

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 December 2023.

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

Bank Dhofar Consolidated Entity LCR Disclosure for the quarter ended December 2023	Total Unweighted Value (average) OMR '000	Total Weighted Value (average) OMR '000
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)		539,879.11
Cash Outflows		
2 Retail deposits and deposits from small business customers, of which	582,453.42	39,837.50
3 Stable deposits	344,213.42	16,013.50
4 Less stable deposits	238,240.00	23,824.00
5 Unsecured wholesale funding, of which:	1,054,777.42	540,575.78
6 Operational deposits (all counterparties) and deposits in networks of		
7 Non-operational deposits (all counterparties)	1,054,777.42	540,575.78
8 Unsecured debt		
9 Secured wholesale funding		
10 Additional requirements, of which	420,621.07	35,164.71
11 Outflows related to derivative exposures and other collateral		
12 Outflows related to loss of funding on debt products		
13 Credit and liquidity facilities	420,621.07	35,164.71
14 Other contractual funding obligations	86,085.37	86,085.37
15 Other contingent funding obligations	664,191.27	33,209.56
16 TOTAL CASH OUTFLOWS		734,872.93
Cash Inflows		
17 Secured lending (e.g. reverse repos)		
18 Inflows from fully performing exposures	588,910.44	273,656.83
19 Other cash inflows	46,690.14	46,690.14
20 TOTAL CASH INFLOWS	635,600.58	320,346.98
		Total Adjusted Value
21 TOTAL HQLA		539,879.11
22 TOTAL NET CASH OUTFLOWS		414,525.95
23 LIQUIDITY COVERAGE RATIO (%)		130.24

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 146.97% as at 31.12.2023 (107.71% as at 31.12.2022). The Bank is in compliance of the regulatory limit of LCR as at 31st December 2023, with LCR of 130.24% calculated on weighted average value for the year (2022: 123.63%).

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 December 2023 is given below:

Maisarah Islamic Banking Services (MIBS) LCR Disclosure for the quarter ended December 2023	Total Unweighted Value (average) OMR '000	Total Weighted Value (average) OMR '000
High Quality Liquid Assets		
1 Total High Quality Liquid Assets (HQLA)		97,791.88
Cash Outflows		
2 Retail deposits and deposits from small business customers, of which	93,428.85	7,060.79
3 Stable deposits	42,510.11	1,968.92
4 Less stable deposits	50,918.74	5,091.87
5 Unsecured wholesale funding, of which:	152,126.86	78,537.78
6 Operational deposits (all counterparties) and deposits in networks of		
7 Non-operational deposits (all counterparties)	152,126.86	78,537.78
8 Unsecured debt		
9 Secured wholesale funding		
10 Additional requirements, of which	47,466.46	4,427.89
11 Outflows related to derivative exposures and other collateral		
12 Outflows related to loss of funding on debt products		
13 Credit and liquidity facilities	47,466.46	4,427.89
14 Other contractual funding obligations	13,261.72	13,261.72
15 Other contingent funding obligations	21,362.22	1,068.11
16 TOTAL CASH OUTFLOWS		104,356.30
Cash Inflows		
17 Secured lending (e.g. reverse repos)		
18 Inflows from fully performing exposures	96,917.63	37,439.82
19 Other cash inflows	12,906.77	12,906.77
20 TOTAL CASH INFLOWS	109,824.41	50,346.60
		Total Adjusted Value
21 TOTAL HQLA		97,791.88
22 TOTAL NET CASH OUTFLOWS		54,009.70
23 LIQUIDITY COVERAGE RATIO (%)		181.06

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 366.45% as at 31.12.2023 (132.19% as at 31.12.2022). The Bank is in compliance of the regulatory limit of LCR as at 31st December 2023, with LCR of 181.06% calculated on weighted average value for the year (2022: 186.37%).