

Liquidity Coverage Ratio:

Bank has adopted Basel III liquidity standards and is reporting the liquidity coverage ratio (LCR) to the Central Bank of Oman (CBO) with effect from March 2013. The LCR is defined as the proportion of high quality liquid assets to total net cash outflows over the next 30 days. The high quality liquid assets include cash; reserves held with CBO; investment in CBO Certificate of Deposits, CBO Treasury Bills, Government Development Bonds; Sovereign Treasury Bills; and investment in equity listed on Muscat Securities Market. LCR is a measure of adequacy of liquid assets that will enable the Bank to survive an acute stress scenario lasting for 30 days.

As per CBO guidelines, the LCR is to be maintained at a minimum of 100% from 01.01.2019. In compliance with the CBO guidelines, the Bank is meeting the regulatory limit of LCR as at 31st March 2023.

The disclosure for Liquidity Coverage Ratio for Bank Dhofar consolidated (i.e. conventional entity + Islamic Window entity) as at 31st March 2023 is as follows:

Bank Dhofar Consolidated	Total Unweighted Value (average)	Total Weighted Value (average)
LCR Disclosure for the Quarter ending: March 2023	OMR '000	OMR '000
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)		569,133.93
Cash Outflows		
2 Retail deposits and deposits from small business customers, of which:	550,222.81	38,444.46
3 Stable deposits	331,556.35	16,577.82
4 Less stable deposits	218,666.46	21,866.65
5 Unsecured wholesale funding, of which:	1,076,594.93	589,233.01
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7 Non-operational deposits (all counterparties)	1,076,594.93	589,233.01
8 Unsecured debt		
9 Secured wholesale funding		
10 Additional requirements, of which	621,348.25	46,226.05
11 Outflows related to derivative exposures and other collateral requirements		
12 Outflows related to loss of funding on debt products		
13 Credit and liquidity facilities	621,348.25	46,226.05
14 Other contractual funding obligations	96,980.47	96,980.47
15 Other contingent funding obligations	639,849.08	31,992.45
16 TOTAL CASH OUTFLOWS		802,876.45
Cash Inflows		
17 Secured lending (e.g. reverse repos)		
18 Inflows from fully performing exposures	590,519.06	247,699.37
19 Other cash inflows	50,710.48	50,710.48
20 TOTAL CASH INFLOWS	641,229.54	298,409.85
		Total Adjusted Value
21 TOTAL HQLA		569,133.93
22 TOTAL NET CASH OUTFLOWS		504,466.60
23 LIQUIDITY COVERAGE RATIO (%)		112.82

LCR is computed on a monthly basis and the same for Bank Dhofar (consolidated entity) was at 104.37% as at January 2023, 106.67% as at February 2023 and 126.40 as at March 2023. The above disclosed values for high quality liquid assets, cash outflows and cash inflows are the monthly arithmetic average of the values for the three months of the quarter ended 31.03.2023.

The Bank provides Shari'a compliant services and products through a window under the name of "Maisarah Islamic Banking Services (MIBS)". LCR for Maisarah Islamic Banking Services is separately computed and the average position as at 31st March 2023 is given below:

Maisarah Islamic Banking Services (MIBS) LCR Disclosure for the quarter ended March 2023	Total Unweighted Value (average) OMR '000	Total Weighted Value (average) OMR '000
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)		96,255.33
Cash Outflows		
2 Retail deposits and deposits from small business customers, of which	78,029.96	5,963.53
3 Stable deposits	36,789.31	1,839.47
4 Less stable deposits	41,240.66	4,124.07
5 Unsecured wholesale funding, of which:	170,610.27	87,438.48
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7 Non-operational deposits (all counterparties)	170,610.27	87,438.48
8 Unsecured debt		
9 Secured wholesale funding		
10 Additional requirements, of which	49,929.10	4,766.28
11 Outflows related to derivative exposures and other collateral requirements		
12 Outflows related to loss of funding on debt products		
13 Credit and liquidity facilities	49,929.10	4,766.28
14 Other contractual funding obligations	11,915.33	11,915.33
15 Other contingent funding obligations	19,479.84	973.99
16 TOTAL CASH OUTFLOWS		111,057.61
Cash Inflows		
17 Secured lending (e.g. reverse repos)		
18 Inflows from fully performing exposures	73,943.67	35,102.67
19 Other cash inflows	14,664.00	14,664.00
20 TOTAL CASH INFLOWS	88,607.67	49,766.67
		Total Adjusted Value
21 TOTAL HQLA		96,255.33
22 TOTAL NET CASH OUTFLOWS		61,290.94
23 LIQUIDITY COVERAGE RATIO (%)		157.05

As stated above, the LCR is computed on a monthly basis and the same for MIBS was 156.08% as at January 2023, 154.97% as at February 2023 and 160.19% as at March 2023. The above disclosed values for high quality liquid assets, cash outflows and cash inflows are the monthly arithmetic average of the values for the three months of the quarter ended 31.03.2023.