923</u>	<u>533,488</u>
Less: Impairment losses on investments	<u>(71)</u>	<u>(18)</u>	<u>-</u>	<u>-</u>	<u>(89)</u>
<b>At 30 June 2024</b>	<u>125,167</u>	<u>59,259</u>	<u>348,050</u>	<u>923</u>	<u>533,399</u>



## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 8. Investment securities (continued)

##### 8.1 Categories of investments by measurement (continued)

31 December 2024	Designated at FVTPL RO'000	FVOCI RO'000	Amortized cost RO'000	Total RO'000
<b>Quoted Equities:</b>				
Foreign securities	-	33,337	-	33,337
Other services sector	-	2,070	-	2,070
Unit funds	1,602	-	-	1,602
Financial services sector	-	13,098	-	13,098
Industrial sector	-	29,263	-	29,263
	<u>1,602</u>	<u>77,768</u>	<u>-</u>	<u>79,370</u>
<b>Unquoted Equities:</b>				
Local securities	768	4,711	-	5,479
Unit funds	-	-	-	-
	<u>768</u>	<u>4,711</u>	<u>-</u>	<u>5,479</u>
<b>Gross Equity investments</b>	<u>2,370</u>	<u>82,479</u>	<u>-</u>	<u>84,849</u>
<b>Quoted Debt:</b>				
Government Bonds and Sukuk	-	96,066	335,907	431,973
Foreign Bonds	-	-	5,334	5,334
Local Bonds and Sukuks	-	29,229	30,468	59,697
	<u>-</u>	<u>125,295</u>	<u>371,709</u>	<u>497,004</u>
<b>Unquoted Equities:</b>				
Treasury Bills	-	-	48,340	48,340
Foreign bonds	-	18,532	-	18,532
	<u>-</u>	<u>18,532</u>	<u>48,340</u>	<u>66,872</u>
<b>Gross debt investments</b>	<u>-</u>	<u>143,827</u>	<u>420,049</u>	<u>563,876</u>
<b>Total Investment Securities</b>	2,370	226,306	420,049	648,725
Less: Impairment losses on investments	-	(240)	-	(240)
	<u>2,370</u>	<u>226,066</u>	<u>420,049</u>	<u>648,485</u>

The movements in investment securities are summarised as follows:

	FVOCI Debt instruments RO 000's	FVOCI Equity investment RO 000's	Amortised cost RO 000's	FVTPL RO 000's	Total RO 000's
<b>At 1 January 2024</b>	123,420	45,143	290,159	755	459,477
Additions	48,539	40,011	203,305	1,601	293,456
Disposals and redemption	(24,383)	(2,483)	(73,869)	(18)	(100,753)
Gain /(loss) from change in fair value	(1,715)	(832)	-	32	(2,515)
Amortisation of discount and premium	(6,742)	57	333	-	(6,352)
Movement in interest accrued	4,708	583	121	-	5,412
<b>Total</b>	<u>143,827</u>	<u>82,479</u>	<u>420,049</u>	<u>2,370</u>	<u>648,725</u>
Less: Impairment losses on investments	<u>(218)</u>	<u>(22)</u>	<u>-</u>	<u>-</u>	<u>(240)</u>
<b>At 31 December 2024</b>	<u>143,609</u>	<u>82,457</u>	<u>420,049</u>	<u>2,370</u>	<u>648,485</u>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 9. Intangible assets

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec-2024 RO'000
<b>Cost</b>			
01-Jan	42,463	39,003	39,003
Additions	2,419	1,347	3,484
Disposals	-	(33)	(24)
	<u>44,882</u>	<u>40,317</u>	<u>42,463</u>
<b>Depreciation</b>			
01-Jan	29,876	26,663	26,663
Charge for the year	1,539	1,549	3,220
Disposals	-	-	(7)
	<u>31,415</u>	<u>28,212</u>	<u>29,876</u>
Carrying Value	<u>13,467</u>	<u>12,105</u>	<u>12,587</u>

#### 10. Property and equipment

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec-2024 RO'000
Conventional	13,789	7,999	14,203
Islamic window	1,193	1,186	1,201
	<u>14,982</u>	<u>9,185</u>	<u>15,404</u>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 11. Due to banks

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec-2024 RO'000
Syndicated Inter bank borrowings	80,512	157,855	122,842
Interbank borrowings	299,731	266,572	313,965
Payable on demand	2,272	6,325	1,631
	<b>382,515</b>	<b>430,752</b>	<b>438,438</b>

At 30 June 2025 Inter Bank borrowings with one bank represented 20% or more of the bank's total inter-bank borrowings (30 June 2024: two banks and 31 December 2024: no banks). The Bank did not had any defaults of principal, interest, or other breaches during the year on its borrowed funds.

#### 12. Deposits from customers

Conventional Banking	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec-2024 RO'000
Current accounts	945,169	958,620	995,920
Savings accounts	529,693	446,442	486,194
Time and certificate deposits	1,737,175	1,488,682	1,570,276
Margin accounts	17,928	13,603	14,491
	<b>3,229,965</b>	<b>2,907,347</b>	<b>3,066,881</b>
Islamic Banking	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec-2024 RO'000
Current accounts	297,746	159,352	229,022
Savings accounts	115,361	91,529	99,548
Time deposits	376,361	387,819	360,120
Margin accounts	13,775	5,110	7,290
	<b>803,243</b>	<b>643,810</b>	<b>695,980</b>

The current accounts and time deposits include deposits from the Government of the Sultanate of Oman and its entities amounting to RO 1.453 billion (30 June 2024 - RO 1.366 billion, 31 December 2024 - RO 1.494 billion).

#### 13. Subordinated loan

In April 2025, the Bank raised RO 31 million unsecured subordinated loan for a tenure of 66 months. This carries fixed interest rate of interest, payable half yearly with principal being repaid on maturity.

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec-2024 RO'000
Subordinated loan - RO	31,305	-	-
	<b>31,305</b>	<b>-</b>	<b>-</b>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 14. Share capital

The authorised share capital consists of 5,000,000,000 ordinary shares of RO 0.100 each (30 June 2024: 5,000,000,000 ordinary shares of RO 0.100 each, 31 December 2024: 5,000,000,000 ordinary shares of RO 0.100 each).

At 30 June 2025, the issued and paid up share capital comprise of 3,039,798,532 ordinary shares of RO 0.100 each (30 June 2024: 2,996,351,436 ordinary shares of RO 0.100 each, 31 December 2024: 2,996,351,436 ordinary shares of RO 0.100 each).

The Board of Directors proposed a total cash dividend of 6.55%, (six and fifty five) baizas per share and stock dividend of 1.45% (one and fourty five) baizas per share , total of RO 23.971 million (2023: 7.75%; RO 23.222 million). The shareholders in the Annual General Meeting held on 23 March 2025, approved the cash dividend of 6.55% and stock dividend of 1.45%

#### Shareholders

The following shareholders of the Bank own 10% or more of the Bank's share capital: -

	Unaudited 30-Jun-25		Unaudited 30-Jun-24		Audited 31-Dec-24	
	No. of shares	%	No. of shares	%	No. of shares	%
Dhofar International Development and Investment Company SAOG	707,918,873	23.29%	721,757,594	24.09%	720,445,388	24.04%
Eng. Abdul Hafidh Salim Rajab Al Ojaili and his related Companies	759,797,455	24.99%	747,625,653	24.95%	748,937,859	24.99%
Social Protection Fund	303,976,813	10.00%	299,632,147	10.00%	299,912,988	10.01%
Sub Total	1,771,693,141	58.28%	1,769,015,394	59.04%	1,769,296,235	59.05%
Others	1,268,105,391	41.72%	1,227,336,042	40.96%	1,227,055,201	40.95%
Total	3,039,798,532	100.00%	2,996,351,436	100.00%	2,996,351,436	100.00%

The Bank's Islamic Banking Window, "Dhofar Islamic" has an allocated capital of RO 70 million in respect of Islamic Banking Window from the core paid up capital of the Bank as of 30 June 2025 (30 June 2024: RO 70 million, 31 December 2024: RO 70 million)

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****14. Share capital** *(Continued)***Tier 1 RO Securities**

- (a) In October 2022, the Bank issued Perpetual Tier 1 RO Capital Securities (the “Tier 1 RO Securities”), amounting to OMR 115,500,000, denominated in Riyal Omani. This Tier 1 RO Securities is listed on Muscat Stock Exchange.

The Tier 1 RO Securities constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 RO Securities do not have a fixed or final maturity date. They are redeemable by the Bank at its discretion in October 2027 (the “First Call Date”) or on any interest payment date thereafter subject to the prior consent of the regulatory authority.

The Tier 1 RO Securities bear interest on their nominal amount from the issue date to the First Call Date at a fixed annual rate of 6.75%. Thereafter the interest rate will be reset at five-year intervals. Interest will be payable semi-annually in arrears and treated as deduction from equity.

- (b) In December 2023, the Bank issued Perpetual Tier 1 RO Capital Securities (the “Tier 1 RO Securities”), amounting to OMR 40,000,000, denominated in Riyal Omani. This Tier 1 RO Securities is listed on Muscat Stock Exchange.

The Tier 1 RO Securities constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 RO Securities do not have a fixed or final maturity date. They are redeemable by the Bank at its discretion in December 2028 (the “First Call Date”) or on any interest payment date thereafter subject to the prior consent of the regulatory authority.

The Tier 1 RO Securities bear interest on their nominal amount from the issue date to the First Call Date at a fixed annual rate of 7.00%. Thereafter the interest rate will be reset at five-year intervals. Interest will be payable semi-annually in arrears and treated as deduction from equity.

The Bank at its sole discretion may elect not to distribute interest and this is not considered an event of default. If the Bank does not pay interest on the Tier 1 RO Securities, on a scheduled interest payment date (for whatever reason), then the Bank must not make any other distribution or payment on or with respect to its ordinary shares or any of its other Common Equity Tier 1 Instruments or securities, ranking junior to or pari passu with the Tier 1 RO Securities unless and until it has paid one interest payment in full on the Tier 1 RO Securities. The Tier 1 RO Securities also allow the Bank to write-down (in whole or in part) any amounts due to the holders of the Securities in certain circumstances.

These securities form part of Tier 1 Capital of the Bank and comply with Basel III and Central Bank of Oman Regulations (BM-1114).

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 15. Net assets per share

Net assets per share is calculated by dividing the net assets attributable to equity holders of the bank at the period end by the number of shares outstanding at period end as follows:

	Unaudited 30-Jun-2025	Unaudited 30-Jun-2024	Audited 31-Dec-2024
Net assets (RO)	<b>581,276,000</b>	568,101,000	584,931,437
Number of shares outstanding at the end of the period / year	<b>3,039,798,532</b>	2,996,351,436	2,996,351,436
Net assets per share (RO)	<b>0.191</b>	0.190	0.195

#### 16. Interest income/ income from islamic financing and investments

Conventional Banking	Unaudited 6 months 30-Jun-2025 RO'000	Unaudited 6 months 30-Jun-2024 RO'000	Unaudited 3 months 30-Jun-2025 RO'000	Unaudited 3 months 30-Jun-2024 RO'000
Loans and advances	97,142	98,574	49,039	50,698
Due from banks	8,681	6,787	4,037	3,580
Investments	12,188	9,667	6,347	5,037
<b>Total</b>	<b>118,011</b>	115,028	<b>59,423</b>	59,315

Islamic Banking	Unaudited 6 months 30-Jun-2025 RO'000	Unaudited 6 months 30-Jun-2024 RO'000	Unaudited 3 months 30-Jun-2025 RO'000	Unaudited 3 months 30-Jun-2024 RO'000
Islamic financing receivables	22,609	20,952	11,766	10,643
Islamic due from banks	415	164	251	97
Investments	2,692	2,373	1,311	1,202
<b>Total</b>	<b>25,716</b>	23,489	<b>13,328</b>	11,942

## BANK DHOFAR SAOG

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### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 17. Interest expense / Unrestricted investment account holder's share of profit and profit expense.

<b>Conventional Banking</b>	<b>Unaudited 6 months 30-Jun- 2025 RO'000</b>	Unaudited 6 months 30-Jun- 2024 RO'000	<b>Unaudited 3 months 30-Jun- 2025 RO'000</b>	Unaudited 3 months 30-Jun- 2024 RO'000
Customers' deposits	(54,626)	(50,827)	(26,458)	(25,458)
Bank borrowings	(14,547)	(13,648)	(7,988)	(7,283)
<b>Total</b>	<b>(69,173)</b>	<b>(64,475)</b>	<b>(34,446)</b>	<b>(32,741)</b>

<b>Islamic Banking</b>	<b>Unaudited 6 months 30-Jun- 2025 RO'000</b>	Unaudited 6 months 30-Jun- 2024 RO'000	<b>Unaudited 3 months 30-Jun- 2025 RO'000</b>	Unaudited 3 months 30-Jun- 2024 RO'000
Customers' deposits	(14,107)	(12,480)	(7,237)	(6,547)
Bank borrowing	(512)	(1,215)	(228)	(411)
<b>Total</b>	<b>(14,619)</b>	<b>(13,695)</b>	<b>(7,465)</b>	<b>(6,958)</b>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****18. Earnings per share (basic and diluted)**

The calculation of basic and diluted earnings per share is based on profit for THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 attributable to ordinary shareholders as follows:

	<b>Unaudited 30-Jun-2025</b>	<b>Unaudited 30-Jun-2024</b>
Profit for the period (RO) ('000)	<b>23,665</b>	22,118
Less: Additional Tier 1 Coupon (RO) ('000)	<b>(5,267)</b>	(5,312)
Profit for the period attributable to equity holders of the Bank (RO) ('000)	<b>18,398</b>	16,806
Weighted average number of shares outstanding during the period	<b>3,039,798,532</b>	3,039,798,532
Earnings per share basic and diluted (RO)	<b>0.0061</b>	0.0055

Earnings per share (basic and diluted) have been derived by dividing the profit for the period attributable to equity holders of the bank after coupon on Tier I capital securities by the weighted average number of shares outstanding during the period. As there are no dilutive potential shares issued by Bank, the diluted earnings per share is identical to the basic earnings per share.

For the purpose of earning per share calculation, the Bank has restated the previous year weighted average number of shares outstanding, to include 1.45% bonus shares and bonus element (43,447,096 shares) in respect of bonus shares issued during the year.



## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 19. Related parties' transactions

In the ordinary course of business, the Bank conducts certain transactions on mutually agreed terms with its Directors, shareholders and companies over which they are able to exert significant influence. The aggregate amounts of balances with such related parties are as follows:

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec- 2024 RO'000
<b>Loans, advances and financing</b>			
Shareholders holding 20% or more interest in the Bank and their related entities	104,930	54,575	111,844
Other related parties	73,501	78,794	86,883
	<u>178,431</u>	<u>133,369</u>	<u>198,727</u>
<b>Subordinated Loan</b>			
Shareholders holding 20% or more interest in the Bank and their related entities	10,098	-	-
Other related parties	15,147	-	-
	<u>25,245</u>	<u>-</u>	<u>-</u>
<b>Deposits and other accounts</b>			
Shareholders holding 20% or more interest in the Bank and their related entities		108,732	145,712
Other related parties	96,985	395,398	439,375
	<u>454,918</u>	<u>504,130</u>	<u>585,087</u>
<b>Contingent liabilities and commitments</b>	<u>551,903</u>		
Shareholders holding 20% or more interest in the Bank and their related entities		2,644	4,901
Other related parties	5,476	5,963	11,037
	<u>3,258</u>	<u>8,607</u>	<u>15,938</u>
<b>Remuneration paid to Directors</b>	<u>8,734</u>		
<b>Chairman</b>			
– remuneration paid		36	36
– sitting fees paid	36	2	7
<b>Other Directors</b>	4		
– remuneration paid		264	264
– sitting fees paid	264	30	69
	<u>37</u>	<u>332</u>	<u>376</u>
<b>Other transactions</b>	<u>341</u>		
Rental payment to related parties		413	564
Insurance	496	1,738	4,997
Other transactions	1,278	461	771
Remuneration and fees paid to Sharia' Board of Islamic Banking Window	241	43	53

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 19. Related parties' transactions (continued)

The details of senior member borrowings as per the guidance available in regulatory requirements of Central Bank of Oman are set out as follows:

##### Senior members

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun- 2024 RO'000	Audited 31-Dec- 2024 RO'000
(a) Senior members			
Total exposure:			
Direct	136,571	137,659	198,727
Indirect	8,734	8,607	15,938
	<u>145,305</u>	<u>146,266</u>	<u>214,665</u>
Number of members	<u>41</u>	<u>41</u>	<u>41</u>

#### 20. Contingent Liabilities and Commitment

Letters of credit, guarantees and other commitments provided by the Bank to the customers are as follows:

	Unaudited 30-Jun-2025 RO'000	Unaudited 30-Jun-2024 RO'000	Audited 31-Dec-2024 RO'000
Letters of credit	82,516	93,177	76,811
Guarantees and performance bonds	<u>675,249</u>	<u>549,322</u>	<u>641,617</u>
	<u>757,765</u>	<u>642,499</u>	<u>718,428</u>

At 30 June 2025, the Irrevocable unutilised limits towards the loans, advances and financing to customer amount to RO 793.14 million (30 June 2024: RO 729.97 and 31 December 2024: RO 630.43 million).

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 21. Disaggregation of net fees and commission income

	Retail banking	Corporate banking	Treasury and investment banking	Sub Total	Islamic Banking	Total
30 June 2025	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>Fee Income</b>						
Transactional services	9,843	314	43	10,200	727	10,927
Trade services	28	2,031	1,265	3,324	422	3,746
Syndication and other financing related services	658	4,357	457	5,472	522	5,994
Advisory and asset management services	-	-	-	-	977	977
	<u>10,529</u>	<u>6,702</u>	<u>1,765</u>	<u>18,996</u>	<u>2,648</u>	<u>21,644</u>
<b>Fee Expense</b>						
Transactional Services	(4,905)	(47)	(155)	(5,107)	(103)	(5,210)
Syndication and Other Financing related services	-	-	(144)	(144)	(122)	(266)
	<u>(4,905)</u>	<u>(47)</u>	<u>(299)</u>	<u>(5,251)</u>	<u>(225)</u>	<u>(5,476)</u>
<b>Net fee and commission income</b>	<u>5,624</u>	<u>6,655</u>	<u>1,466</u>	<u>13,745</u>	<u>2,423</u>	<u>16,168</u>

	Retail banking	Corporate banking	Treasury and investment banking	Sub Total	Islamic Banking	Total
30 June 2024	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>Fee Income</b>						
Transactional services	3,480	395	409	4,284	409	4,693
Trade services	1,960	7	1,305	3,272	415	3,687
Syndication and other financing related services	207	6,745	240	7,192	558	7,750
Advisory and asset management services	-	-	-	-	897	897
	<u>5,647</u>	<u>7,147</u>	<u>1,954</u>	<u>14,748</u>	<u>2,279</u>	<u>17,027</u>
<b>Fee Expense</b>						
Transactional Services	(43)	(3,447)	(129)	(3,619)	(129)	(3,748)
Syndication and Other Financing related services	-	-	(436)	(436)	(83)	(519)
	<u>(43)</u>	<u>(3,447)</u>	<u>(565)</u>	<u>(4,055)</u>	<u>(212)</u>	<u>(4,267)</u>
<b>Net fee and commission income</b>	<u>5,604</u>	<u>3,700</u>	<u>1,389</u>	<u>10,693</u>	<u>2,067</u>	<u>12,760</u>

**BANK DHOFAR SAOG**

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****21. Disaggregation of net fees and commission income (continued)**

	<b>Retail banking</b>	<b>Corporate banking</b>	<b>Treasury and investment banking</b>	<b>Sub Total</b>	<b>Islamic Banking</b>	<b>Total</b>
<b>31 December 2024</b>	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
<b>Fee Income</b>						
Transactional services	14,891	535	319	15,745	1,029	16,774
Trade services	14	4,484	2,524	7,022	752	7,774
Syndication and other financing related services	1,240	6,920	3,420	11,580	1,234	12,814
Advisory and asset management services	-	227	-	227	825	1,052
	<u>16,145</u>	<u>12,166</u>	<u>6,263</u>	<u>34,574</u>	<u>3,840</u>	<u>38,414</u>
<b>Fee Expense</b>						
Transactional Services	(8,025)	(93)	(282)	(8,400)	(81)	(8,481)
Syndication and Other Financing related services	-	-	(1,151)	(1,151)	(209)	(1,360)
<b>Fee Expense</b>	<u>(8,025)</u>	<u>(93)</u>	<u>(1,433)</u>	<u>(9,551)</u>	<u>(290)</u>	<u>(9,841)</u>
<b>Net fee and commission income</b>	<u>8,120</u>	<u>12,073</u>	<u>4,830</u>	<u>25,023</u>	<u>3,550</u>	<u>28,573</u>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 22. Risk Management

The interim disclosures prepared as per guidance available in regulatory requirements of the Central Bank of Oman are set out as follows:

##### (a) Credit Risk

##### Customer concentrations

	Assets			Liabilities		
	Gross loans and financing to banks	Gross Loans, advances and financing to customers	Gross Investment Securities	Deposits from customers	Due to banks	Contingent liabilities
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>30 June 2025</b>						
Personal	-	1,591,389	-	972,263	-	282
Corporate	282,974	2,076,916	192,954	963,696	382,515	757,090
Government	-	703,688	479,825	2,097,249	-	393
	<u>282,974</u>	<u>4,371,993</u>	<u>672,779</u>	<u>4,033,208</u>	<u>382,515</u>	<u>757,765</u>
<b>30 June 2024</b>						
Personal	-	1,475,905	-	950,367	-	-
Corporate	318,455	1,957,684	103,945	1,226,728	430,752	642,166
Government	-	478,600	429,543	1,374,062	-	333
	<u>318,455</u>	<u>3,912,189</u>	<u>533,488</u>	<u>3,551,157</u>	<u>430,752</u>	<u>642,499</u>
<b>31 December 2024</b>						
Personal	-	1,550,440	-	995,105	-	239
Corporate	196,572	1,998,284	168,412	783,019	438,438	279,397
Government	-	565,907	480,313	1,984,737	-	438,792
	<u>196,572</u>	<u>4,114,631</u>	<u>648,725</u>	<u>3,762,861</u>	<u>438,438</u>	<u>718,428</u>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 22. Risk Management *(continued)*

##### (a) Credit Risk *(continued)*

##### Credit Quality Analysis:

The financial assets have been segregated into various portfolios like exposure to Banks, Sovereign, Wholesale Banking and Retail customers. Exposure to Retail customer includes personal loans, housing loans and credit cards. Exposure to Wholesale Banking customer includes exposure other than retail and bank exposure.

The following table sets out information about the credit quality of financial assets measured at amortised cost and FVOCI debt investments. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

The following table provides the exposure to non-trading financial assets measured at amortized cost & FVOCI. Exposure to financial asset includes outstanding as at, 30 June 2025:

	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000
<b>30 June 2025</b>				
<i>Exposure</i>				
Banks and cash held with a custodian	353,287	10,047	-	363,334
Sovereigns	478,907	-	-	478,907
Wholesale banking	3,094,131	1,070,511	171,759	4,336,401
Retail banking	1,544,606	7,944	38,839	1,591,389
Investments	81,948	10,000	-	91,948
<b>Total</b>	<b>5,552,879</b>	<b>1,098,502</b>	<b>210,598</b>	<b>6,861,979</b>
<b>Provision for expected credit losses</b>	<b>11,936</b>	<b>74,994</b>	<b>88,215</b>	<b>175,145</b>
	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000
<b>30 June 2024</b>				
<i>Exposure</i>				
Banks and cash held with a custodian	469,607	139	-	469,746
Sovereigns	399,575	-	-	399,575
Wholesale banking	2,612,213	1,033,244	166,193	3,811,650
Retail banking	1,428,370	9,898	37,637	1,475,905
Investments	39,183	-	-	39,183
<b>Total</b>	<b>4,948,948</b>	<b>1,043,281</b>	<b>203,830</b>	<b>6,196,059</b>
<b>Provision for expected credit losses</b>	<b>16,426</b>	<b>64,992</b>	<b>82,362</b>	<b>163,780</b>
	Stage 1 RO'000	Stage 2 RO'000	Stage 3 RO'000	Total RO'000
<b>31 December 2024</b>				
<i>Exposure</i>				
Banks and cash held with a custodian	347,118	-	-	347,118
Sovereigns	480,313	-	-	480,313
Wholesale banking	2,734,806	1,067,031	157,602	3,959,439
Retail banking	1,506,545	6,300	37,595	1,550,440
Investments	83,563	-	-	83,563
<b>Total</b>	<b>5,152,345</b>	<b>1,073,331</b>	<b>195,197</b>	<b>6,420,873</b>
<b>Provision for expected credit losses</b>	<b>11,321</b>	<b>65,241</b>	<b>85,360</b>	<b>161,922</b>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****22. Risk Management** *(continued)***(a) Credit Risk** *(continued)***Inputs, assumptions, and techniques used for estimating impairment****a. Significant increase in credit risk (SICR)**

The assessment of SICR since origination of a financial asset considers borrower-specific quantitative and qualitative information without consideration of collateral, and the impact of forward-looking information. Quantitative models may not always be able to capture all reasonable and supportable information that may indicate a significant increase in credit risk. Qualitative factors may be assessed to supplement the gap.

For retail exposures, significant increase in credit risk is more objective and is estimated at account level. The assessment is done using days past due information as well change in the rating grade of the borrower. The process of identifying the significant increase in credit risk has been automated and based on the days past due or deterioration in the rating grade of the borrower significant increase in credit risk is assessed. For non-retail exposures, the Bank uses both quantitative and qualitative criteria. Under quantitative criteria, Bank uses the days past due parameter or change in the rating grade to assess significant increase in credit risk. Under qualitative criteria, Bank uses various criteria like change in value or quality of collateral, modification of terms including extension of moratorium, deferment of payment, waiver of covenants (restructure), frequent change in senior management, deferment / delay in commencement of commercial operations etc. to assess the significant increase in credit risk.

***Incorporation of forward-looking information***

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. The Bank formulates three economic scenarios: a base case, which is the median scenario, and two less likely scenarios, one upside and one downside. Dynamic scenario weights are calculated in the ECL application, derived based on the distribution fitting to the historical default rate and the macroeconomic projection. External information considered includes economic data and forecasts published by monetary authorities. A comprehensive review is performed at least annually on the design of the scenarios by the Bank's senior management.

**b. Liquidity Risk**

The Central Bank of Oman has issued guidelines on the implementation of Basel III liquidity framework which are Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The LCR is a short time ratio designed to increase resilience against a liquidity shortage of up to 30 days. The Bank is in compliance of the regulatory limit of LCR as at, 30 June 2025, with LCR of 133.28% calculated on weighted average value for the period ended (30 June 2024: 141.32%) (31 December 2024: 157.54%).

The Net Stable Funding Ratio (NSFR) is a longer-term structural ratio designed to address liquidity mismatches and reduce funding risk over a one-year horizon. It is effective January 2018, with a minimum ratio of 100% as per the regulatory guidance. The Bank is meeting the regulatory limit of NSFR as at, 30 June 2025, with a NSFR of 106.08% calculated on weighted average value for the period ended (30 June 2024: 112.03%) (31 December 2024: 109.68%).

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 22. Risk Management *(continued)*

##### b. Liquidity Risk *(continued)*

##### Maturity profile of assets and liabilities

	Due on demand and up to 30 days	More than 1 month to 6 months	More than 6 months to 12 months	More than 1 year to 5 years	Over 5 years	Total
30 June 2025	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Cash and balances with Central Bank of Oman	56,362	4,776	5,817	7,247	6,232	80,434
Loan and advances to customer	434,777	354,099	190,042	978,488	2,216,299	4,173,705
Loans and advances to banks	167,519	94,675	8,470	12,236	-	282,900
Investment Securities	23,975	208,271	42,189	308,963	88,695	672,093
Other assets	-	-	-	-	78,796	78,796
<b>Total Assets Funded</b>	<b>682,633</b>	<b>661,821</b>	<b>246,518</b>	<b>1,306,934</b>	<b>2,390,022</b>	<b>5,287,928</b>
Spot and Forward Purchases (notional value)	78,453	142,644	96,655	170,106	0	487,858
<b>Total Assets Funded and Non Funded</b>	<b>761,086</b>	<b>804,465</b>	<b>343,173</b>	<b>1,477,040</b>	<b>2,390,022</b>	<b>5,775,786</b>
Due to banks	205,950	96,058	-	80,507	-	382,515
Deposits from customers	334,696	794,374	955,294	1,130,402	818,442	4,033,208
Other liabilities	33,445	15,615	8,863	6,568	75,760	140,251
Subordinated loans	-	-	-	-	31,305	31,305
<b>Total liabilities</b>	<b>574,091</b>	<b>906,047</b>	<b>964,157</b>	<b>1,217,477</b>	<b>925,507</b>	<b>4,587,279</b>
Spot and Forward Purchases (notional value)	78,356	142,686	96,746	170,326	-	488,114
Loan commitments	270,100	405,149	-	-	-	675,249
Letter of credit	33,006	49,510	-	-	-	82,516
Guarantees and performance bonds	317,256	475,881	-	-	-	793,137
<b>Total Liabilities Funded and Non Funded</b>	<b>1,272,809</b>	<b>1,979,273</b>	<b>1,060,903</b>	<b>1,387,803</b>	<b>925,507</b>	<b>6,626,295</b>
<b>Cumulative Liabilities</b>	<b>1,272,809</b>	<b>3,252,082</b>	<b>4,312,985</b>	<b>5,700,788</b>	<b>6,626,295</b>	
<b>Gap</b>	<b>511,723</b>	<b>1,174,808</b>	<b>717,730</b>	<b>(89,237)</b>	<b>(1,464,515)</b>	
<b>Cumulative Gap</b>	<b>511,723</b>	<b>1,686,531</b>	<b>2,404,261</b>	<b>2,315,024</b>	<b>850,509</b>	



## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 22. Risk Management *(continued)*

##### b. Liquidity Risk *(continued)*

##### Maturity profile of assets and liabilities

	Due on demand and up to 30 days	More than 1 month to 6 months	More than 6 months to 12 months	More than 1 year to 5 years	Over 5 years	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>30 June 2024</b>						
Cash and balances with Central Bank of Oman	12,650	32,287	27,879	46,460	32,506	151,782
Loan and advances to customer	392,096	332,647	170,025	691,601	2,147,257	3,733,626
Loans and advances to banks	147,454	134,335	36,175	-	-	317,964
Investments securities	15,715	93,792	52,796	311,887	59,209	533,399
Other assets	31,289	-	-	-	40,465	71,754
<b>Total Assets Funded</b>	<b>599,204</b>	<b>593,061</b>	<b>286,875</b>	<b>1,049,948</b>	<b>2,279,437</b>	<b>4,808,525</b>
Spot and Forward Purchases (notional value)	91,789	47,885	67,116	56,198	-	262,988
<b>Total Assets Funded and Non Funded</b>	<b>690,993</b>	<b>640,946</b>	<b>353,991</b>	<b>1,106,146</b>	<b>2,279,437</b>	<b>5,071,513</b>
Due to banks	242,102	30,800	-	157,850	-	430,752
Deposits from customers	296,951	757,901	654,425	1,090,583	751,297	3,551,157
Other liabilities	61,205	17,347	11,317	8,276	37,379	135,524
Subordinated loans						
<b>Total liabilities</b>	<b>600,258</b>	<b>806,048</b>	<b>665,742</b>	<b>1,256,709</b>	<b>788,676</b>	<b>4,117,433</b>
Spot and Forward Purchases (notional value)	91,788	47,880	67,196	56,308	-	263,172
Loan commitments	340,640	389,326	-	-	-	729,966
Letter of credit	93,177	-	-	-	-	93,177
Guarantees and performance bonds	549,322	-	-	-	-	549,322
<b>Total Liabilities Funded and Non Funded</b>	<b>1,675,185</b>	<b>1,243,254</b>	<b>732,938</b>	<b>1,313,017</b>	<b>788,676</b>	<b>5,753,070</b>
<b>Cumulative Liabilities</b>	<b>1,675,185</b>	<b>2,918,439</b>	<b>3,651,377</b>	<b>4,964,394</b>	<b>5,753,070</b>	
<b>Gap</b>	<b>984,192</b>	<b>602,308</b>	<b>378,947</b>	<b>206,871</b>	<b>(1,490,761)</b>	
<b>Cumulative Gap</b>	<b>984,192</b>	<b>1,586,500</b>	<b>1,965,447</b>	<b>2,172,318</b>	<b>681,557</b>	

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 22. Risk Management *(continued)*

##### b. Liquidity Risk *(continued)*

##### Maturity profile of assets and liabilities

	Due on demand and up to 30 days	More than 1 month to 6 months	More than 6 months to 12 months	More than 1 year to 5 years	Over 5 years	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
<b>31 December 2024</b>						
Cash and balances with Central Bank of Oman	96,030	21,389	18,097	36,361	25,297	197,174
Loan and advances to customer	492,126	294,435	137,996	818,908	2,190,150	3,933,615
Loans and advances to banks	140,140	28,875	22,747	4,810	-	196,572
Investments securities	38,896	153,217	63,435	321,837	71,340	648,725
Other assets	46,386	-	-	-	34,994	81,380
<b>Total Assets Funded</b>	<b>813,578</b>	<b>497,916</b>	<b>242,275</b>	<b>1,181,916</b>	<b>2,321,781</b>	<b>5,057,466</b>
Spot and Forward Purchases (notional value)	306,466	118,976	72,309	104,335	-	602,086
<b>Total Assets Funded and Non-Funded</b>	<b>1,120,044</b>	<b>616,892</b>	<b>314,584</b>	<b>1,286,251</b>	<b>2,321,781</b>	<b>5,659,552</b>
<b>Future Interest cash inflows</b>	21,055	99,369	89,553	470,304	413,860	1,094,141
Due to banks	223,971	91,630	-	122,837	-	438,438
Deposits from customers	348,808	771,787	638,361	1,187,587	816,318	3,762,861
Other liabilities	24,632	18,284	9,223	8,004	64,438	124,581
<b>Total liabilities</b>	<b>597,411</b>	<b>881,701</b>	<b>647,584</b>	<b>1,318,428</b>	<b>880,756</b>	<b>4,325,880</b>
Spot and Forward Purchases (notional value)	306,430	118,957	72,313	104,495	-	602,195
Loan commitments	252,174	378,260	-	-	-	630,434
Letter of credit	30,724	46,087	-	-	-	76,811
Guarantees and performance bonds	256,647	384,970	-	-	-	641,617
<b>Total Liabilities Funded and Non-Funded</b>	<b>1,443,386</b>	<b>1,809,975</b>	<b>719,897</b>	<b>1,422,923</b>	<b>880,756</b>	<b>6,276,937</b>
<b>Future Interest cash outflows</b>	10,402	65,812	73,445	175,191	259,465	584,315
<b>Cumulative Liabilities</b>	<b>1,443,386</b>	<b>3,253,361</b>	<b>3,973,258</b>	<b>5,396,181</b>	<b>6,276,937</b>	
<b>Gap</b>	<b>(323,342)</b>	<b>(1,193,083)</b>	<b>(405,313)</b>	<b>(136,672)</b>	<b>1,441,025</b>	
<b>Cumulative Gap</b>	<b>(323,342)</b>	<b>(1,516,425)</b>	<b>(1,921,738)</b>	<b>(2,058,410)</b>	<b>(617,385)</b>	

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 23. Capital risk management

The Bank manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders within acceptable risk return framework. The Bank's overall strategy remains unchanged from prior year.

The capital base of the Bank consists of debt, which includes borrowings and equity attributable to shareholders of the Bank

#### Capital adequacy

The ratio of equity to risk weighted assets, as formulated by the Basel II and Basel III, for three- month period ended 30 June 2025 is 16.42% (30 June 2024 – 17.25%, 31 December 2024 – 16.51%).

Capital structure	Unaudited 30-Jun-25 RO'000	Unaudited 30-Jun-24 RO'000	Audited 31-Dec-24 RO'000
Common Equity Tier (CET) I/ TIER I CAPITAL			
Paid up capital	303,980	299,635	299,635
Legal reserve	76,192	71,831	76,192
Share premium	95,656	95,656	95,656
Special reserve	16,988	16,988	16,988
Stock Dividend	-	-	4,345
Retained earnings	61,693	57,424	61,693
CET I/Tier I Capital	554,509	541,534	554,509
Additional Tier I regulatory adjustments:			
Deferred tax assets	(462)	(6,209)	(364)
Negative investment revaluation reserve	(8,992)	(4,806)	(5,686)
Regulatory provision adjustment	(17,658)	-	(17,658)
<b>Total CET 1 capital</b>	<b>527,397</b>	<b>530,519</b>	<b>530,801</b>
Additional Tier I capital (AT1)	155,500	155,500	155,500
<b>Total Tier 1 Capital (T1=CET1+AT1)</b>	<b>682,897</b>	<b>686,019</b>	<b>686,301</b>
<b>TIER II CAPITAL</b>			
Investment revaluation reserve	2,051	848	1,608
General provision	11,936	22,484	17,429
Subordinated Loan	31,000	-	-
Total Tier II capital	44,987	23,332	19,037
Total eligible capital	727,884	709,351	705,338
<b>Risk weighted assets</b>			
Banking book	4,014,410	3,801,585	3,830,473
Trading book	142,251	53,426	166,075
Operational risk	275,000	257,700	275,000
Total	4,431,661	4,112,711	4,271,548
Total Tier 1 Capital (T1=CET1+AT1)	682,897	686,019	686,301
Tier II capital	44,987	23,332	19,037
Total regulatory capital	727,884	709,351	705,338
Common Equity Tier 1 ratio	11.90%	12.90%	12.43%
Tier I capital ratio	15.41%	16.68%	16.07%
Total capital ratio	16.42%	17.25%	16.51%

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

**24. Fair value information**

**Fair value measurements recognised in the statement of financial position**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<b>30 June 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Cost</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
<i><b>Financial asset</b></i>					
Investments at FVOCI	211,993	10,908	19,410	242,311	241,492
Investments at FVTPL	6,618	-	780	7,398	7,515
Investments amortised cost	47,463	-	-	47,463	46,031
<i><b>Derivative financial instruments</b></i>					
Cash flow hedge	-	89	-	89	-
Commodities Purchase Contracts	-	141	-	141	-
IRS customer	-	1,207	-	1,207	-
Forward purchase contracts	-	694	-	694	-
Forward sales contracts	-	387	-	387	-
<b>Total assets</b>	<b>266,074</b>	<b>13,426</b>	<b>20,190</b>	<b>299,690</b>	<b>295,038</b>
<b>30 June 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	<b>Cost</b>
	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>	<b>RO'000</b>
<i><b>Financial assets</b></i>					
Investments at FVOCI	179,263	585	4,667	184,515	186,185
Investments at FVTPL	-	-	923	923	1,177
Investments amortised cost	16,223	-	-	16,223	15,659
<i><b>Derivative financial instruments</b></i>					
Forward foreign exchange contracts	-	750	-	750	-
IRS customer	-	4,180	-	4,180	-
<b>Total assets</b>	<b>195,486</b>	<b>5,515</b>	<b>5,590</b>	<b>206,591</b>	<b>203,021</b>

# BANK DHOFAR SAOG

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

### 24. Fair value information (continued)

At 31 December 2024	Level 1 RO'000	Level 2 RO'000	Level 3 RO'000	Total RO'000	Cost RO'000
<b>Financial assets</b>					
Investments at FVOCI	192,347	10,716	23,243	226,306	228,062
Investments at FVTPL	1,602	-	768	2,370	2,589
<i>Derivative financial instruments</i>					
Cash flow hedge	-	759	-	759	-
Commodities purchase contracts	-	305	-	305	-
Forward foreign exchange contracts	-	1,112	-	1,112	-
IRS customer	-	3,919	-	3,919	-
<b>Total</b>	<u>193,949</u>	<u>16,811</u>	<u>24,011</u>	<u>234,771</u>	<u>230,651</u>
<b>Financial liabilities</b>					
<i>Derivative financial instruments</i>					
Commodities sale contracts	-	228	-	228	-
Forward foreign exchange contracts	-	322	-	322	-
Interest rate swaps	-	3,919	-	3,919	-
<b>Total</b>	<u>-</u>	<u>4,469</u>	<u>-</u>	<u>4,469</u>	<u>-</u>

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index process and expected price volatilities and correlations.

Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

30 June 2025	Positive Fair Value	Negative Fair Value	Notional Amount Total	RO'000 Notional amounts by term to maturity		
				within 3 months	4-12 months	> 12 months
<b>Derivatives:</b>						
Cash flow hedge	89	-	76,018	-	-	76,018
Commodities purchase contracts	141	-	4,951	4,089	862	-
Commodities Sale contracts	-	119	4,929	4,067	862	-
Interest rate swaps	-	1,207	142,364	-	-	142,364
IRS customer	1,207	-	142,364	-	-	142,364
Forward purchase contracts	694	-	1,117,046	282,634	572,094	262,318
Forward sales contracts	387	-	1,115,723	282,575	571,177	261,971
<b>Total</b>	<u>2,518</u>	<u>1,326</u>	<u>2,603,395</u>	<u>573,365</u>	<u>1,144,995</u>	<u>885,035</u>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 24. Fair value information (continued)

30 June 2024	Positive Fair Value	Negative Fair Value	Notional Amount Total	RO'000		
				Notional amounts by term to maturity		
				within 3 months	4-12 months	> 12 months
<b>Derivatives:</b>						
Interest rate swaps	-	4,180	50,415	-	-	50,415
IRS customer	4,180	-	50,415	-	-	50,415
Forward purchase contracts	-	(104)	262,988	104,993	101,797	56,198
Forward sales contracts	750	-	263,172	104,995	101,869	56,308
<b>Total</b>	<u>4,930</u>	<u>4,076</u>	<u>626,990</u>	<u>209,988</u>	<u>203,666</u>	<u>213,336</u>

31 December 2024	Positive fair value	Negative Fair Value	Notional amount total	RO 000's		
				Notional amounts by term to maturity		
				within 3 months	4-12 months	> 12 months
<b>Derivatives:</b>						
Cash flow hedge	759	-	153,018	-	-	153,018
Commodities purchase contracts	305	-	15,788	8,657	7,131	-
Commodities sale contracts	-	228	15,711	8,625	7,086	-
Interest rate swaps	-	3,919	94,129	-	-	94,129
IRS with customer	3,919	-	94,129	-	-	94,129
Forward purchase contracts	-	322	1,028,567	458,167	290,743	279,657
Forward sales contracts	1,112	-	1,027,522	457,918	290,126	279,478
<b>Total</b>	<u>6,095</u>	<u>4,469</u>	<u>2,428,864</u>	<u>933,367</u>	<u>595,086</u>	<u>900,411</u>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****25 . Segmental information**

The Bank is organised into four main business segments:

- 1) Retail banking – incorporating, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages.
- 2) Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products;
- 3) Treasury and investments;
- 4) Islamic Banking

Other operations comprise investment management and institutional finance neither of which constitutes a separately reportable segment which are included in “Treasury and investments” segment. Transactions between the business segments are on normal commercial terms and conditions. There are no material items of income or expense between the business segments. Segment total revenue presented in the table below is the total Interest income, income from Islamic financing/investments, net fees and commission income and other operating income.

Segment assets and liabilities comprise operating assets and liabilities, being the majority of the statement of financial position. The profit for the period also includes inter segment revenues

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 25. Segmental information *(continued)*

Included in the segment information the consolidated results of the Bank as below:

30 June 2025	Retail banking	Corporate banking	Treasury and investments	Islamic Banking	Inter Segment	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Segment operating revenues	18,946	26,869	3,256	-	(234)	48,837
Net income from Islamic financing	-	-	-	10,862	234	11,096
Other revenues	6,299	6,013	8,606	3,606	-	24,524
Segment operating revenues	25,245	32,882	11,862	14,468	-	84,457
Operating expenses including depreciation	(19,988)	(10,944)	(2,820)	(6,943)	-	(40,695)
Net Impairment losses on financial assets	1,784	(12,298)	(419)	(5,252)	-	(16,185)
Profit from operations after provision	7,041	9,640	8,623	2,273	-	27,577
Tax expenses	(1,057)	(1,446)	(1,068)	(341)	-	(3,912)
<b>Profit for the period</b>	<b>5,984</b>	<b>8,194</b>	<b>7,555</b>	<b>1,932</b>	<b>-</b>	<b>23,665</b>
<b>Segment assets</b>	<b>1,389,344</b>	<b>2,349,310</b>	<b>848,305</b>	<b>1,026,907</b>	<b>(90,097)</b>	<b>5,523,769</b>
Less: Impairment allowance	(30,553)	(141,284)	(156)	(27,721)	-	(199,714)
<b>Total segment assets</b>	<b>1,358,791</b>	<b>2,208,026</b>	<b>848,149</b>	<b>999,186</b>	<b>(90,097)</b>	<b>5,324,055</b>
<b>Segment Liabilities</b>	<b>937,703</b>	<b>2,430,992</b>	<b>422,779</b>	<b>880,708</b>	<b>(90,097)</b>	<b>4,582,085</b>
Add: Impairment allowance	1,720	2,964	186	324	-	5,194
<b>Total segment Liabilities</b>	<b>939,423</b>	<b>2,433,956</b>	<b>422,965</b>	<b>881,032</b>	<b>(90,097)</b>	<b>4,587,279</b>

Segmental profit for the current period considers the impact of Fund Transfer Pricing (FTP).



## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 25. Segmental information (continued)

Included in the segment information the consolidated results of the Bank as below:

30 June 2024	Retail banking	Corporate banking	Treasury and investments	Islamic Banking	Inter Segment	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Segment operating revenues	16,984	32,949	2,049	-	(854)	51,128
Net income from Islamic financing	-	-	-	8,363	854	9,217
Other revenues	4,563	5,495	4,804	2,949	-	17,811
Segment operating revenues	21,547	38,444	6,853	11,312	-	78,156
Operating expenses including depreciation	(18,719)	(10,549)	(2,470)	(6,028)	-	(37,766)
Net Impairment losses on financial assets	(738)	(12,698)	(149)	(1,342)	-	(14,927)
Profit from operations after provision	2,090	15,197	4,234	3,942	-	25,463
Tax expenses	(267)	(1,945)	(542)	(591)	-	(3,345)
<b>Profit for the period</b>	<b>1,823</b>	<b>13,252</b>	<b>3,692</b>	<b>3,351</b>	<b>-</b>	<b>22,118</b>
<b>Segment assets</b>	<b>1,310,313</b>	<b>2,069,311</b>	<b>832,696</b>	<b>932,004</b>	<b>(124,120)</b>	<b>5,020,204</b>
Less: Impairment allowance	(32,663)	(124,995)	(580)	(20,932)	-	(179,170)
<b>Total segment assets</b>	<b>1,277,650</b>	<b>1,944,316</b>	<b>832,116</b>	<b>911,072</b>	<b>(124,120)</b>	<b>4,841,034</b>
<b>Segment Liabilities</b>	<b>774,547</b>	<b>2,240,085</b>	<b>416,822</b>	<b>800,267</b>	<b>(124,120)</b>	<b>4,107,601</b>
Add: Impairment allowance	2	8,574	931	325	-	9,832
<b>Total segment Liabilities</b>	<b>774,549</b>	<b>2,248,659</b>	<b>417,753</b>	<b>800,592</b>	<b>(124,120)</b>	<b>4,117,433</b>

## BANK DHOFAR SAOG

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

#### 25. Segmental information (continued)

Included in the segment information the consolidated results of the Bank is as below:

31 December 2024	Retail banking	Corporate banking	Treasury and investments	Islamic Banking	Inter Segment	Total
	RO'000	RO'000	RO'000	RO'000	RO'000	RO'000
Segment operating revenues	32,882	59,424	4,726	-	(977)	96,055
Net income from Islamic financing	-	-	-	17,137	977	18,114
Other revenues	9,537	11,084	12,906	5,146	-	38,673
Segment operating revenues	42,419	70,508	17,632	22,283	-	152,842
Operating expenses including depreciation	(37,756)	(24,148)	(5,167)	(11,780)	-	(78,851)
Net Impairment losses on financial assets	(223)	(21,452)	380	(2,509)	-	(23,804)
Profit from operations after provision	4,440	24,908	12,845	7,994	-	50,187
Tax expenses	(566)	(3,176)	(1,637)	(1,199)	-	(6,578)
<b>Profit for the period</b>	<b>3,874</b>	<b>21,732</b>	<b>11,208</b>	<b>6,795</b>	<b>-</b>	<b>43,609</b>
<b>Segment assets</b>	<b>1,401,782</b>	<b>2,250,378</b>	<b>782,445</b>	<b>922,713</b>	<b>(90,481)</b>	<b>5,266,837</b>
Less: Impairment allowance	(32,065)	(126,590)	(179)	(22,956)	-	(181,790)
<b>Total segment assets</b>	<b>1,369,717</b>	<b>2,123,788</b>	<b>782,266</b>	<b>899,757</b>	<b>(90,481)</b>	<b>5,085,047</b>
<b>Segment Liabilities</b>	<b>833,932</b>	<b>2,347,492</b>	<b>464,134</b>	<b>784,196</b>	<b>(90,481)</b>	<b>4,339,273</b>
Add: Impairment allowance	1	5,021	-	321	-	5,343
<b>Total segment Liabilities</b>	<b>833,933</b>	<b>2,352,513</b>	<b>464,134</b>	<b>784,517</b>	<b>(90,481)</b>	<b>4,344,616</b>

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025****26. Business combination – Purchase consideration and identifiable net assets acquired**

The business combination with BoB Oman branch has been accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at estimated fair value on the acquisition date.

The purchase has been allocated to the acquired assets and liabilities using their preliminary fair values at the acquisition date. The calculation of the purchase consideration and its allocation to the net assets of the acquired entity is based on their respective fair values as of the acquisition date and the resulting bargain purchase is detailed below.

Gain on bargain purchase is based on provisional purchase price allocation and represents the difference between purchase consideration and fair value of identifiable net assets. The allocation of the purchase price may be modified within a period of twelve months from the date of business combination, as more information is obtained about the fair value of assets acquired and liabilities assumed, including alignment in business models as appropriate. The gain on bargain purchase is therefore a preliminary recognition.

The fair value of identifiable assets and liabilities of BoB Oman branch as at the acquisition date and subsequent preliminary fair value adjustments are as follows:

<b>Assets</b>	<b>RO'000</b>
Cash and balances with Central Bank of Oman	31,599
Due from affiliates and other Banks	148
Investment securities	34,730
Loans and advances (net)	25,342
Other assets	626
Property and equipment	23
<b>Total assets</b>	<b>92,468</b>
<b>Liabilities</b>	
Customers' deposits	63,338
Other liabilities	4,353
<b>Total liabilities</b>	<b>67,691</b>
<b>Fair value of net identifiable assets at merger date</b>	<b>24,777</b>
Preliminary fair value adjustments (net) as at 30 June 2025	0
<b>Estimated fair value of net identifiable assets at 30 June 2025 (a)</b>	<b>24,777</b>
<b>Less: Total Consideration Paid in Cash (b)</b>	<b>24,777</b>
<b>Gain on bargain purchase (a) – (b)</b>	<b>-</b>