

## 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 31<sup>st</sup> December 2022.

The disclosure for Liquidity Coverage Ratio for Bank Dhofar consolidated (i.e. conventional entity + Islamic Window entity) as at 31<sup>st</sup> December 2022 is as follows:

		(RO '000)	
<b>Bank Dhofar Consolidated Entity</b>		<b>Total Unweighted Value (average)</b>	<b>Total Weighted Value (average)</b>
<b>LCR Disclosure for the quarter ended December 2022</b>		<b>OMR '000</b>	<b>OMR '000</b>
<b>High Quality Liquid Assets</b>			
1	Total High Quality Liquid Assets (HQLA)		481,051.57
<b>Cash Outflows</b>			
2	Retail deposits and deposits from small business customers, of which:	614,820.41	43,735.41
3	Stable deposits	337,639.53	16,017.33
4	Less stable deposits	277,180.87	27,718.09
5	Unsecured wholesale funding, of which:	910,529.61	415,932.38
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)	910,529.61	415,932.38
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which	557,670.80	40,359.40
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	557,670.80	40,359.40
14	Other contractual funding obligations	77,366.57	77,366.57
15	Other contingent funding obligations	546,093.67	27,304.68
16	<b>TOTAL CASH OUTFLOWS</b>		604,698.44
<b>Cash Inflows</b>			
17	Secured lending (e.g. reverse repos)		
18	Inflows from fully performing exposures	441,747.87	169,276.97
19	Other cash inflows	40,957.29	40,957.29
20	<b>TOTAL CASH INFLOWS</b>	482,705.15	210,234.25
			Total Adjusted Value
21	<b>TOTAL HQLA</b>		487,677.41
22	<b>TOTAL NET CASH OUTFLOWS</b>		394,464.19
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		123.63

The above disclosed values for high quality liquid assets, cash outflows and cash inflows are the arithmetic average of the values for the last four quarters. LCR is computed on a monthly basis and year end position for LCR is 107.71% as at 31.12.2022 (123.54% as at 31.12.2021). The Bank is in compliance of the regulatory limit of LCR as at 31<sup>st</sup> December 2022, with LCR of 123.63% calculated on weighted average value for the year (2021: 154.09%).

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 31<sup>st</sup> December 2022 is given below:

<b>Maisarah Islamic Banking Services (MIBS)</b> <b>LCR Disclosure for the quarter ended December 2022</b>		<b>Total Unweighted Value (average)</b> <b>OMR '000</b>	<b>Total Weighted Value (average)</b> <b>OMR '000</b>
<b>High Quality Liquid Assets</b>			
1	Total High Quality Liquid Assets (HQLA)		90,375.07
<b>Cash Outflows</b>			
2	Retail deposits and deposits from small business customers, of which:	76,256.40	5,613.10
3	Stable deposits	37,791.31	1,766.59
4	Less stable deposits	38,465.09	3,846.51
5	Unsecured wholesale funding, of which:	150,606.19	61,313.68
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7	Non-operational deposits (all counterparties)	150,606.19	61,313.68
8	Unsecured debt		
9	Secured wholesale funding		
10	Additional requirements, of which	33,039.15	3,043.56
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	33,039.15	3,043.56
14	Other contractual funding obligations	10,106.12	10,106.12
15	Other contingent funding obligations	53,014.84	2,650.74
16	<b>TOTAL CASH OUTFLOWS</b>		82,727.20
<b>Cash Inflows</b>			
17	Secured lending (e.g. reverse repos)		
18	Inflows from fully performing exposures	48,086.51	20,615.64
19	Other cash inflows	14,756.42	14,756.42
20	<b>TOTAL CASH INFLOWS</b>	62,842.93	35,372.06
			Total Adjusted Value
21	<b>TOTAL HQLA</b>		88,255.59
22	<b>TOTAL NET CASH OUTFLOWS</b>		47,355.14
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		186.37

The above disclosed values for high quality liquid assets, cash outflows and cash inflows are the arithmetic average of the values for the last four quarters.

LCR is computed on a monthly basis and year end position for LCR is 132.19% as at 31.12.2022 (312.84% as at 31.12.20201). The Bank is in compliance of the regulatory limit of LCR as at 31st December 2022, with LCR of 186.37% calculated on weighted average value for the year (2021: 184.37%).