

Basel III Disclosures

National Bank of Oman (NBO)

31 March 2024

BASEL III Disclosures



Table 1 - Basel III common disclosure template as of 31 March 2024:

	AMOUNTS (RO'000)	Ref. to Table 2b
COMMON EQUITY TIER 1 CAPITAL: INSTRUMENTS AND RESERVES		
Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	197,060	C
Retained earnings	231,872	D
Accumulated other comprehensive income (and other reserves)	54,198	E
<i>Public sector capital injections grandfathered until 1 January 2018</i>	-	
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
Common Equity Tier 1 capital before regulatory adjustments	483,130	F
Common Equity Tier 1 capital: regulatory adjustments		
Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Gains and losses due to changes in own credit risk on fair valued liabilities.	(9,201)	G
Total regulatory adjustments to Common Equity Tier 1	(9,201)	
Common Equity Tier 1 capital	473,929	
Additional Tier 1 capital: Instruments		
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	167,133	H
of which: classified as equity under applicable accounting standards	167,133	
of which: classified as liabilities under applicable accounting standards	-	
Additional Tier 1 capital before regulatory adjustments	167,133	
Additional Tier 1 capital: Regulatory Adjustments		
Total regulatory adjustments to Additional Tier 1 capital	-	
Additional Tier 1 capital (AT1)	167,133	
Tier 1 capital (T1 = CET1 + AT1)	641,062	
TIER 2 CAPITAL: INSTRUMENTS AND PROVISIONS		
Directly issued qualifying Tier 2 instruments plus related stock surplus	3,057	
<i>Directly issued capital instruments subject to phase out from Tier 2</i>	-	
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)	-	
<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
Provisions	13,350	A+B
TIER 2 CAPITAL BEFORE REGULATORY ADJUSTMENTS	16,407	
TIER 2 CAPITAL: REGULATORY ADJUSTMENTS		
Total regulatory adjustments to Tier 2 capital	-	
Tier 2 capital	16,407	
Total capital	657,469	
Risk Weighted Assets		
Total risk weighted assets	4,049,825	
<i>Of which: Credit risk weighted assets</i>	3,702,112	
<i>Of which: Market risk weighted assets</i>	93,054	
<i>Of which: Operational risk weighted assets</i>	254,659	
CAPITAL RATIOS		
Common Equity Tier 1 (as a percentage of risk weighted assets)	11.7	
Tier 1 (as a percentage of risk weighted assets)	15.8	
Total capital (as a percentage of risk weighted assets)	16.2	
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)	-	
<i>of which: capital conservation buffer requirement</i>	-	
<i>of which: bank specific countercyclical buffer requirement</i>	-	
<i>of which: D-SIB/G-SIB buffer requirement</i>	-	
Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	3.5	
NATIONAL MINIMA (IF DIFFERENT FROM BASEL III)		
National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	8.25	
National Tier 1 minimum ratio (if different from Basel 3 minimum)	10.25	
National total capital minimum ratio (if different from Basel 3 minimum)	12.25	

Table 2a

Table 2a	(RO'000)
Assets	31-Mar-2024
Cash and balances with Central Banks	290,582
Due from Banks and other money market placements (net)	454,063
Loans, advances and Islamic financing assets (net)	3,593,488
Financial investments	687,436
Property and equipment	59,808
Other assets	86,053
Total assets	5,171,430
Liabilities	
Due to banks and other money market deposits	303,923
Customers' deposits	4,059,082
Other liabilities	111,094
Taxation	21,563
Total liabilities	4,495,662
Shareholders' Equity	
Share capital	162,595
Share premium	34,465
Legal reserve	54,198
Other non-distributable reserves	10,036
Retained earnings	247,341
Tier 1 perpetual bond	167,133
Total shareholders' equity	675,768
Total liability and shareholders' funds	5,171,430

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Table 2b

Table 2b			
Balance sheet as in published financial statements 31 March 2024		RO'000s	Reference
Assets			
Cash and balances with Central Bank of Oman		290,582	
Certificates of deposit		-	
Balance with banks and money at call and short notice		441,622	
Investments in securities		687,436	
Loans and advances of which:			
Loans to Banks - Gross		12,512	
General Provisions considered for Tier 2		(71)	A
Net Loans to banks		12,441	
Loans to Customers - Gross		3,753,633	
Specific Provisions		(146,866)	
General Provisions considered for Tier 2		(13,279)	B
Net Loans to customers		3,593,488	
Fixed assets		59,808	
Other assets of which:		86,053	
Deferred tax assets		-	
Amount considered for CET1		-	
Total Assets		5,171,430	
Capital & Liabilities			
Paid-up Capital		197,060	
Of which:			
Amount eligible for CET1		197,060	C
Amount eligible for AT1		-	
Reverses and Surplus		247,341	
Of which: Amount eligible for CET1			
Retained earnings carried forward		231,872	D
Amount not eligible for CET1		15,469	
Legal reserve		54,198	E
General reserve		-	
Subordinated debt reserve		-	
Total Amount eligible for CET1		483,130	F
Tier 1 perpetual bond		167,133	H
Cumulative changes in fair value of investments		(9,201)	
Amount eligible for Tier 1		9,201	G
Revaluation reserve		10,036	
Total Capital		675,768	
Deposits Of which:			
Deposits from banks		303,923	
Customer deposits		3,754,149	
Deposits of Islamic Banking window		304,933	
Euro medium term notes		-	
Other deposits (Sub-debt)		-	
Other liabilities & provisions of which:		132,657	
Total Liabilities and Capital		5,171,430	

BASEL III Disclosures

Disclosure template for main features of all regulatory capital instruments

Common Equity:

Common equity comprises of 1,625,946,449 equity shares of RO 0.100 each fully paid up, issued and governed under the laws of Sultanate of Oman.

Table 3 – All other regulatory capital instruments:

1	Issuer	-	National Bank of Oman	National Bank of Oman
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	-	XS2320458172	XS2485968569
3	Governing law(s) of the instrument	-	English	English
4	Transitional Basel III rules	-	Additional Tier 1	Additional Tier 1
5	Post-transitional Basel III rules	-	Eligible	Eligible
6	Eligible at solo/group/group & solo	-	Solo	Solo
7	Instrument type	-	Additional Tier 1	Additional Tier 1
8	Amount recognised in regulatory capital	-	RO 115.5 million	RO 51.63 million
9	Par value of instrument	-	RO 115.5 million	RO 51.63 million
10	Accounting classification	-	Equity	Equity
11	Original date of issuance	-	01-Apr-21	29-Nov-2022
12	Perpetual or dated	-	Perpetual	Perpetual
13	Original maturity date	-	Not applicable	Not applicable
14	Issuer call subject to prior supervisory approval	-	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	-	01-Apr-2026	29-Nov-2027
16	Subsequent call dates, if applicable	-	Every five years	Every five years
Coupons / dividends				
17	Fixed or floating dividend/coupon	-	Fixed	Fixed
18	Coupon rate and any related index	-	8.000%	6.750%
19	Existence of a dividend stopper	-	Yes	Yes
20	Fully discretionary, partially discretionary or mandatory	-	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	-	No	No
22	Noncumulative or cumulative	-	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	-	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	-	Not applicable	Not applicable
25	If convertible, fully or partially	-	Not applicable	Not applicable
26	If convertible, conversion rate	-	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	-	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	-	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	-	Not applicable	Not applicable
30	Write-down feature	-	Yes	Yes
31	If write-down, write-down trigger(s)	-	Non viability event	Non viability event
32	If write-down, full or partial	-	Full (See note)	Full (See note)
33	If write-down, permanent or temporary	-	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	-	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	-	Subordinated to Senior Liabilities and Tier 2 - Subordinated debts	Subordinated to Senior Liabilities and Tier 2 - Subordinated debts
36	Non-compliant transitioned features	-	No	No
37	If yes, specify non-compliant features	-	Not applicable	Not applicable

BASEL III Disclosures

Leverage Ratio

The leverage ratio deals with the risk of buildup of excessive on and off-balance sheet exposures. Minimum Leverage Ratio standard will be made applicable to all the Banks effective from the year 2019.

Basel III leverage ratio framework and disclosure requirements

Summary comparison of accounting assets vs leverage ratio exposure measure		
<i>(Please refer to paragraph 52 of Basel III leverage ratio framework and disclosure requirements of BCBS issued in January 2014)</i>		
	Item	31-Mar-24
1	Total consolidated assets as per published financial statements	5,171,430
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
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	24,221
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)	270,042
7	Other adjustments	-
8	Leverage ratio exposure	5,465,693
Leverage ratio common disclosure template		
<i>(Please refer to paragraph 53 of Basel III leverage ratio framework and disclosure requirements of BCBS issued in January 2014)</i>		
	Item	31-Mar-24
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	5,171,430
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	5,171,430
DERIVATIVE EXPOSURES		
4	Replacement cost associated with <i>all</i> derivatives transactions (i.e., net of eligible cash variation margin)	24,221
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	-
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)	24,221
SECURITIES FINANCING TRANSACTION EXPOSURES		
12	Gross SFT <i>assets</i> (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	385,215
18	(Adjustments for conversion to credit equivalent amounts)	(115,173)
19	Off-balance sheet items (sum of lines 17 and 18)	270,042
CAPITAL AND TOTAL EXPOSURES		
20	Tier 1 capital - (A)	641,062
21	Total exposures (sum of lines 3, 11, 16 and 19) - (B)	5,465,693
Leverage Ratio		
22	Basel III leverage ratio (%) = (A) / (B)	11.7

Liquidity Coverage Ratio (LCR)

	Total Unweighted Value (average) 31-Mar-2024	Total Weighted Value (average) 31-Mar-2024
	RO'000	RO'000
HIGH QUALITY LIQUID ASSETS		
TOTAL HIGH QUALITY LIQUID ASSETS (HQLA)	918,770	918,770
Cash outflows		
Stable deposits	414,476	12,434
Less stable deposits	287,224	28,722
Retail deposits and deposits from small business customers	701,700	41,156
Unsecured wholesale funding, of which: Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,339,740	463,153
Additional requirements, of which:		
Credit and liquidity facilities	20,797	2,080
Other contractual funding obligations	13,701	685
Other contingent funding obligations	579,787	224,622
TOTAL CASH OUTFLOWS (A)	2,655,725	731,696
CASH INFLOWS		
Inflows from fully performing exposures	488,276	401,004
Other cash inflows	237,693	237,693
TOTAL CASH INFLOWS (B)	725,969	638,697
TOTAL HIGH QUALITY LIQUID ASSETS (C)		918,770
TOTAL NET CASH OUTFLOWS (D) = (A) – (B)		182,924
LIQUIDITY COVERAGE RATIO (%) = (C) / (D)		502.27

Net Stable Funding Ratio (NSFR)

Item	Unweight value 31-Mar-2024	Weighted value 31-Mar-2024
AVAILABLE STABLE FUNDING	RO'000	RO'000
Regulatory capital	657,469	657,469
Liabilities with effective residual maturities of one year or more	1,523,581	1,523,581
Retail and small business customers		
- Stable Deposits	550,148	522,641
- Less Stable Deposits	369,439	332,495
Wholesale Funding		
- Operational and short-term funding	1,874,044	937,022
- Other wholesale funding	510,358	180,434
TOTAL AVAILABLE STABLE FUNDING	5,485,039	4,153,642
REQUIRED STABLE FUNDING		
High quality liquid assets		
- Coins, banknotes and reserves with CBO	290,082	-
- Other Level 1 assets	547,727	27,386
Funding to financial institutions with residual maturities of less than six months not included in the above categories	446,759	67,014
Funding not included in the above categories with residual maturity of less than one year, including loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns and PSEs	777,915	305,717
Unencumbered residential mortgages that would qualify for the 35% or lower risk weight under Basel II standardised approach for credit risk	421,461	273,949
All other assets not included in the above categories, including non-performing loans, loans to financial institutions with a residual maturity of one year or more, non-exchange-traded equities, fixed assets, items deducted from regulatory capital, retained interest, insurance assets, subsidiary interests and defaulted securities.	2,772,231	2,772,231
OFF BALANCE SHEET EXPOSRES		
Irrevocable and conditionally revocable credit and liquidity facilities to any client		
Other contingent funding obligations, including products and instruments such as guarantees, letters of credit, unconditionally revocable credit and liquidity facilities	385,215	19,261
TOTAL REQUIRED STABLE FUNDING	5,641,390	3,465,558
NSFR (MIN BASEL III REQUIREMENT - 100%) (%)		119.85