

## 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 30<sup>th</sup> June 2023.

The disclosure for Liquidity Coverage Ratio for Bank Dhofar consolidated (i.e. conventional entity + Islamic Window entity) as at 30<sup>th</sup> June 2023 is as follows:

Bank Dhofar Consolidated LCR Disclosure for the Quarter ending: June 2023	Total Unweighted Value (average) OMR '000	Total Weighted Value (average) OMR '000
<b>High Quality Liquid Assets</b>		
1 Total High Quality Liquid Assets (HQLA)		560,419.98
<b>Cash Outflows</b>		
2 Retail deposits and deposits from small business customers, of which:	567,963.60	39,665.63
3 Stable deposits	342,614.58	17,130.73
4 Less stable deposits	225,349.02	22,534.90
5 Unsecured wholesale funding, of which:	991,459.35	475,275.85
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7 Non-operational deposits (all counterparties)	991,459.35	475,275.85
8 Unsecured debt		
9 Secured wholesale funding		
10 Additional requirements, of which	410,103.99	34,033.52
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	410,103.99	34,033.52
14 Other contractual funding obligations	92,973.99	92,973.99
15 Other contingent funding obligations	672,546.82	33,627.34
<b>16 TOTAL CASH OUTFLOWS</b>		<b>675,576.33</b>
<b>Cash Inflows</b>		
17 Secured lending (e.g. reverse repos)		
18 Inflows from fully performing exposures	604,528.34	264,669.59
19 Other cash inflows	43,920.90	43,920.90
<b>20 TOTAL CASH INFLOWS</b>	<b>648,449.24</b>	<b>308,590.50</b>
		Total Adjusted Value
<b>21 TOTAL HQLA</b>		<b>560,419.98</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>		<b>366,985.84</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>		<b>152.71</b>

LCR is computed on a monthly basis and the same for Bank Dhofar (consolidated entity) was at 128.05% as at April 2023, 162.61% as at May 2023 and 176.41% as at June 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 30.06.2023.

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 30<sup>th</sup> June 2023 is given below:

Maisarah Islamic Banking Services (MIBS) LCR Disclosure for the quarter ended June 2023	Total Unweighted Value (average) OMR '000	Total Weighted Value (average) OMR '000
<b>High Quality Liquid Assets</b>		
1 Total High Quality Liquid Assets (HQLA)		92,589.60
<b>Cash Outflows</b>		
2 Retail deposits and deposits from small business customers, of which	87,275.89	6,658.42
3 Stable deposits	41,383.36	2,069.17
4 Less stable deposits	45,892.54	4,589.25
5 Unsecured wholesale funding, of which:	151,167.84	85,819.51
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7 Non-operational deposits (all counterparties)	151,167.84	85,819.51
8 Unsecured debt		
9 Secured wholesale funding		
10 Additional requirements, of which	48,345.90	4,510.87
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	48,345.90	4,510.87
14 Other contractual funding obligations	13,905.80	13,905.80
15 Other contingent funding obligations	19,399.77	969.99
16 <b>TOTAL CASH OUTFLOWS</b>		111,864.59
<b>Cash Inflows</b>		
17 Secured lending (e.g. reverse repos)		
18 Inflows from fully performing exposures	76,089.15	29,468.78
19 Other cash inflows	11,758.72	11,758.72
20 <b>TOTAL CASH INFLOWS</b>	87,847.87	41,227.50
		Total Adjusted Value
21 <b>TOTAL HQLA</b>		92,589.60
22 <b>TOTAL NET CASH OUTFLOWS</b>		70,637.09
23 <b>LIQUIDITY COVERAGE RATIO (%)</b>		131.08

As stated above, the LCR is computed on a monthly basis and the same for MIBS was 137.49% as at April 2023, 180.02% as at May 2023 and 103.18% as at June 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 30.06.2023.