

Statement on Liquidity Coverage Ratio  
Sohar International Bank

Report for the month of:- September 2020 (Consolidated)

(RO '000)

| Sr.no. | Stock of HQLA   | Factor | Unweighted amount | Weighted amount |
|--------|---|--------|-------------------|-----------------|
|        | <b>Level 1 assets</b>   |        |                   |                 |
| 1      | Coins and bank notes  | 100%   | 30,644            | 30,644          |
| 2      | Qualifying central bank reserves  | 100%   | 114,971           | 114,971         |
| 3      | Qualifying marketable securities from sovereigns, central banks, PSEs and multilateral development banks                        | 100%   | 212,537           | 212,537         |
| 4      | Domestic sovereign or Central Bank debt for non-0% risk weighted sovereigns   | 100%   | 116,336           | 116,336         |
| 5      | <b>Total Level 1 assets</b>   |        | 474,488           | 474,488         |
|        | <b>Level 2A</b>   |        |                   |                 |
| 6      | Sovereign, CB, PSE, multilateral development banks assets (qualifying for 20% risk weighing)                                    | 85%    | -                 | -               |
| 7      | Qualifying Corporate debt securities AA- or higher  | 85%    | -                 | 0               |
| 8      | Qualifying Covered bonds AA- or higher  | 85%    | -                 | 0               |
| 9      | <b>Total Level 2A</b>   |        | -                 | -               |
|        | <b>Level 2B</b>   |        |                   |                 |
| 10     | Qualifying RMBS   | 75%    | -                 | -               |
| 11     | Qualifying corporate debt securities, rated between A+ and BBB-   | 50%    | -                 | -               |
| 12     | Qualifying common equity shares   | 50%    | 90                | 45              |
| 13     | <b>Total Level 2B (maximum 15% of HQLA)</b>   |        | 90                | 45              |
| 14     | <b>Total level 2 assets (Maximum 40% of HQLA)</b>   |        | 90                | 45              |
| 15     | <b>Total Stock of high quality liquid assets</b>  |        | 474,578           | 474,533.22      |
|        | <b>Cash outflows</b>  |        |                   |                 |
|        | <b>A. Retail Deposits (Customer Deposits)</b>   |        |                   |                 |
|        | Demand Deposits + Term Deposits with residual maturity upto 30 days   |        |                   |                 |
| 16     | Of which - Stable deposits (deposit insurance scheme meets addl criteria)   | 3%     | 33,484            | 1,005           |
| 17     | - Stable Deposits   | 5%     | 3,788             | 189             |
| 18     | - Less Stable retail Deposits   | 10%    | 297,162           | 29,716          |
| 19     | Term Deposits with residual maturity of more than 30 days   | 0%     | 81,711            | -               |
|        | <b>B. Unsecured Wholesale Funding</b>   |        |                   |                 |
| 20     | Demand and term deposits (less than 30 days maturity) provided by small business customers<br><b>Of which</b> - stable deposits | 5%     | 588               | 29              |
| 21     | - Less Stable deposits  | 10%    | 14,932            | 1,493           |
| 22     | Non financial corporates, sovereigns, central banks, multilateral development banks and PSEs                                    | 40%    | 676,656           | 270,663         |
| 23     | ...If entire portion covered by deposit insurance   | 20%    | 27,962            | 5,592           |
| 24     | Cooperative banks in an institutional network (qualifying deposits with with the centralised institution)                       | 25%    | -                 | -               |
| 25     | Other legal entity customers  | 100%   | 147,109           | 147,109         |
| 26     | Operational deposits generated by clearing, custody and cash management activities  | 25%    | -                 | -               |
| 27     | Of which, Portion covered by deposit insurance  | 5%     | -                 | -               |
|        | <b>C. Secured Funding</b>   |        |                   |                 |

|  |   |      |           |         |
|--|---|------|-----------|---------|
| 28   | Secured funding transactions with a central bank or backed by Level I assets with any counterparty  | 0%   | 334,154   | 0       |
| 29   | Secured funding transactions backed by Level 2A assets with any counterparty  | 15%  | -         | 0       |
| 30   | Secured funding transactions backed by non level 1 or non level 2A assets with domestic Sovereign, domestic PSE, multilateral development banks as a counterparty | 25%  | -         | 0       |
| 31   | Backed by RMBS eligible for inclusion in level 2B   | 25%  | -         | 0       |
| 32   | Backed by other level 2B assets   | 50%  | -         | 0       |
| 33   | All other secured funding transactions  | 100% | -         | 0       |
| <b>D. Additional Requirements</b>                                      |   |      |           |         |
| 34   | Liquidity needs (e.g. collateral calls) related to financing transactions, derivatives and other contracts, downgrade of up to 3 notches                          | 100% | -         | 0       |
| 35   | Market valuation changes on derivatives (largest absolute net 30 day collateral flows realised during preceding 24 months-look back approach)                     | 100% | -         | 0       |
| 36   | Valuation changes on non-level 1 posted collateral securing derivatives   | 20%  | -         | 0       |
| 37   | Excess collateral held by a bank related to derivative transactions contractually callable at any time by its counterparty  | 100% | -         | 0       |
| 38   | Liquidity needs related to collateral contractually due from reporting bank on derivative transactions  | 100% | -         | 0       |
| 39   | Increased Liquidity needs related to derivative transactions that allow collateral substitution to non-HQLA assets  | 100% | -         | 0       |
| 40   | Liabilities maturing from SPV's, ABCP's and SIV's etc. (applied to maturing amounts and returnable assets)  | 100% | -         | 0       |
| 41   | Asset backed securities (including covere bonds) applied to maturing amounts  | 100% | -         | 0       |
| <b>Currently undrawn portion of credit lines</b>                       |   |      |           |         |
| 42   | (i) Retail and small business   | 5%   | 8,203     | 410     |
| 43   | (ii) Non Financial corporates, Sovereign, CB, PSEs, multilateral development banks - <b>credit</b> facility   | 10%  | 68,287    | 6,829   |
| 44   | (iii) Non Financial corporates, Sovereign, CB, PSEs, multilateral development banks - <b>liquidity</b> facility   | 30%  | -         | -       |
| 45   | (iv) Banks subject to prudential supervision  | 40%  | -         | -       |
| 46   | (v) Other Financial Institutions - <b>credit</b>  | 40%  | -         | -       |
| 47   | (vi) Other Financial institutions - <b>liquidity</b>  | 100% | -         | -       |
| 48   | (vii) Other Legal entity customers, credit and liquidity facilities   | 100% | -         | -       |
| 49   | Other contingent funding liabilities (L/cs, LGs)  | 5%   | 836,725   | 41,836  |
| 50   | Trade finance   | 5%   | -         | -       |
| 51   | Customer short positions covered by other customers' collateral   | 50%  | -         | -       |
| 52   | Any Other outflows  | 100% | 17,432    | 17,432  |
| 53   | <b>Total cash outflows</b>  |      | 2,548,193 | 522,304 |
| <b>Cash Inflows</b>  |   |      |           |         |
| Maturing secured lending transactions backed by following collateral:- |   |      |           |         |
| 54   | Level 1 assets  | 0%   | -         | -       |
| 55   | Level 2A assets   | 15%  | -         | -       |
| 56   | Level 2B assets-eligible RMBS   | 25%  | -         | -       |

|    |  |      |         |         |
|----|--|------|---------|---------|
| 57 | .....Other assets  | 50%  | -       | -       |
| 58 | Margin lending backed by all other collaterals   | 50%  | -       | -       |
| 59 | All other assets   | 100% | 5,472   | 5,472   |
| 60 | Amts to be received from retail counterparties   | 50%  | 12,776  | 6,388   |
| 61 | Amounts to be received from non financial wholesale counterparties from transactions other than those listed.  | 50%  | 228,357 | 114,179 |
| 62 | Amounts to be received from financial institutions and central banks from transactions other than those listed | 100% | 165,413 | 165,413 |
| 63 | Credit or liquidity facilities provided to the reporting bank  | 0%   | 90,425  | -       |
| 64 | Operational deposits held at other financial institutions  | 0%   | 43,239  | -       |
| 65 | Other contractual cash inflows   | 100% | 1,529   | 1,529   |
| 66 | Net derivatives cash inflows   | 100% | 68      | 68      |
| 67 | <b>Total cash inflows</b>  |      | 547,280 | 293,049 |
| 68 | <b>75% of outflows</b>   |      |         | 391,728 |
| 69 | Inflows restricted to 75% of outflows  |      |         | 293,049 |
| 70 | <b>Net cash Outflow</b>  |      |         | 229,255 |
| 71 | <b>LCR (%)</b>   |      |         | 206.99  |

### Memorandum items

#### 1 Memorandum item No. 1

Investment in securities issued by 0% risk weighted foreign sovereigns, included in sr.no. 3 above.

| Sr.no. | Name of country & sovereign rating | Amount  |
|--------|------------------------------------|---------|
| 1      | Oman (A1)                          | 212,537 |
| 2      |                                    |         |
| 3      |                                    |         |
| 4      |                                    |         |
|        | TOTAL                              | 212,537 |

(add more rows if needed)

#### 2 Memorandum item no. 2

Investments in securities representing claims on or guaranteed by sovereigns, central banks, PSEs and MDBs that are assigned a 20% risk-weight, as reported in Sr.No 6 above.

| Sr.No.  | Name of the Issuer / Guarantor        | Amount |
|---|---------------------------------------|--------|
| 2.1 Sovereigns (give country names & ratings) |                                       |        |
| (i)   |                                       |        |
| (ii)  |                                       |        |
| (iii)   |                                       |        |
| (iv)  |                                       |        |
|   | Total                                 |        |
| 2.2 Public Sector Entities (PSEs)             |                                       |        |
| (i)   |                                       |        |
| (ii)  |                                       |        |
| (iii)   |                                       |        |
| (iv)  |                                       |        |
|   | Total                                 |        |
| 2.3 Central Banks, MDBs                       |                                       |        |
| (i)   |                                       |        |
| (ii)  |                                       |        |
| (iii)   |                                       |        |
| (iv)  |                                       |        |
|   | Total                                 | -      |
|   | Grand total (reported against item 6) |        |