

bank muscat SAOG

Basel III Disclosures



September 30, 2024



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The Central Bank of Oman has issued final guidelines on the implementation of the new capital norms as well as the Liquidity norms along with reporting and disclosure norms. bank muscat SAOG remains strongly capitalised. The appended tables are part of the disclosures under the new accord:

Table 1 Basel III common disclosure template as at September 30, 2024:

| | | | RO '000 |
|---|---|------------------|----------------------------|
| Common Equity Tier 1 capital: instruments and reserves | | | Ref.to Table 2b |
| 1 | Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus | 906,855 | a= a1+ a2 |
| 2 | Retained earnings | 197,535 | b |
| 3 | Accumulated other comprehensive income (and other reserves) | 570,732 | c= c1+c2 |
| 4 | <i>Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)</i> | - | |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | - | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 1,675,122 | |
| Common Equity Tier 1 capital: regulatory adjustments | | | |
| 7 | Prudential valuation adjustments | 12,414 | d=(Absolute d1+d2) |
| 8 | Goodwill (net of related tax liability) | - | |
| 9 | Other intangibles other than mortgage-servicing rights (net of related tax liability) | - | |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability) | - | |
| 11 | Cash-flow hedge reserve | - | |
| 12 | Shortfall of provisions to expected losses | - | |
| 13 | Securitisation gain on sale (as set out in paragraph 14.9 of CP-1) | - | |
| 14 | Gains and losses due to changes in own credit risk on fair valued liabilities. | - | |
| 15 | Defined-benefit pension fund net assets | - | |
| 16 | Investments in own shares (if not already netted off paid-in capital on reported balance sheet) | - | |
| 17 | Reciprocal cross-holdings in common equity | - | |
| 18 | Investments in the capital of banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | - | |
| 19 | Significant investments in the common stock of banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) | 49,631 | e=e1+e2 |
| 20 | Mortgage Servicing rights (amount above 10% threshold) | - | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | - | |
| 22 | Amount exceeding the 15% threshold | - | |
| 23 | of which: significant investments in the common stock of financials | - | |
| 24 | of which: mortgage servicing rights | - | |
| 25 | of which: deferred tax assets arising from temporary differences | - | |
| 26 | National specific regulatory adjustments REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT | - | |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | - | |
| 28 | Total regulatory adjustments to Common equity Tier 1 | 62,045 | |
| 29 | Common Equity Tier 1 capital (CET1) | 1,613,077 | |
| Additional Tier 1 capital: instruments | | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus | 505,320 | g |
| 31 | of which: classified as equity under applicable accounting standards 5 | 505,320 | |
| 32 | of which: classified as liabilities under applicable accounting standards 6 | - | |
| 33 | <i>Directly issued capital instruments subject to phase out from Additional Tier 1</i> | - | |
| 34 | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) | - | |
| 35 | <i>of which: instruments issued by subsidiaries subject to phase out</i> | - | |
| 36 | Additional Tier 1 capital before regulatory adjustments | 505,320 | |
| Additional Tier 1 capital: regulatory adjustments | | | |
| 37 | Investments in own Additional Tier 1 instruments | - | |
| 38 | Reciprocal cross-holdings in Additional Tier 1 instruments | - | |
| 39 | Investments in the capital of banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold) | - | |
| 40 | Significant investments in the capital of banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation (net of eligible short positions) | - | |
| 41 | National specific regulatory adjustments REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT | - | |
| 42 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | - | |

Basel-III Disclosures

| | | | |
|---|---|-------------------|---------|
| 43 | Total regulatory adjustments to Additional Tier 1 capital | - | |
| 44 | Additional Tier 1 capital (AT1) | 505,320 | |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | 2,118,397 | |
| Tier 2 capital: instruments and provisions | | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | - | |
| 47 | Directly issued capital instruments subject to phase out from Tier 2 | - | |
| 48 | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | - | |
| 49 | of which: instruments issued by subsidiaries subject to phase out | - | |
| 50 | Provisions and Cumulative gains on fair value | 83,557 | h = |
| 51 | Tier 2 capital before regulatory adjustments | 83,557 | (h1+h2) |
| Tier 2 capital: regulatory adjustments | | | |
| 52 | Investments in own Tier 2 instruments | - | |
| 53 | Reciprocal cross-holdings in Tier 2 instruments | - | |
| 54 | Investments in the capital of banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | - | |
| 55 | Significant investments in the capital banking, financial, insurance and takaful entities that are outside the scope of regulatory consolidation (net of eligible short positions) | - | |
| 56 | National specific regulatory adjustments REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT | - | |
| 57 | Total regulatory adjustments to Tier 2 capital | - | |
| 58 | Tier 2 capital (T2) | 83,557 | |
| 59 | Total capital (TC = T1 + T2) | 2,201,954 | |
| Risk Weighted Assets | | | |
| RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-BASEL III TREATMENT | | | |
| 60 | Total risk weighted assets (60a+60b+60c) | 11,241,437 | |
| 60a | Of which: Credit risk weighted assets | 10,109,676 | |
| 60b | Of which: Market risk weighted assets | 226,929 | |
| 60c | Of which: Operational risk weighted assets | 904,832 | |
| Capital Ratios | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) | 14.35% | |
| 62 | Tier 1 (as a percentage of risk weighted assets) | 18.84% | |
| 63 | Total capital (as a percentage of risk weighted assets) | 19.59% | |
| 64 | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB/D-SIB buffer requirement expressed as a percentage of risk weighted assets) | 10.50% | |
| 65 | of which: capital conservation buffer requirement | 2.50% | |
| 66 | of which: bank specific countercyclical buffer requirement | - | |
| 67 | of which: D-SIB/G-SIB buffer requirement | 1.00% | |
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) | 6.09% | |
| National minima (if different from Basel III) | | | |
| 69 | National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum) | 7.00% | |
| 70 | National Tier 1 minimum ratio (if different from Basel 3 minimum) | 12.50% | |
| 71 | National total capital minimum ratio (if different from Basel 3 minimum) | 14.50% | |
| Amounts below the thresholds for deduction (before risk weighting) | | | |
| 72 | Non-significant investments in the capital of other financials | - | |
| 73 | Significant investments in the common stock of financials | - | |
| 74 | Mortgage servicing rights (net of related tax liability) | - | |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | - | |
| Applicable caps on the inclusion of provisions in Tier 2 | | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | 81,190 | |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | - | |
| 78 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | - | |
| 79 | Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | - | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | - | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | - | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | - | |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | - | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | - | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | - | |

Basel-III Disclosures

Step-1

Table 2a Reconciliation between published financial statements and regulatory scope of consolidation

| | Balance sheet as in published financial statements | Under regulatory scope of consolidation |
|---|--|---|
| | As at 30-Sep-2024 in RO '000 | As at 30-Sep-2024 in RO '000 |
| Assets | | |
| Cash and balances with CBO | 745,298 | 745,298 |
| Due from banks | 434,159 | 434,159 |
| Loans and advances to banks | 168,368 | 168,368 |
| Loans & Advances/Islamic Financing - Net, to customers | 10,267,983 | 10,267,983 |
| Investments in securities | 2,172,206 | 2,172,206 |
| Investments in associates | 9,320 | 9,320 |
| Fixed assets | 76,366 | 76,366 |
| Deferred Tax Asset | 1,940 | 1,940 |
| Other assets | 180,679 | 180,679 |
| Total Assets | 14,056,319 | 14,056,319 |
| Liabilities | | |
| Due to banks | 820,949 | 820,949 |
| Customer deposits | 10,109,755 | 10,109,755 |
| Current tax liabilities | 54,093 | 54,093 |
| Other liabilities | 450,140 | 450,140 |
| Deferred Tax Liabilities | 5,339 | 5,339 |
| Sukuk | 16,602 | 16,602 |
| Euro Medium term notes | 192,853 | 192,853 |
| Total liabilities | 11,649,731 | 11,649,731 |
| Shareholder's Equity | | |
| Share capital | 750,640 | 750,640 |
| Share premium | 156,215 | 156,215 |
| General reserve | 410,258 | 410,258 |
| Retained profit | 368,321 | 368,321 |
| Legal reserve | 160,474 | 160,474 |
| Foreign currency translation reserve | (3,483) | (3,483) |
| Cumulative changes in fair value | 49,274 | (6,564) |
| Non-Qualifying Components of Basel III: | | |
| Cash flow hedge reserve | 4,665 | 4,665 |
| Revaluation reserve | 4,904 | 4,904 |
| Non-Qualifying Components of Cumulative changes in fair value | | 55,838 |
| Total shareholder's equity | 1,901,268 | 1,901,268 |
| Perpetual Tier I capital | 505,320 | 505,320 |
| Total equity | 2,406,588 | 2,406,588 |
| Total Liability and shareholders' funds | 14,056,319 | 14,056,319 |

Basel-III Disclosures

Step-2

Table 2b Reconciliation between expanded line items as per published financial statements and regulatory scope of consolidation with reference to Table 1.

| | As per financial statements | Under regulatory scope of consolidation | Reference with Table 1 |
|---|------------------------------|---|------------------------|
| | As at 30-Sep-2024 in RO '000 | As at 30-Sep-2024 in RO '000 | |
| Assets | | | |
| Cash and balances with CBO | 745,298 | 745,298 | |
| Due from banks | 434,159 | 434,159 | |
| Investments: | | | |
| - Designated as Amortised Cost | 1,627,729 | 1,627,729 | |
| - Designated as Fair Value through OCI | 412,729 | 412,729 | |
| - Designated as fair value through profit or loss | 91,437 | 91,437 | |
| Strategic Investment (CET1 adjustment) | 40,311 | 40,311 | e |
| Investment in associates (CET1 adjustment) | 9,320 | 9,320 | |
| Loans & Advances/ Islamic Financing – Net of provisions | 10,436,351 | 10,436,351 | |
| Of which: | | | |
| - Loans and advances to domestic banks | 47,728 | 47,728 | |
| - Loans and advances to non-resident banks | 271,057 | 271,057 | |
| - Loans and advances to domestic customers | 8,766,690 | 8,766,690 | |
| - Loans and advances to non-resident for operations abroad | 120,117 | 120,117 | |
| - Loans and advances to SMEs | 275,649 | 275,649 | |
| - Financing from Islamic banking window | 1,583,375 | 1,583,375 | |
| Provision against Loans and Advances, Of which: | | | |
| - Stage 3 ECL Allowance | (347,066) | (347,066) | |
| - Stage 2 and 1 ECL Allowance Eligible as Tier 2 Capital | (281,199) | (81,190) | h2 |
| - Stage 2 ECL Allowance not eligible as Tier 2 Capital ¹ | - | (200,009) | |
| Fixed assets | 76,366 | 76,366 | |
| Other assets: | 182,619 | 182,619 | |
| Acceptances | 119,633 | 119,633 | |
| Positive value of Derivatives | 23,599 | 23,599 | |
| Deferred Tax Asset (CET1 adjustment) | 1,940 | 1,940 | |
| Other Assets | 37,447 | 37,447 | |
| Total Assets | 14,056,319 | 14,056,319 | |

¹ The bank has applied in its capital adequacy calculation the "Prudential filter" under interim adjustment arrangement for Stage-I and Stage-II ECL in line with CBO guidelines Circular letter (BSD/CB/2020/005) dated June 03, 2020. The impact of above filter on the bank's regulatory capital is 32 bps.

Basel-III Disclosures

Step-2 (Continued)

Table 2b Reconciliation between published financial statements and regulatory scope of consolidation with reference to regulatory capital working in Table 1

| | As per financial statements | Under regulatory scope of consolidation | Reference with Table |
|---|------------------------------------|--|-------------------------|
| | As at 30-Sep-2024 in RO '000 | As at 30-Sep-2024 in RO '000 | |
| Capital & Liabilities | | | |
| Paid-up Capital, Of which: | | | |
| Amount eligible for CET1 | | | |
| Paid-up share capital | 750,640 | 750,640 | a1 |
| Share Premium | 156,215 | 156,215 | a2 |
| Legal reserve | 160,474 | 160,474 | c1 |
| General reserve | 410,258 | 410,258 | c2 |
| Retained earnings | 197,535 | 197,535 | b |
| Current Year Profit | 170,786 | 170,786 | |
| Cumulative loss on Fair Value | 49,274 | (8,931) | d1 |
| Cash flow Hedge Reserve - Non- Qualifying for Basel | 4,665 | 4,665 | |
| Foreign Currency Translation Reserve (CET1 adjustment) | (3,483) | (3,483) | d2 |
| Amount eligible for AT1 | | | |
| Perpetual Tier I capital | 505,320 | 505,320 | G |
| Amount eligible for Tier 2 | | | |
| Cumulative gains on fair value- (Positive MTM after applying 55% haircut) | | 2,367 | h1 |
| Cumulative gains on fair value | | 55,838 | |
| Revaluation reserve | 4,904 | | |
| Revaluation reserve- Non- Qualifying for Basel | | 4,904 | |
| Total Capital | 2,406,588 | 2,406,588 | |
| Deposits from banks | 820,949 | 820,949 | |
| Customer deposits | 10,109,755 | 10,109,755 | |
| Unsecured bonds | 16,602 | 16,602 | |
| Borrowings in the form of bonds and Notes | 192,853 | 192,853 | |
| Other liabilities | 450,140 | 450,140 | |
| Deferred Tax Liabilities | 5,339 | 5,339 | |
| Taxation | 54,093 | 54,093 | |
| Total Capital & Liabilities | 14,056,319 | 14,056,319 | |

Basel-III Disclosures

Table 3 Main features of regulatory capital instruments

| 1 | Issuer | Additional Equity Tier 1 Capital (AET1) | Additional Equity Tier 1 Capital (AET1) 2022 | Paid-up share capital |
|----|---|---|---|-------------------------|
| 2 | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | - | ISIN OM000008892 | MSX code: BKMB |
| 3 | Governing law(s) of the instrument | Governed by the Laws of the Sultanate of Oman. | Governed by the Laws of the Sultanate of Oman. | CMA Oman |
| 4 | Regulatory treatment | Additional Tier 1 Capital | Additional Tier 1 Capital | CET1 Capital |
| 5 | Transitional Basel III rules | Additional Tier 1 Capital | NA | CET1 Capital |
| 6 | Post-transitional Basel III rules | Group | Group | Group |
| 7 | Eligible at solo/group/group & solo | AET1 Capital | AET1 Capital | Paid-up share capital |
| 8 | Instrument type (types to be specified by each jurisdiction) | 130.000 | 375.320 | 750.640 |
| 9 | Amount recognised in regulatory capital - in RO million | RO 1 | RO 1 | 0.100 baisa |
| 10 | Par value of instrument - in RO | Equity | Equity | Equity |
| 11 | Accounting classification | April 03, 2017 | Nov 20, 2022 | Various |
| 12 | Original date of issuance | Perpetual | Perpetual | Perpetual |
| 13 | Perpetual or dated | Perpetual | Perpetual | Various |
| 14 | Original maturity date | Yes, After 5 years | Yes, After 5 years | No |
| 15 | Issuer call subject to prior supervisory approval | Redemption of the capital deposit pursuant to agreement and CBO may only occur on the first call date or on any call date thereafter or on any interest payment date after the first call date. | Redemption of the AET 1 Perpetual Bonds either in full or in part pursuant to conditions mentioned in prospectus on first call date or subsequent call date (every six months after first call date). | NA |
| 16 | Optional call date, contingent call dates and redemption amount | The first call date (fifth anniversary of the deposit date) or the second call date or the call date falling on any interest payment date after the first call date. | The First call date is 20 November 2027, being the date falling on the fifth anniversary of the bond Issue Date. Subsequent call dates, every six (6) months after the first call date. | NA |
| 17 | Subsequent call dates, if applicable | Fixed | Fixed until first call date and based on index thereafter. | Floating |
| 18 | Fixed or floating dividend/coupon | 6.2% | 4.25% until first call date, thereafter it is sum of Reset Reference Rate (weighted average interest rate payable on Rial Omani Deposits) plus Relevant Margin (2.25%) | NA |
| 19 | Coupon rate and any related index | No | No | No |
| 20 | Existence of a dividend stopper | Fully discretionary | Fully discretionary | Partially discretionary |
| 21 | Fully discretionary, partially discretionary or mandatory | No | No | No |
| 22 | Existence of step up or other incentive to redeem | Non-cumulative | Non-cumulative | NA |
| 23 | Noncumulative or cumulative | Non-convertible | Non-convertible | Non-convertible |
| 24 | Convertible or non-convertible | NA | NA | NA |
| 25 | If convertible, conversion trigger (s) | NA | NA | NA |
| 26 | If convertible, fully or partially | NA | NA | NA |
| 27 | If convertible, conversion rate | NA | NA | NA |
| 28 | If convertible, mandatory or optional conversion | NA | NA | NA |
| 29 | If convertible, specify instrument type convertible into | NA | NA | NA |
| 30 | If convertible, specify issuer of instrument it converts into | Yes | Yes | No |
| 31 | Write-down feature | The instrument is subordinated to depositors, general creditors and subordinated debt/sukuk of the bank. | The instrument is subordinated to deposit holders, general creditors, holders of subordinated debt/ bonds/ sukuk of the Bank. | Sub-Debt |
| 32 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Non-viability event | Non-viability event | NA |
| 33 | If write-down, write-down trigger(s) | In Full or partial, as determined by the Bank in conjunction with CBO and in accordance with the Basel Regulations. | In Full or partial, as determined by the Bank in conjunction with CBO and in accordance with conditions mentioned in prospectus and the extant Basel Regulations. | NA |
| 34 | If write-down, full or partial | Permanent | Permanent | NA |
| 35 | If write-down, permanent or temporary | NA | NA | NA |
| 36 | If temporary write-down, description of write-up mechanism | None | None | None |
| 37 | Non-compliant transitioned features | NA | NA | NA |
| 38 | If yes, specify non-compliant features | | | |

Basel-III Disclosures

Leverage Ratio

Under its Basel III guidelines, Basel Committee for Banking Supervision (BCBS) introduced a non-risk sensitive Leverage Ratio to address excessive build-up of on and off-balance sheet exposures, which was the root cause of the Financial/Credit crisis of 2008. The ratio is calculated by dividing the Tier I capital of the bank by the Bank's total assets (sum of all on and off-balance sheet assets). Being a DSIB the Bank is required to maintain a higher Leverage ratio of 5% considering the systemic importance.

Table 1: Summary comparison of accounting assets vs leverage ratio exposure measure as at September 30, 2024

| # | Item | RO'000 |
|----------|--|-------------------|
| 1 | Total consolidated assets as per published financial statements | 14,056,319 |
| 2 | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | (49,631) |
| 3 | Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure | |
| 4 | Adjustments for derivative financial instruments | 108,573 |
| 5 | Adjustment for securities financing transactions (i.e., repos and similar secured lending) | |
| 6 | Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures) | 991,635 |
| 7 | Other adjustments | - |
| 8 | Leverage ratio exposure | 15,106,896 |

Table 2: Leverage ratio common disclosure template

| # | Item | RO'000 |
|---|--|-------------------|
| 1 | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 14,056,319 |
| 2 | (Asset amounts deducted in determining Basel III Tier 1 capital) | (49,631) |
| 3 | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2) | 14,006,688 |
| Derivative Exposures | | |
| 4 | Replacement cost associated with all derivatives transactions (i.e., net of eligible cash variation margin) | 23,690 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions | 84,883 |
| 6 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | |
| 7 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | |
| 8 | (Exempted CCP leg of client-cleared trade exposures) | |
| 9 | Adjusted effective notional amount of written credit derivatives | |
| 10 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | |
| 11 | Total derivative exposures (sum of lines 4 to 10) | 108,573 |
| Securities financing transaction exposures | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | - |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | - |
| 14 | CCR exposure for SFT assets | - |
| 15 | Agent transaction exposures | - |
| 16 | Total securities financing transaction exposures (sum of lines 12 to 15) | - |
| Other Off-balance sheet exposures | | |
| 17 | Off-balance sheet exposure at gross notional amount | 2,012,719 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | (1,021,084) |
| 19 | Off-balance sheet items (sum of lines 17 and 18) | 991,635 |
| Capital and total exposures | | |
| 20 | Tier 1 capital | 2,118,397 |
| 21 | Total exposures (sum of lines 3, 11, 16 and 19) | 15,106,896 |
| 22 | Basel III leverage ratio (%) | 14.0 |

Basel-III Disclosures

LCR Common Disclosure

| | Total unweighted value (Average) | TOTAL CASH INFLOWS |
|---|-------------------------------------|------------------------------------|
| | As at 30-Sep-2024 in RO '000 | As at 30-Sep-2024 in RO '000 |
| High Quality Liquid Assets | | |
| 1 Total High-Quality Liquid Assets (HQLA) | | 2,383,782 |
| Cash Outflows | | |
| 2 Retail deposits and deposits from small business customers, of which: | 3,944,266 | 202,670 |
| 3 Stable deposits | 2,311,000 | 70,074 |
| 4 Less stable deposits | 1,633,266 | 132,596 |
| 5 Unsecured wholesale funding, of which: | 2,903,198 | 1,280,641 |
| 6 Operational deposits (all counterparties) and deposits in networks of cooperative banks | | |
| 7 Non-operational deposits (all counterparties) | 2,903,198 | 1,280,641 |
| 8 Unsecured debt | | |
| 9 Secured wholesale funding | | 0 |
| 10 Additional requirements, of which | 238,028 | 44,569 |
| 11 Outflows related to derivative exposures and other collateral requirements | 23,074 | 23,074 |
| 12 Outflows related to loss of funding on debt products | | |
| 13 Credit and liquidity facilities | 214,954 | 21,495 |
| 14 Other contractual funding obligations | 133,374 | 133,374 |
| 15 Other contractual funding obligations | 1,785,505 | 89,275 |
| 16 TOTAL CASH OUTFLOWS | | 1,750,529 |
| 17 Secured lending (e.g. reverse repos) | | |
| 18 Inflows from fully performing exposures | 876,658 | 500,464 |
| 19 Other cash inflows | | |
| 20 TOTAL CASH INFLOWS | 876,658 | 500,464 |
| | | Total Adjusted Value |
| 21 TOTAL HQLA | | 2,383,782 |
| 22 TOTAL NET CASH OUTFLOWS | | 1,250,065 |
| 23 LIQUIDITY COVERAGE RATIO (%) | | 191% |

Basel-III Disclosures

NSFR disclosure

| | RO '000 | | | | As at 30-Sep-2024 |
|---|--------------------|----------------------|-----------------------------|--------------|-----------------------|
| Unweighted value by residual maturity | | | | | |
| ASF Item | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | Weighted value |
| 1 Capital: | 2,263,999 | | | | 2,263,999 |
| 2 Regulatory capital | 2,180,442 | | | | 2,180,442 |
| 3 Other capital instruments | 83,557 | | | | 83,557 |
| 4 Retail deposits and deposits from small business customers | | | 3,997,147 | | 3,713,896 |
| 5 Stable deposits | | | 2,329,271 | | 2,212,808 |
| 6 Less stable deposits | | | 1,667,876 | | 1,501,088 |
| 7 Wholesale funding: | | 55,954 | 3,052,859 | 3,676,070 | 5,230,476 |
| 8 Operational deposits | | 55,954 | | | 27,977 |
| 9 Other wholesale funding | | | 3,052,859 | 3,676,070 | 5,202,499 |
| 10 Liabilities with matching interdependent assets | | | | | |
| 11 Other liabilities: | | | | | |
| 12 NSFR derivative liabilities | 23,074 | | | | |
| 13 All other liabilities and equity not included in above categories | 1,165,313 | | | | |
| 14 TOTAL ASF | | | | | 11,208,371 |
| RSF Item | | | | | |
| 15 Total NSFR high-quality liquid assets (HQLA) | | | | | 102,550 |
| 16 Deposits held at other financial institutions for operational purposes | | 43,299 | | | 21,615 |
| 17 Performing loans and securities: | 0 | 108,232 | 2,107,321 | 7,730,612 | 7,295,464 |
| 18 Performing loans to financial institutions secured by Level 1 HQLA | | | | | |
| 19 Performing loans to financial institutions secured by non- Level 1 HQLA and unsecured performing loans to financial institutions | | 108,232 | 55,498 | | 43,984 |
| 20 Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which | | | 2,051,823 | 6,003,354 | 6,128,763 |
| 21 -With a risk weight of less than or equal to 35% under the Basel II Standardised approach for credit risk | | | | | |
| 22 Performing residential mortgages, of which: | | | | | |
| 23 With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk | | | | 1,727,258 | 1,122,718 |
| 24 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities | | | | 0 | 0 |
| 25 Assets with matching interdependent liabilities | | | | | |
| 26 Other Assets: | 1,837,746 | 0 | 0 | 0 | 1,837,746 |
| 27 Physical traded commodities, including gold | | | | | |
| 28 Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs | | | | | |
| 29 NSFR derivative assets | 23,419 | | | | 23,413 |
| 30 NSFR derivative liabilities before deduction of variation margin posted | | | | 0 | 0 |
| 31 All other assets not included in the above categories | 1,814,333 | | | | 1,814,333 |
| 32 Off-balance sheet items | 2,000,459 | | | | 100,023 |
| 33 TOTAL RSF | | | | | 9,357,398 |
| 34 NET STABLE FUNDING RATIO (%) | | | | | 120% |