

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 30th September 2024.

The disclosure for Liquidity Coverage Ratio for Bank Dhofar consolidated (i.e. conventional entity + Islamic Window entity) as at 30th September 2024 is as follows:

Bank Dhofar Consolidated	Total Unweighted Value (average)	Total Weighted Value (average)
LCR Disclosure for the Quarter ending: Sep 2024	OMR '000	OMR '000
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)		580,973.06
Cash Outflows		
2 Retail deposits and deposits from small business customers, of which:	678,381.71	43,381.19
3 Stable deposits	349,385.40	10,481.56
4 Less stable deposits	328,996.31	32,899.63
5 Unsecured wholesale funding, of which:	1,207,165.28	510,932.33
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7 Non-operational deposits (all counterparties)	1,207,165.28	510,932.33
8 Unsecured debt		
9 Secured wholesale funding		
10 Additional requirements, of which	268,484.24	24,591.08
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	268,484.24	24,591.08
14 Other contractual funding obligations	49,590.00	49,590.00
15 Other contingent funding obligations	642,201.22	32,110.06
16 TOTAL CASH OUTFLOWS		660,604.66
Cash Inflows		
17 Secured lending (e.g. reverse repos)		
18 Inflows from fully performing exposures	598,225.13	252,042.99
19 Other cash inflows	49,994.33	49,994.33
20 TOTAL CASH INFLOWS	648,219.47	302,037.32
		Total Adjusted Value
21 TOTAL HQLA		580,973.06
22 TOTAL NET CASH OUTFLOWS		358,567.34
23 LIQUIDITY COVERAGE RATIO (%)		162.03

LCR is computed on a monthly basis and the same for Bank Dhofar (consolidated entity) was at 190.84% as at July 2024, 171.24% as at August 2024 and 133.67% as at September 2024. 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 30.09.2024.

The Bank provides Shari'a compliant services and products through a window under the name of "Dhofar Islamic". LCR for Dhofar Islamic is separately computed and the average position as 30th September 2024 is given below:

Dhofar Islamic LCR Disclosure for the quarter ended Sep 2024	Total Unweighted Value (average) OMR '000	Total Weighted Value (average) OMR '000
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)		107,644.80
Cash Outflows		
2 Retail deposits and deposits from small business customers, of which	140,389.37	12,451.67
3 Stable deposits	22,675.30	680.26
4 Less stable deposits	117,714.08	11,771.41
5 Unsecured wholesale funding, of which:	234,156.16	95,416.24
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks		
7 Non-operational deposits (all counterparties)	234,156.16	95,416.24
8 Unsecured debt		
9 Secured wholesale funding		
10 Additional requirements, of which	26,610.66	2,235.59
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	26,610.66	2,235.59
14 Other contractual funding obligations	9,285.67	9,285.67
15 Other contingent funding obligations	53,599.60	2,679.98
16 TOTAL CASH OUTFLOWS		122,069.14
Cash Inflows		
17 Secured lending (e.g. reverse repos)		
18 Inflows from fully performing exposures	175,429.28	59,248.62
19 Other cash inflows	10,333.67	10,333.67
20 TOTAL CASH INFLOWS	185,762.95	69,582.29
		Total Adjusted Value
21 TOTAL HQLA		107,644.80
22 TOTAL NET CASH OUTFLOWS		52,486.85
23 LIQUIDITY COVERAGE RATIO (%)		205.09

As stated above, the LCR is computed on a monthly basis and the same for Dhofar Islamic was 265.92% as at July 2024, 190.44% as at August 2024 and 177.93% as at September 2024. 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 30.09.2024.