



BM- 1147

October 26, 2016

**To: All Licensed Banks Operating in the Sultanate of Oman**

After Compliments,

**Sub: Guidelines on Net Stable Funding Ratio (NSFR) and NSFR disclosures**

1. As you are aware, the framework on Liquidity Coverage Ratio (LCR) and LCR disclosure standards was issued to all banks in terms of our circular no. BM 1127 dated December 24, 2014. The standard for LCR became effective from January 1, 2015, with a minimum ratio of 60% and increasing by 10% every year thereafter till it reaches a minimum of 100% by 2019. It was also mentioned in the same circular that separate instructions would follow regarding the Net Stable Funding Ratio standard.
2. Detailed guidelines on NSFR and NSFR related disclosures are now being separately emailed to the Chief Financial Officers/Country heads of banks. The guidelines are based on the guidelines issued by the Basel Committee on Banking Supervision. The standard for NSFR will become effective from **January 1, 2018**, with a minimum ratio of 100%. As in the case of LCR, the NSFR will have to be maintained both at the level of Islamic banking windows and at consolidated level.
3. Banks are advised to continue to submit the prescribed monthly return on NSFR to our Banking Surveillance Department as per the format indicated in the guidelines.

Best Regards,

  


**Hamood Sangour Al-Zadjali**

**The Executive President**