

**Date: 14<sup>th</sup> September 2009**

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

**Circular BM**

1. Commercial banks operating in Oman are at present submitting to the Central Bank of Oman statements relating to their balance sheet accounts in prescribed RD Returns 1 through 5. These forms have been in place since 1994 vide Circular BM 736.
2. In view of the changes in compilation standards and the need for classification of monetary and banking data by various categories of financial instruments, sectorization of the economy and the delineation of resident and non-resident entities, the RD returns have been revised to be broadly in conformity with the Monetary and Financial Statistics Manual of the IMF.
3. It may be recalled that the revised RD Returns 1 to 3 together with relevant explanatory notes were sent to banks in September 2008 for their comments and feedback. Relevant comments have been incorporated in the final version, wherever deemed necessary.

4. All commercial banks are now required to submit to the Central Bank of Oman statements of their balance sheet data as at the end of every month in accordance with the new prescribed RD 1 to 3 reporting formats. These revised formats with accompanying explanatory notes (attached) will replace the existing RD Forms 1 to 5 currently used by the banks.
  
5. The new Banking Forms RD 1 to 3 shall be submitted to the Economic Research and Statistics Department of the CBO not later than the 15<sup>th</sup> of every following month. Submission of the new Returns should commence for the balance sheet data related to end of November 2009 and monthly thereafter. Sufficient transition time is being given so that banks could align their data reporting IT systems accordingly. However, banks are required to submit the existing RD Forms 1 to 5 together with the newly revised RD Forms 1 to 3 for a period of six months parallel run, upto the end of April 2010. Subsequently, only the revised RD Forms 1 to 3 will be submitted.

Best regards,

**Hamood Sangour Al Zadjali**  
**The Executive President**

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**MONTHLY BALANCE SHEET OF COMMERCIAL BANKS**

**BANKING RETURN FORMS RD1 THROUGH RD3**

**SUBMITTED TO**

**CENTRAL BANK OF OMAN**

**(ECONOMIC RESEARCH & STATISTICS DEPARTMENT)**

**Name of the bank:** \_\_\_\_\_ **Bank Name**

**Return for the month of :** \_\_\_\_\_

**Name of the person filling the Returns:** \_\_\_\_\_

**Date:** \_\_\_\_\_ **Signature:** \_\_\_\_\_

**Bank seal**

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## Monthly Banking Return Form RD1-Assets

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Assets	Total	Resident		Non Resident			
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.		
<b>A1</b>	<b>1</b>	<b>Cash on Hand</b>	<b>0</b>	<b>0</b>	<b>XX</b>	<b>XX</b>	<b>0</b>
<b>A2</b>	<b>2</b>	<b>Claims on Central Bank</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>XX</b>	<b>XX</b>
A2.1	2.1	Clearing Account	0	0	0	XX	XX
A2.2	2.2	Capital Deposit	0	0	0	XX	XX
A2.3	2.3	Deposits in Foreign Currency (BM 227)	0	0	0	XX	XX
A2.4	2.4	Overnight Deposits	0	0	0	XX	XX
A2.5	2.5	Other Deposits	0	0	0	XX	XX
A2.6	2.6	Reverse Repo	0	0	0	XX	XX
A2.7	2.7	Others	0	0	0	XX	XX
<b>A3</b>	<b>3</b>	<b>Claims on Head Office, Affiliates, Subsidiaries and Own Branches Abroad</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>A3.1</b>	<b>3.1</b>	<b>Demand Balances incl. Nostro Accounts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A3.1.1	1	Head Office	0	XX	XX	0	0
A3.1.2	2	Affiliates, Subsidiaries & Branches Abroad	0	0	0	0	0
A3.1.2.1	a	Commercial Banks (Other Depository Corporations)	0	0	0	0	0
A3.1.2.2	b	Financial Corporations	0	0	0	0	0
A3.1.2.3	c	Public Non-Financial Corporations	0	0	0	0	0
A3.1.2.4	d	Other Non-Financial Corporations	0	0	0	0	0
A3.1.3	3	Others	0	0	0	0	0
<b>A3.2</b>	<b>3.2</b>	<b>Time Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A3.2.1	1	Head Office	0	XX	XX	0	0
A3.2.2	2	Affiliates, Subsidiaries & Branches Abroad	0	0	0	0	0
A3.2.2.1	a	Commercial Banks (Other Depository Corporations)	0	0	0	0	0
A3.2.2.2	b	Financial Corporations	0	0	0	0	0
A3.2.2.3	c	Public Non-Financial Corporations	0	0	0	0	0
A3.2.2.4	d	Other Non-Financial Corporations	0	0	0	0	0
A3.2.3	3	Others	0	0	0	0	0
<b>A3.3</b>	<b>3.3</b>	<b>Capital Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A3.3.1	1	Head Office	0	XX	XX	0	0
A3.3.2	2	Affiliates, Subsidiaries & Branches Abroad	0	0	0	0	0
A3.3.2.1	a	Commercial Banks (Other Depository Corporations)	0	0	0	0	0
A3.3.2.2	b	Financial Corporations	0	0	0	0	0

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## Monthly Banking Return Form RD1-Assets

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Assets	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
A3.3.2.3	c Public Non-Financial Corporations	0	0	0	0
A3.3.2.4	d Other Non-Financial Corporations	0	0	0	0
A3.3.3	3 Others	0	0	0	0
<b>A3.4</b>	<b>3.4 Others</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A3.4.1	1 Head Office	0	XX	XX	0
A3.4.2	2 Affiliates, Subsidiaries & Branches Abroad	0	0	0	0
A3.4.2.1	a Commercial Banks (Other Depository Corporations)	0	0	0	0
A3.4.2.2	b Financial Corporations	0	0	0	0
A3.4.2.3	c Public Non-Financial Corporations	0	0	0	0
A3.4.2.4	d Other Non-Financial Corporations	0	0	0	0
A3.4.3	3 Others	0	0	0	0
<b>A4</b>	<b>4 Claims on Other Banks</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A4.1	4.1 Transferable Deposits (Demand and At Call)	0	0	0	0
A4.2	4.2 Fixed-Term Deposits (One Month or Less)	0	0	0	0
A4.3	4.3 Fixed-Term Deposits (More than 1 Month and upto 3 Months)	0	0	0	0
A4.4	4.4 Fixed-Term Deposits (More than 3 Months)	0	0	0	0
A4.5	4.5 Loans (including syndicated loans)	0	0	0	0
A4.6	4.6 Inter-Bank Repo Transactions	0	0	0	0
A4.7	4.7 Others	0	0	0	0
<b>A5</b>	<b>5 Domestic Inter-Branch Transactions (Net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>XX</b>
<b>A6</b>	<b>6 TOTAL CREDIT (LOANS, ADVANCES &amp; OVERDRAFTS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>A6.1</b>	<b>6.1 Government Proper</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>A6.2</b>	<b>6.2 Financial Corporations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A6.2.1	1 Pension Funds	0	0	0	0
A6.2.2	2 Insurance Companies	0	0	0	0
A6.2.3	3 Specialized Banks	0	0	0	0
A6.2.4	4 Finance and Leasing Companies	0	0	0	0
A6.2.5	5 Financial Auxiliaries (Money exchange houses, brokerage firms etc)	0	0	0	0
A6.2.6	6 Other Financial Auxiliaries (such as CMA. MSM etc.)	0	0	0	0
A6.2.6.1	a Government Fully Owned Financial Corporations	0	0	0	0
A6.2.6.2	b Quasi-Government Financial Corporations	0	0	0	0
A6.2.7	7 Others	0	0	0	0

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## Monthly Banking Return Form RD1-Assets

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Assets	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
<b>A6.3</b>	<b>6.3 Public Non-Financial Corporations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A6.3.1	1 Government Fully Owned Non-Financial Corporations	0	0	0	0
A6.3.2	2 Quasi-Government Non-Financial Corporations	0	0	0	0
<b>A6.4</b>	<b>6.4 Other Non-Financial Corporations (Private Corporate Sector &amp; Partnerships)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A6.4.1	1 Small & Medium Enterprises	0	0	0	0
A6.4.2	2 Other Corporations	0	0	0	0
<b>A6.5</b>	<b>6.5 Other Sectors</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A6.5.1	1 Household Sector	0	0	0	0
A6.5.1.1	a Personal Loans	0	0	0	0
A6.5.1.1.1	1 Residential Housing Loans	0	0	0	0
A6.5.1.1.2	2 Other Personal Loans	0	0	0	0
A6.5.1.2	b Business Loans to Individuals and Households	0	0	0	0
A6.5.2	2 Nonprofit Institutions Serving Households	0	0	0	0
A6.5.3	3 Others	0	0	0	0
<b>A7</b>	<b>7 INVESTMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>A7.1</b>	<b>7.1 Government Proper</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A7.1.1	a Treasury Bills	0	0	0	0
A7.1.2	b Oman Government Development Bonds	0	0	0	XX
A7.1.3	c Government's and International Official Bodies	0	0	0	0
A7.1.4	d Others	0	0	0	0
<b>A7.2</b>	<b>7.2 Central Bank (Depository Corporation)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A7.2.1	a Certificates of Deposit (CD's)	0	0	0	0
A7.2.2	b Others	0	0	0	0
<b>A7.3</b>	<b>7.3 Commercial Banks (Other Depository Corporations)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A7.3.1	a Bonds and Notes	0	0	0	0
A7.3.2	b Certificates of Deposit (CD's)	0	0	0	0
A7.3.3	c Negotiable Loans	0	0	0	0
A7.3.4	d Shares and Other equity	0	0	0	0
A7.3.5	e Others	0	0	0	0
<b>A7.4</b>	<b>7.4 Other Financial Corporations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A7.4.1	a Bonds and Notes	0	0	0	0
A7.4.2	b Certificates of Deposit (CD's)	0	0	0	0

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## Monthly Banking Return Form RD1-Assets

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Assets	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
A7.4.3	c Negotiable Loans	0	0	0	0
A7.4.4	d Shares and Other equity	0	0	0	0
A7.4.5	e Others	0	0	0	0
<b>A7.5</b>	<b>7.5 Public Non-Financial Corporations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A7.5.1	1 Government Fully Owned Non-Financial Corporations	0	0	0	0
A7.5.1.1	a Corporate Bonds and Notes	0	0	0	0
A7.5.1.2	b Others	0	0	0	0
A7.5.2	2 Quasi-Government Non-Financial Corporations	0	0	0	0
A7.5.2.1	a Corporate Bonds and Notes	0	0	0	0
A7.5.2.2	b Shares and Other equity	0	0	0	0
A7.5.2.3	c Others	0	0	0	0
<b>A7.6</b>	<b>7.6 Other Non-Financial Corporations (Private Corporate Sector &amp; Partnerships)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A7.6.1	a Corporate Bonds and Notes	0	0	0	0
A7.6.2	b Shares and Other equity	0	0	0	0
A7.6.3	c Others	0	0	0	0
<b>A8</b>	<b>8 Financial Derivatives</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A8.1	8.1 Central Bank (Depository Corporation)	0	0	0	0
A8.2	8.2 Commercial Banks (Other Depository Corporations)	0	0	0	0
A8.3	8.3 Other Financial Corporations	0	0	0	0
A8.4	8.4 Public Non-Financial Corporations	0	0	0	0
A8.5	8.5 Other Non-Financial Corporations (Private Corporate Sector & Partnerships)	0	0	0	0
A8.6	8.6 Other Sectors	0	0	0	0
<b>A9</b>	<b>9 Non Financial Assets (Net Fixed Assets)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A9.1	9.1 Bank Premises	0	0	0	XX
A9.2	9.2 Bank Real Estate	0	0	0	0
A9.3	9.3 Other Real Estate Acquired in Settlement of Dues	0	0	0	0
A9.4	9.4 Furniture, Fixtures and Equipment	0	0	0	0
A9.5	9.5 Motor Vehicles	0	0	0	0
A9.6	9.6 Others	0	0	0	0
<b>A10</b>	<b>10 Other Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A10.1	10.1 Interest Receivable	0	0	0	0
A10.2	10.2 Settlement Accounts & Items in the Process of Collection	0	0	0	0
A10.3	10.3 Acceptances	0	0	0	0
A10.4	10.4 Others	0	0	0	0
<b>A11</b>	<b>11 Total Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## Monthly Banking Return Form RD2-Liabilities

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Liabilities	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
<b>L1 1 TOTAL DEPOSITS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>L1.1 1.1 Demand Deposits &amp; At Call</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
L1.1.1 1 Government Proper (Excl. from Broad Money)	0	0	0	0	0
L1.1.2 2 Financial Corporations Other than Central Bank & Other Depository Corporations	0	0	0	0	0
L1.1.2.1 a Pension Funds	0	0	0	0	0
L1.1.2.2 b Insurance Companies	0	0	0	0	0
L1.1.2.3 c Specialized Banks	0	0	0	0	0
L1.1.2.4 d Finance and Leasing Companies	0	0	0	0	0
L1.1.2.5 e Financial Auxiliaries (Money exchange houses, brokerage firms etc)	0	0	0	0	0
L1.1.2.6 f Other Financial Auxiliaries (such as CMA. MSM etc.)	0	0	0	0	0
L1.1.2.6.1 1 Government Fully Owned Financial Corporations	0	0	0	0	0
L1.1.2.6.2 2 Quasi-Government Financial Corporations	0	0	0	0	0
L1.1.2.7 g Others	0	0	0	0	0
L1.1.3 3 Public Non-Financial Corporations	0	0	0	0	0
L1.1.3.1 a Government Fully Owned Non-Financial Corporations	0	0	0	0	0
L1.1.3.2 b Quasi-Government Non-Financial Corporations	0	0	0	0	0
L1.1.4 4 Other Non-Financial Corporations (Private Corporate Sector & Partnerships)	0	0	0	0	0
L1.1.4.1 a Small & Medium Enterprises	0	0	0	0	0
L1.1.4.2 b Other Corporations	0	0	0	0	0
L1.1.5 5 Other Sectors	0	0	0	0	0
L1.1.5.1 a Household Sector	0	0	0	0	0
L1.1.5.2 b Nonprofit Institutions Serving Households	0	0	0	0	0
L1.1.5.3 c Others	0	0	0	0	0
<b>L1.2 1.2 Saving Deposits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
L1.2.1 1 Government Proper (Excl. from Broad Money)	0	0	0	0	0
L1.2.2 2 Financial Corporations Other than Central Bank & Other Depository Corporations	0	0	0	0	0
L1.2.2.1 a Pension Funds	0	0	0	0	0
L1.2.2.2 b Insurance Companies	0	0	0	0	0
L1.2.2.3 c Specialized Banks	0	0	0	0	0
L1.2.2.4 d Finance and Leasing Companies	0	0	0	0	0
L1.2.2.5 e Financial Auxiliaries (Money exchange houses, brokerage firms etc)	0	0	0	0	0
L1.2.2.6 f Other Financial Auxiliaries (such as CMA. MSM etc.)	0	0	0	0	0
L1.2.2.6.1 1 Government Fully Owned Financial Corporations	0	0	0	0	0
L1.2.2.6.2 2 Quasi-Government Financial Corporations	0	0	0	0	0
L1.2.2.7 g Others	0	0	0	0	0

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## Monthly Banking Return Form RD2-Liabilities

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Liabilities	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
L1.2.3	3 Public Non-Financial Corporations	0	0	0	0
L1.2.3.1	a Government Fully Owned Non-Financial Corporations	0	0	0	0
L1.2.3.2	b Quasi-Government Non-Financial Corporations	0	0	0	0
L1.2.4	4 Other Non-Financial Corporations (Private Corporate Sector & Partnerships)	0	0	0	0
L1.2.4.1	a Small & Medium Enterprises	0	0	0	0
L1.2.4.2	b Other Corporations	0	0	0	0
L1.2.5	5 Other Sectors	0	0	0	0
L1.2.5.1	a Household Sector	0	0	0	0
L1.2.5.2	b Nonprofit Institutions Serving Households	0	0	0	0
L1.2.5.3	c Others	0	0	0	0
<b>L1.3</b>	<b>1.3 Time Deposits</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
L1.3.1	1 Government Proper (Excl. from Broad Money)	0	0	0	0
L1.3.2	2 Financial Corporations Other than Central Bank & Other Depository Corporations	0	0	0	0
L1.3.2.1	a Pension Funds	0	0	0	0
L1.3.2.2	b Insurance Companies	0	0	0	0
L1.3.2.3	c Specialized Banks	0	0	0	0
L1.3.2.4	d Finance and Leasing Companies	0	0	0	0
L1.3.2.5	e Financial Auxiliaries (Money exchange houses, brokerage firms etc)	0	0	0	0
L1.3.2.6	f Other Financial Auxiliaries (such as CMA. MSM etc.)	0	0	0	0
L1.3.2.6.1	1 Government Fully Owned Financial Corporations	0	0	0	0
L1.3.2.6.2	2 Quasi-Government Financial Corporations	0	0	0	0
L1.3.2.7	g Others	0	0	0	0
L1.3.3	3 Public Non-Financial Corporations	0	0	0	0
L1.3.3.1	a Government Fully Owned Non-Financial Corporations	0	0	0	0
L1.3.3.2	b Quasi-Government Non-Financial Corporations	0	0	0	0
L1.3.4	4 Other Non-Financial Corporations (Private Corporate Sector & Partnerships)	0	0	0	0
L1.3.4.1	a Small & Medium Enterprises	0	0	0	0
L1.3.4.2	b Other Corporations	0	0	0	0
L1.3.5	5 Other Sectors	0	0	0	0
L1.3.5.1	a Household Sector	0	0	0	0
L1.3.5.2	b Nonprofit Institutions Serving Households	0	0	0	0
L1.3.5.3	c Others	0	0	0	0
<b>L1.4</b>	<b>1.4 Negotiable Certificates of Deposit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
L1.4.1	1 Government Proper (Excl. from Broad Money)	0	0	0	0
L1.4.2	2 Central Bank (Depository Corporation, Excl. from Broad Money)	0	0	0	0
L1.4.3	3 Commercial Banks (Other Depository Corporations, Excl. from Broad Money)	0	0	0	0

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## Monthly Banking Return Form RD2-Liabilities

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Liabilities	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
L1.4.4	4 Financial Corporations Other than Central Bank & Other Depository Corporations	0	0	0	0
L1.4.4.1	a Pension Funds	0	0	0	0
L1.4.4.2	b Insurance Companies	0	0	0	0
L1.4.4.3	c Specialized Banks	0	0	0	0
L1.4.4.4	d Finance and Leasing Companies	0	0	0	0
L1.4.4.5	e Financial Auxiliaries (Money exchange houses, brokerage firms etc)	0	0	0	0
L1.4.4.6	f Other Financial Auxiliaries (such as CMA. MSM etc.)	0	0	0	0
L1.4.4.6.1	1 Government Fully Owned Financial Corporations	0	0	0	0
L1.4.4.6.2	2 Quasi-Government Financial Corporations	0	0	0	0
L1.4.4.7	g Others	0	0	0	0
L1.4.5	5 Public Non-Financial Corporations	0	0	0	0
L1.4.5.1	a Government Fully Owned Non-Financial Corporations	0	0	0	0
L1.4.5.2	b Quasi-Government Non-Financial Corporations	0	0	0	0
L1.4.6	6 Other Non-Financial Corporations (Private Corporate Sector & Partnerships)	0	0	0	0
L1.4.6.1	a Small & Medium Enterprises	0	0	0	0
L1.4.6.2	b Other Corporations	0	0	0	0
L1.4.7	7 Other Sectors	0	0	0	0
L1.4.7.1	a Household Sector	0	0	0	0
L1.4.7.2	b Nonprofit Institutions Serving Households	0	0	0	0
L1.4.7.3	c Others	0	0	0	0
<b>L1.5</b>	<b>1.5 Non-Negotiable Certificates of Deposit</b> (Excluded from Broad Money)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
L1.5.1	1 Government Proper	0	0	0	0
L1.5.2	2 Central Bank (Depository Corporation)	0	0	0	0
L1.5.3	3 Commercial Banks (Other Depository Corporations)	0	0	0	0
L1.5.4	4 Financial Corporations Other than Central Bank & Other Depository Corporations	0	0	0	0
L1.5.4.1	a Pension Funds	0	0	0	0
L1.5.4.2	b Insurance Companies	0	0	0	0
L1.5.4.3	c Specialized Banks	0	0	0	0
L1.5.4.4	d Finance and Leasing Companies	0	0	0	0
L1.5.4.5	e Financial Auxiliaries (Money exchange houses, brokerage firms etc)	0	0	0	0
L1.5.4.6	f Other Financial Auxiliaries (such as CMA. MSM etc.)	0	0	0	0
L1.5.4.6.1	1 Government Fully Owned Financial Corporations	0	0	0	0
L1.5.4.6.2	2 Quasi-Government Financial Corporations	0	0	0	0
L1.5.4.7	g Others	0	0	0	0

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## Monthly Banking Return Form RD2-Liabilities

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Liabilities	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
L1.5.5	5 Public Non-Financial Corporations	0	0	0	0
L1.5.5.1	a Government Fully Owned Non-Financial Corporations	0	0	0	0
L1.5.5.2	b Quasi-Government Non-Financial Corporations	0	0	0	0
L1.5.6	6 Other Non-Financial Corporations (Private Corporate Sector & Partnerships)	0	0	0	0
L1.5.6.1	a Small & Medium Enterprises	0	0	0	0
L1.5.6.2	b Other Corporations	0	0	0	0
L1.5.7	7 Other Sectors	0	0	0	0
L1.5.7.1	a Household Sector	0	0	0	0
L1.5.7.2	b Nonprofit Institutions Serving Households	0	0	0	0
L1.5.7.3	c Others	0	0	0	0
<b>L1.6</b>	<b>1.6 Commercial Prepayments (Import Deposits and Margins)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>L2</b>	<b>2 DEBT SECURITIES ISSUED (Bonds, Notes and Other Obligations)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>L2.1</b>	<b>2.1 Negotiable Debt Securities ≤ 2 Years Maturity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
L2.1.1	1 Government Proper (Excl. from Broad Money)	0	0	0	0
L2.1.2	2 Central Bank (Depository Corporation, Excl. from Broad Money)	0	0	0	0
L2.1.3	3 Commercial Banks (Other Depository Corporations, Excl. from Broad Money)	0	0	0	0
L2.1.4	4 Financial Corporations Other than Central Bank & Other Depository Corporations	0	0	0	0
L2.1.4.1	a Pension Funds	0	0	0	0
L2.1.4.2	b Insurance Companies	0	0	0	0
L2.1.4.3	c Specialized Banks	0	0	0	0
L2.1.4.4	d Finance and Leasing Companies	0	0	0	0
L2.1.4.5	e Financial Auxiliaries (Money exchange houses, brokerage firms etc)	0	0	0	0
L2.1.4.6	f Other Financial Auxiliaries (such as CMA, MSM etc.)	0	0	0	0
L2.1.4.6.1	1 Government Fully Owned Financial Corporations	0	0	0	0
L2.1.4.6.2	2 Quasi-Government Financial Corporations	0	0	0	0
L2.1.4.7	g Others	0	0	0	0
L2.1.5	5 Public Non-Financial Corporations	0	0	0	0
L2.1.5.1	a Government Fully Owned Non-Financial Corporations	0	0	0	0
L2.1.5.2	b Quasi-Government Non-Financial Corporations	0	0	0	0
L2.1.6	6 Other Non-Financial Corporations (Private Corporate Sector & Partnerships)	0	0	0	0
L2.1.6.1	a Small & Medium Enterprises	0	0	0	0
L2.1.6.2	b Other Corporations	0	0	0	0
L2.1.7	7 Other Sectors	0	0	0	0
L2.1.7.1	a Household Sector	0	0	0	0
L2.1.7.2	b Nonprofit Institutions Serving Households	0	0	0	0
L2.1.7.3	c Others	0	0	0	0
<b>L2.2</b>	<b>2.2 Negotiable Debt Securities &gt; 2 Years Maturity and Non-Negotiable Debt Securities (all Maturities) Excluded from Broad Money</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## Monthly Banking Return Form RD2-Liabilities

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Liabilities	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
L2.2.1 1 Government Proper	0	0	0	0	0
L2.2.2 2 Central Bank (Depository Corporation)	0	0	0	0	0
L2.2.3 3 Commercial Banks (Other Depository Corporations)	0	0	0	0	0
L2.2.4 4 Financial Corporations Other than Central Bank & Other Depository Corporations	0	0	0	0	0
L2.2.4.1 a Pension Funds	0	0	0	0	0
L2.2.4.2 b Insurance Companies	0	0	0	0	0
L2.2.4.3 c Specialized Banks	0	0	0	0	0
L2.2.4.4 d Finance and Leasing Companies	0	0	0	0	0
L2.2.4.5 e Financial Auxiliaries (Money exchange houses, brokerage firms etc)	0	0	0	0	0
L2.2.4.6 f Other Financial Auxiliaries (such as CMA. MSM etc.)	0	0	0	0	0
L2.2.4.6.1 1 Government Fully Owned Financial Corporations	0	0	0	0	0
L2.2.4.6.2 2 Quasi-Government Financial Corporations	0	0	0	0	0
L2.2.4.7 g Others	0	0	0	0	0
L2.2.5 5 Public Non-Financial Corporations	0	0	0	0	0
L2.2.5.1 a Government Fully Owned Non-Financial Corporations	0	0	0	0	0
L2.2.5.2 b Quasi-Government Non-Financial Corporations	0	0	0	0	0
L2.2.6 6 Other Non-Financial Corporations (Private Corporate Sector & Partnerships)	0	0	0	0	0
L2.2.6.1 a Small & Medium Enterprises	0	0	0	0	0
L2.2.6.2 b Other Corporations	0	0	0	0	0
L2.2.7 7 Other Sectors	0	0	0	0	0
L2.2.7.1 a Household Sector	0	0	0	0	0
L2.2.7.2 b Nonprofit Institutions Serving Households	0	0	0	0	0
L2.2.7.3 c Others	0	0	0	0	0
<b>L3 3 Due to Head Office, Affiliates, Subsidiaries and Own Branches Abroad</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>A3.1 3.1 Demand Balances incl. Nostro Accounts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A3.1.1 1 Head Office	0	XX	XX	0	0
A3.1.2 2 Affiliates, Subsidiaries & Branches Abroad	0	0	0	0	0
A3.1.2.1 a Commercial Banks (Other Depository Corporations)	0	0	0	0	0
A3.1.2.2 b Financial Corporations	0	0	0	0	0
A3.1.2.3 c Public Non-Financial Corporations	0	0	0	0	0
A3.1.2.4 d Other Non-Financial Corporations	0	0	0	0	0
A3.1.3 3 Others	0	0	0	0	0

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## Monthly Banking Return Form RD2-Liabilities

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Liabilities	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
<b>A3.2 3.2 Time Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A3.2.1 1 Head Office	0	XX	XX	0	0
A3.2.2 2 Affiliates, Subsidiaries & Branches Abroad	0	0	0	0	0
A3.2.2.1 a Commercial Banks (Other Depository Corporations)	0	0	0	0	0
A3.2.2.2 b Financial Corporations	0	0	0	0	0
A3.2.2.3 c Public Non-Financial Corporations	0	0	0	0	0
A3.2.2.4 d Other Non-Financial Corporations	0	0	0	0	0
A3.2.3 3 Others	0	0	0	0	0
<b>A3.3 3.3 Others</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
A3.3.1 1 Head Office	0	XX	XX	0	0
A3.3.2 2 Affiliates, Subsidiaries & Branches Abroad	0	0	0	0	0
A3.3.2.1 a Commercial Banks (Other Depository Corporations)	0	0	0	0	0
A3.3.2.2 b Financial Corporations	0	0	0	0	0
A3.3.2.3 c Public Non-Financial Corporations	0	0	0	0	0
A3.3.2.4 d Other Non-Financial Corporations	0	0	0	0	0
A3.3.3 3 Others	0	0	0	0	0
<b>L4 4 Due to Other Banks</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
L4.1 4.1 Transferable Deposits (Demand and At Call)	0	0	0	0	0
L4.2 4.2 Fixed-Term Deposits (One Month or Less)	0	0	0	0	0
L4.3 4.3 Fixed-Term Deposits (More than 1 Month and upto 3 Months)	0	0	0	0	0
L4.4 4.4 Fixed-Term Deposits (More than 3 Months)	0	0	0	0	0
L4.5 4.5 Loans (including syndicated loans)	0	0	0	0	0
L4.6 4.6 Inter-bank Repo Transactions	0	0	0	0	0
L4.7 4.7 Others	0	0	0	0	0
<b>L5 5 Domestic Inter-Branch Transactions (Net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>XX</b>	<b>XX</b>
<b>L6 6 Borrowings from Central Bank of Oman</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>XX</b>	<b>XX</b>
L6.1 6.1 Repurchase Transactions	0	0	0	XX	XX
L6.2 6.2 Discounted Commercial Bills	0	0	0	XX	XX
L6.3 6.3 Overdrawings	0	0	0	XX	XX
L6.4 6.4 Loans and Advances	0	0	0	XX	XX
L6.5 6.5 Others	0	0	0	XX	XX

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## Monthly Banking Return Form RD2-Liabilities

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Liabilities	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
<b>L7 7 Financial Derivatives</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
L7.1 7.1 Central Bank (Depository Corporation)	0	0	0	0	0
L7.2 7.2 Commercial Banks (Other Depository Corporations)	0	0	0	0	0
L7.3 7.3 Other Financial Corporations	0	0	0	0	0
L7.4 7.4 Public Non-Financial Corporations	0	0	0	0	0
L7.5 7.5 Other Non-Financial Corporations (Private Corporate Sector & Partnerships)	0	0	0	0	0
L7.6 7.6 Other Sectors	0	0	0	0	0
<b>L8 8 Core Capital and Reserves</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>XX</b>	<b>XX</b>
L8.1 8.1 Capital Paid Up/ Assigned Capital	0	0	0	XX	XX
L8.2 8.2 Capital Deposit with CBO	0	0	0	XX	XX
L8.3 8.3 Legal Reserves	0	0	0	XX	XX
L8.4 8.4 General Reserves	0	0	0	XX	XX
L8.5 8.5 Share Premium	0	0	0	XX	XX
L8.6 8.6 Subordinated Loan Reserve	0	0	0	XX	XX
L8.7 8.7 Other Disclosed Reserves	0	0	0	XX	XX
L8.8 8.8 Other Reserves	0	0	0	XX	XX
L8.9 8.9 Retained Earnings/Loss from Previous Years	0	0	0	XX	XX
L8.10 8.10 Less: Goodwill	0	0	0	XX	XX
<b>L9 9 Supplementary Capital Elements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
L9.1 9.1 Subordinated Term Debt	0	0	0	0	0
L9.2 9.2 Convertible Bonds	0	0	0	0	0
L9.3 9.3 Asset Revaluation Reserves	0	0	0	0	0
L9.3.1 1 Bank premises	0	0	0	0	0
L9.3.2 2 Fair Value Revaluation of Securities	0	0	0	0	0
L9.3.3 3 Others	0	0	0	0	0
L9.4 9.4 Others	0	0	0	0	0
<b>L10 10 Total Provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
L10.1 10.1 General Provision for Loans	0	0	0	0	0
L10.2 10.2 Specific Provision for Bad and Doubtful Debts	0	0	0	0	0
L10.3 10.3 Reserve Interest	0	0	0	0	0
L10.4 10.4 Specific Provision for Investments	0	0	0	0	0
L10.5 10.5 Provision for Placements	0	0	0	0	0
L10.6 10.6 Other Provisions (Specify)	0	0	0	0	0

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## Monthly Banking Return Form RD2-Liabilities

Bank Name

As at the end of

Jan-1900

(In RO 000's)

Liabilities	Total	Resident		Non Resident	
		Local Cy.	Foreign Cy.	Local Cy.	Foreign Cy.
L11 11 Current Year's Profit/ (Loss)	0	0	0	0	0
L12 12 Other Liabilities	0	0	0	0	0
L12.1 12.1 Interest Payable	0	0	0	0	0
L12.2 12.2 Acceptances	0	0	0	0	0
L12.3 12.3 Transaction Accounts with Central Bank	0	0	0	0	0
L12.4 12.4 Others	0	0	0	0	0
L13 13 Total liabilities	0	0	0	0	0

For Local Banks Reporting Only BOP/ IIP Data Requirement	Non Resident Shareholdings as % of Total Paid up Capital	Non Resident (Portfolio)	Non Resident (FDI)
		Total of Individual Shareholding of Less than 10% (as % of Total Capital)	Total of each Single Shareholding of $\geq$ 10% (as % of Total Capital)
BOP 1 Capital Paid Up (% held by Non-Residents)			

Remarks:

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**Monthly Banking Return Form RD3- Off-Balance sheet Items and Other Information**

Bank Name

As at the end of

Jan-1900

(in RO 000's)

Statement of Off Balance Sheet Items		Total	Local Currency	Foreign Currency
<b>C1</b>	<b>1 Contingent Liabilities</b>			
C1.1	1.1 Letters of Credit	0	0	0
C1.1.1	1 1 Government Proper	0	0	0
C1.1.2	2 Private Sector & Quasi Government	0	0	0
C1.2	1.2 Letters of Guarantee	0	0	0
C1.2.1	1 1 Government Proper	0	0	0
C1.2.2	2 Private Sector & Quasi Government	0	0	0
C1.2.3	3 Banks	0	0	0
<b>C2</b>	<b>2 Derivative Contracts</b>			
C2.1	2.1 Forward Exchange Contracts			
C2.1.1	1 Purchases	0	0	0
C2.1.2	2 Sales	0	0	0
C2.2	2.2 Currency Futures			
C2.2.1	1 Purchases	0	0	0
C2.2.2	2 Sales	0	0	0
C2.3	2.3 Currency Options			
C2.3.1	1 Purchases	0	0	0
C2.3.2	2 Sales	0	0	0
C2.4	2.4 Interest Rate Swaps	0	0	0
<b>C3</b>	<b>3 Other Information</b>			
C3.1	3.1 Personal Loans Excluding Staff Loans	0	0	0
C3.1.1	a Housing Loans	0	0	0
C3.1.2	b Other Personal Loans	0	0	0
C3.2	3.2 Loans for Real Estate Purposes	0	0	0
C3.3	3.3 Loans for Real Estate Purposes Granted Against the Collateral of Real Estate	0	0	0
C3.4	3.4 Other Loans Extended Granted Against the Collateral of Real Estate	0	0	0
C3.5	3.5 Loans Granted for Purchase of Shares in Stock Market	0	0	0
C3.6	3.6 Depreciation and Amortization	0	0	0
Remarks:				

Revised (14.09.2009)

**Economic Research and Statistics Department  
Central Bank of Oman**

**MONTHLY BALANCE SHEET OF COMMERCIAL BANKS  
Guidelines for Compilation of Banking Return Forms RD1, RD2 and RD3**

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## 1. Introduction

Monetary and financial statistics, given their critical significance for macro-economic surveillance and conduct of macroeconomic policies, need periodic statistical reviews in the context of evolving changes in the financial markets, economic structures, and international statistical standards. In Oman, the practice of collecting relevant monetary and financial data through RD Returns, which started in 1976, has helped in developing a historical database, meeting the statistical requirements of coverage, quality, timeliness, cross-country comparability, besides relevance for policy analysis. With a view to ensuring better alignment of Oman's monetary data with the international statistical standards as presented in the Monetary and Financial Statistics Manual of the International Monetary Fund (IMF) and also for facilitating better understanding of the flow of funds between different sectors of the economy, the Central Bank of Oman (CBO) has revised the relevant statistical Returns, and all licensed commercial Banks in Oman are expected to report information accordingly. The attached Forms, related instructions and explanatory notes are meant to replace the existing Banking Forms RD1 through RD5 and take into account the current/present requirements of the CBO. The reporting standards in these forms may not necessarily reflect regulatory stipulations periodically issued by CBO.

The Monthly Balance Sheet of Commercial Banks will show the financial position of the reporting bank and consists of the following three Returns:

RD1 – “Statement of Assets” – This Return covers on-balance sheet asset items (the accounts of the commercial bank headquarters in Oman and local resident branches).

RD2 – “Statement of Liabilities” - This Return covers on-balance sheet liability items (the accounts of the commercial bank headquarters in Oman and local resident branches).

RD3 – “Statement of Off-Balance Sheet Items and Other Information” - This Return covers certain off balance sheet items and other select information.

**Note:** In addition to reporting a consolidated Return by all commercial banks for their branches in Oman, local banks have to submit separate Returns for their country-wise consolidated positions relating to foreign branches outside Oman, and a Consolidated Return for the Bank as a whole.

The Returns follow accepted international statistical standards for definition of institutional units

and their grouping into sectors, classification of financial assets, accounting rules, and the delineation between resident and nonresident entities.

Submission of this set of Returns constitutes an official statement by the bank as to the character of its assets and liabilities and off balance sheet commitments. Components of this Return may be routinely checked against other submissions to the CBO, such as monthly, quarterly and annual prudential reports, for consistency and accuracy. Bank officials would be expected to respond to any queries from the CBO relating to any aspect of their submissions.

## **2. Submission of Banking Return Forms**

The above Banking Returns should be transmitted **electronically** to the Economic Research & Statistics Department of the Central Bank of Oman not later than 15th of the month following the date covered by the Return, which is the last working day of the month. The Returns should be transmitted using the Boss & Economic Research Department System, or BORS. However, if this method cannot be accessed (being currently at the implementation stage), data may be sent using the current Research System or by electronic mail to [cboresb@omantel.net.om](mailto:cboresb@omantel.net.om). Banks are required to submit these Forms promptly. **Failure to send the data on time or inaccuracies in these Returns may subject the bank concerned to sanctions as may be appropriate, pursuant to relevant Articles in the Banking Law 2000.**

Submission of these Returns should commence for balance sheet date effective **November 2009**. The interim period should help Banks to incorporate the revisions into their reporting systems and during this period the existing forms will continue. However, even with the commencement of the Revised Returns, banks are required to also submit the existing Returns upto April 2010 in order to facilitate comparison between the two reports.

After the implementation of the BORS System, the returns are to be submitted on-line, as may be advised later. In the interim period, banks are provided herewith an Excel spreadsheet template containing Forms RD1 to RD3 that may be used to compile these Returns. Compilers will note that space in this file is accessible only for data entry, and the structural features of the file are protected against changes. This is to ensure that submissions received from all reporters preserve common features, to assist in computerised data-entry and consolidation by the CBO staff. Bank compilers are, therefore, requested not to change the structural features of the file.

CBO gives utmost importance to the accuracy of the figures reported, and hence, the officer responsible for compilation of the Returns should study thoroughly the explanatory notes and definitions given below.

Inquiries about these statistical Returns, or notification about any problems with the spreadsheet files, should be directed, at present, to Ms. Amal Al-Raisi, Assistant Manager, Economic Research & Statistics Department at the CBO on telephone numbers 24777777 or 24777111.

### **3. Coverage and Structure of Banking Return Forms**

All assets and liabilities must be reported according to the residency of the institutional unit (individuals, institutions, entities, etc.) and all figures must be expressed in national currency units (Rial Omani). In addition, all assets and liabilities should be disaggregated by the sector in which the customer is included in the economy, as indicated in Section 4.5 of these guidelines.

The structure of the Report is presented by type of financial instruments and their classification within the framework of monetary and financial statistics. Each financial instrument is then disaggregated to distinguish between residents and nonresidents, local currency and foreign currency, as the case may be, and finally delineated into various main sectors and sub-sectors of the economy.

## **4. Compilation Issues**

### **4.1 National Currency Unit**

The standard unit of account for monetary and financial statistics is the Rial Omani. Therefore, it is necessary to convert all foreign-currency-denominated assets and liabilities into national currency amounts at the market exchange rate prevailing at the time to which balance sheet applies. The midpoint between the buying and selling rates of exchange should be used. Commercial Banks (CBs) are required to report the data in thousands of Rial Omani equivalent, rounded to the nearest thousand.

## **4.2 Gross vs. Net Reporting**

Unless otherwise indicated, all data must be compiled and reported on gross basis. Claims on a particular transactor should **not** be netted against the liabilities to that transactor.

## **4.3 Valuation**

Valuation as per IFRS principles would apply to all reporting of information in this Return.

The general principle is that valuations should be based on market prices or market-price equivalents of financial assets and liabilities, except in the case of loans and advances and components of liabilities in the form of funds contributed by owners, general and special reserves, retained earnings, etc. Valuation according to market-price equivalent is needed for valuing financial assets and liabilities that are not traded in financial markets or are traded only infrequently. For these assets and liabilities, it is necessary to estimate fair values that, in effect, are approximations to market prices. In the case of foreign-currency-denominated instruments, market exchange rates should be used to convert foreign-currency-denominated assets and liabilities into their domestic currency equivalents. Financial assets and liabilities should be valued on the basis of the market prices that prevailed at the time of the balance sheet reporting date.

Accrued interest on deposits, loans, bills, securities, etc. should be incorporated into the outstanding amount of the financial asset or liability, rather than being treated as part of other accounts receivable/payable. For some financial instruments, the debtor may not make any payments to the creditor until the financial instrument matures, at which time a single payment could discharge the debtor's liability; the payment in such cases would cover the amount of funds originally provided by the creditor and the interest accumulated over the entire life of the financial instrument. The interest accruing in each period prior to maturity should be recorded as a financial transaction that represents a further acquisition of the financial asset by the creditor and an equal incurrence of a liability by the debtor. Bills and similar short-term securities are often issued on a discount basis, that is, at values below the face or redemption value. The amount recorded for such a security increases over time to reflect the interest accruing as it approaches maturity. The increase in amount should be treated as a transaction that augments the principal rather than as a price change that could constitute a holding gain.

## **4.4 Residency**

The definitions of residents and non-residents given here are based on the definitions in the Balance of Payments Manual of the International Monetary Fund.

Residency should be based on the center of economic interest of the transactor, rather than nationality, or legal criteria. An institutional unit is considered Resident when it has a center of economic interest within a country when there exist some location—dwelling, place of production, or other premises—within the economic territory of the country from which they engage in an economic activity. In most cases, it is reasonable to assume that institutional units have a center of economic interest in the Sultanate of Oman if they have already engaged in economic activities and transactions on a significant scale in the country for one year or more, or they intend to do so. On the basis of this one year demarcation, for example, all expatriates living in Oman for more than one year or foreign owned companies having operations in Oman for more than one year should be treated as “resident” of Oman, for the purpose of statistical reporting. There are certain exceptions to this one year norm, as mentioned under 4.4.1 and 4.4.2. Thus, “center of economic interest” is the key criterion for differentiating “residents” from “non-residents”. Additional criteria for establishing an enterprise’s center of economic interest consist of maintenance of a set of accounts covering local activities, income taxes paid, etc.

### **4.4.1 Institutions**

1. The Government and its Institutions, including governmental agencies (Omani Embassies, Consulates, Educational Bureaus, Trade Centers, etc.) operating abroad are regarded as residents of the Sultanate.
2. Foreign governments and their agencies located in the Sultanate are non-residents\*. All business and industrial enterprises, corporations, financial institutions (including banks) as well as non-profit organizations, whether private or public, located in the Sultanate are considered as residents.
3. Branches or subsidiaries abroad of resident institutions are non-residents. Similarly, foreign branches and subsidiaries located in Oman are regarded as residents of the

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\* This concept of residency status holds, notwithstanding the Central Bank’s Regulation No. 022/9/81 where Embassies, Consulates and persons of diplomatic status within the Sultanate are regarded as residents for the sole purpose of lending of Rial Omani.

Sultanate because their economic activities form an integral part of the Sultanate's economy. Thus, branches of foreign banks operating in the Sultanate are residents of the Sultanate.

4. Agencies of foreign business and industrial enterprises operating and registered in the Sultanate are regarded as residents. However, transactions between the bank and non-residents executed via the agencies are transactions with non-residents.
5. International agencies such as the United Nations Offices and all U. N. Affiliate offices for example, UNIDO, UNDP, UNESCO, WHO, UNICEF etc. operating in the Sultanate are non-residents.

#### **4.4.2 Individuals**

##### **Resident individuals are:**

1. All Omani citizens living in the Sultanate on permanent basis;
2. Foreigners who come to the Sultanate for work and hold residence permits;
3. Omani citizens who are:
  - i) on diplomatic and consular missions abroad;
  - ii) citizens studying or undergoing medical treatment abroad, and
  - iii) Omani tourists travelling abroad.
4. Staff of International Agencies stationed in Oman, and
5. Individuals who go to work from Oman to bordering countries daily, or frequently and regularly, but have their abode in Oman.

##### **Non resident individuals are:**

1. Foreign official diplomatic and Consular representatives in Oman with diplomatic status<sup>†</sup>.
2. Visitors (tourists) to Oman for less than one year, specifically for recreation or holiday, medical care, religious observances, family matters, participation in international sports events and conferences, student programmes, etc.
3. Crew members of vessels or aircraft who do not live in Oman but who are stopping off or laying over here.
4. Seasonal workers who are, and will be, in Oman explicitly for the purpose of seasonal

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<sup>†</sup> This concept of residency status holds, notwithstanding the Central Bank's Regulation No. 022/9/81 where Embassies, Consulates and persons of diplomatic status within the Sultanate are regarded as residents for the sole purpose of lending of Rial Omani.

employment only and,

5. Commercial travelers who are in the given economy for less than one year.

## **4.5 Institutional Units and Sectors**

### **4.5.1 Institutional Units**

An institutional unit is an economic entity, capable in its own right, of owning assets, incurring liabilities, and engaging in economic activities and in transactions with other entities.

**There are two main types of institutional units:**

- 1. Households** consisting of individuals, families, or other groups of persons who share the same living accommodation, pool some or all of their income and wealth, and consume some goods and services collectively. Households may engage in economic production.
- 2. Legal or social entities** engaged in their own right in economic activities and recognized legally or by society as existing independently of the units that own or control them. Legal or social entities include corporations, quasi-corporations, government units, and nonprofit institutions.
  - . A corporation** is a legal entity created for the purpose of producing goods or services for the market. A corporation may be a source of profit or other financial gain to its owners. It is collectively owned by shareholders who have authority to appoint directors responsible for the corporation's general management. A corporation is legally responsible and liable for its actions. The owners often have limited liability.
  - . Quasi-corporations** are enterprises that function as corporations. For a quasi-corporation to exist, it must be possible to develop a full set of accounts, including balance sheets, to distinguish the quasi-corporation from its owners. The business-related assets and liabilities of the quasi-corporation must be separate from the personal assets and liabilities of owners. Moreover, it must be possible to identify flows of capital and income occurring between the quasi-corporation and the owners. Government units should be treated as quasi-corporations if they are managed in a manner similar to a corporation and have a complete set of accounts that allow operating surpluses, saving, assets and liabilities to be separately identified.

## **4.5.2 Institutional Sectors**

Sectorization of the institutional units in the economy is a key element in the compilation and presentation of monetary and financial statistics. Assets and liabilities must be disaggregated into relevant sectors and sub-sectors, in order to help in identifying intersectoral claims and in facilitating construction of the “flow of funds”, which deal with intersectoral financial stocks and flows.

The main sectors and sub-sectors are the following:

### **1. Government Sector**

#### **2. Financial Corporations**

##### **A) Depository Corporations**

- 1 Central Bank (Depository Corporation)
- 2 Commercial Banks (Other Depository Corporations)

##### **B) Other Financial Corporations**

- 1 Pension Funds
- 2 Insurance Companies
- 3 Specialized Banks
- 4 Finance and Leasing Companies
- 5 Financial Auxiliaries (Money exchange houses, Brokerage firms, etc)
- 6 Other Financial Auxiliaries (Public financial corporations)
  - a) Government Fully Owned
  - b) Quasi-Government

#### **3. Non-Financial Corporations**

##### **A) Public Non-Financial Corporations**

- 1 Government Fully Owned
- 2 Quasi-Government

##### **B) Other Non-financial Corporations & Partnerships**

- 1 Small & Medium Enterprises
- 2 Other Corporations

#### **4. Other Sectors**

##### **A) Household Sector**

##### **B) Non-Profit Institutions Serving Households**

#### **4.5.2.1 The Government Sector**

Government Proper consists of departments, branches, agencies, foundations, institutes, non-market non-profit institutions (NPIs) controlled and mainly financed by government, and other publicly controlled organizations engaging in non-market activities. The Government sector includes Ministry of Finance and Economy, SGRF, all Ministries, Government departments and Councils, Royal Oman Police etc.

#### **4.5.2.2 The Financial Corporations Sector**

The financial corporations sector consists of all corporations or quasi-corporations principally engaged in financial intermediation or in related auxiliary financial activities. Financial intermediation may be defined as a productive activity in which an institutional unit raises funds by incurring liabilities on its own account for the purpose of channeling these funds to other institutional units by way of lending or otherwise acquiring financial assets. To qualify as quasi-corporations, financial intermediaries or auxiliaries must have complete sets of accounts that are separable from the personal accounts of owners.

#### **Sub-sectors of the Financial Corporations Sector:**

##### **A) Depository Corporations Sector**

**1 Central Bank** is the national financial institution that exercises control over key aspects of the financial system and carries out such activities as issuing currency, managing international reserves, transacting with the IMF, and providing credit to other depository corporations.

**2 Commercial Banks** represent financial corporations that are engaged in financial intermediation and that issue liabilities included in the national definition of broad money.

##### **B) Other Financial Corporations Sector**

**1 Pension Funds** are those that are constituted as separate from the units that have created them. They are established for purposes of providing retirement benefits to specific groups of employees. They have their own assets and liabilities, and they engage in financial

transactions on their own account. These funds are organized, and directed, by individual private or government employers, or jointly by individual employers and their employees, and the employees and/or employers make regular contributions.

**2 Insurance Companies** consist of incorporated mutual and other entities whose principal function is to provide life, accident, health, fire, or other forms of insurance to individuals, institutional units or groups of units.

**3 Specialized Banks** include specialized credit institutions whose primary activity is lending to special sectors; for example, Oman Housing Bank and Oman Development Bank.

#### **4 Finance and Leasing Companies**

Finance companies are institutional units primarily engaged in the extension of credit to non-financial corporations, SMEs and households. Retail financing for purchase of automobiles, electronic goods, working capital financing to SMEs, financing against the assignment of receivables etc. are some of the modes of financing. Financial leasing companies also engage in financing the purchase or leasing of tangible assets.

**5 Financial Auxiliaries** include financial corporations that engage in activities closely related to financial intermediation but do not act as intermediaries. These specialized financial auxiliaries, generally do not raise funds or extend credit on their own account as their main business activity. The most common financial auxiliaries include money exchange houses, brokerage firms, investment companies, financial guarantee corporations etc.

**6 Other Financial Auxiliaries** include independent units affiliated with the government and established to regulate financial institutions such as CMA and MSM.

#### **4.5.2.3 The Non-financial Corporations Sector**

The non-financial corporations sector encompasses corporations and quasi-corporations engaged primarily in the production of goods and non-financial services. The non-financial corporations sector is divided, on the basis of the types of institutional units exercising control, into two mutually exclusive sub-sectors; Public non-financial and Other non-financial corporations.

**A) Public Non-Financial Corporations** are non-financial corporations and quasi-corporations

controlled by government units. Control may be exercised through ownership of more than half the voting shares, legislation, decree, or regulations that establish specific corporate policy or allow the government to appoint the directors. They are engaged primarily in the production of goods and non-financial services.

**Sub-sectors of the Public Non-Financial Corporation Sector:**

**1 Government Fully Owned Commercial Entities** are companies and organizations with 100 percent government shareholding.

**2 Quasi-Government Bodies** are companies and organizations in which the Government owns at least 51 percent of the shareholding.

**B) Other Non-Financial Corporations** (Private Corporate Sector & Partnerships) are private sector non-financial corporations and quasi-corporations.

**Sub-sectors of Other Non-Financial Corporation Sector:**

**1 Small & Medium Enterprises (SMEs)** are generally firms managed in a personalized way having limited sales turnover, number of employees, and asset size. For the purpose of statistical reporting in this Return, an SME should not be a publicly listed company, it must be maintaining separate accounts which are clearly distinguished from the owners personal accounts, and must meet any one or all of the following three specific criteria: (a) annual sales not exceeding RO 2 million, (b) total assets not exceeding RO 5 million, and (c) number of employees not exceeding 99.

**2 Other Corporations** are enterprises incorporated as joint stock companies or corporations with limited liability with suffixes like LLC, Ltd, SAOG, etc. They also include corporate bodies with less than 51 percent of Government shareholding. Partnerships owned by households engaged in market production having significant volume of business may also be included here as they are considered quasi-corporations.

#### **4.5.2.4 Other Sectors**

- 1 Household Sector-** A household is defined as a small group of persons who share the same living accommodation, pool some or all of their income and wealth, and consume certain types of goods and services (mainly housing and food) collectively. Unattached or single individuals are also considered households. Households may engage in the production of goods and services for sale in the market, for consumption by the household itself, for construction of housing, and for accumulating other physical capital for the household's own use.
  
- 2 Nonprofit Institutions Serving Households (NPISH Sector)** comprises a subset of nonprofit institutions. NPISHs are mainly engaged in providing goods and services to households or the community at large free of charge or at prices that are not economically significant (and thus are classified as non-market producers). NPISHs are mainly financed from contributions/ subscriptions from members, or earnings on holdings of real or financial assets. NPISHs consist mainly of associations such as trade unions, professional or learned societies, consumers' associations, mosques; social, cultural, recreational, and sports clubs, and organizations that provide goods and services for philanthropic and charitable purposes.

#### **4.6 Instruments**

Financial assets are financial claims (eg. currency, deposits, and securities) that have demonstrable value. They are defined as a subset of economic assets; entities over which ownership rights are enforced, individually or collectively, by institutional units and from which economic benefits can be derived by holding or using the assets over a period of time.

Most financial assets are financial claims arising from contractual relationships entered into when one institutional unit provides funds to another. These contracts are the basis of creditor/debtor relationships through which asset owners acquire claims on economic resources of other institutional units. The creditor/debtor relationship imparts asset and liability dimensions to a financial instrument.

## **Classification of Financial Instruments**

### **Currency**

Currency consists of notes and coins that are of fixed nominal values and are issued by the Central Bank. Some countries issue gold coins, which are held for intrinsic value, or commemorative coins, which are held for numismatic value. If not in active circulation, such coins should be classified as non-financial assets. Currency is divided into separate categories for national currency and foreign currency.

### **Deposits**

Deposits are categorized into transferable deposits and other deposits.

#### **Transferable Deposits**

Transferable deposits comprise all deposits that are (1) exchangeable on demand at par and without penalty or restriction and (2) directly usable for making payments by check, draft, direct debit/credit, or other direct payment facility. Some deposits have some restrictions such as on the number of third-party payments that can be made per period or on minimum size of payments. Judgment must be applied in deciding whether deposits with less-than-full transferability features should be classified as transferable deposits.

Transferable deposits that are held in banks in the process of liquidation should continue to be classified as transferable deposits even though they cannot immediately be used for direct third-party payments.

Deposits denominated in national currency (Rial Omani) should be recorded at book value (outstanding amount plus accrued interest). Deposits denominated in foreign currency should be converted to Rial Omani equivalents as explained in Section 4.3. These valuation principles apply to other deposits as well.

## **Other Deposits**

All claims, other than transferable deposits, that are represented by evidence of deposit. Other deposits include:

- Saving deposits
- Fixed-term deposits
- CDs issued by the bank
- Import deposits that are required from importers in advance (Margins)

## **Loans**

Loans are financial assets that are created when a creditor lends funds directly to a debtor. This category includes all loans and advances extended to various sectors by banks. It includes commercial loans, mortgage loans, consumer loans, hire-purchase credit, loans to finance trade credit, and possibly other types of loan arrangements.

The valuation of loans is an exception to valuation based on market price or fair value. The valuation of loans should be based on the book value of creditors' outstanding claims (outstanding principal plus accrued interest) **without** adjustment for expected loan losses i.e. provisions and reserve interest. Loans denominated in foreign currency should be recorded at their book values and for conversion to domestic currency units, should be valued on the basis of the market exchange rates that prevailed on the balance sheet date. Data on provisions on loans and other impaired financial assets are to be shown in the liabilities Form under item L10.1 in the case of general provisions, and under item L10.2 in the case of specific provisions.

The value of a loan portfolio should be adjusted downward only when (1) loans are actually written off as uncollectible or (2) when the outstanding amount of the loan has been reduced through formal debt reorganization. Loans that have become negotiable (i.e. marketable) in secondary markets should be reclassified under Investments and should be valued on the basis of market prices or fair values in the same manner as other types of securities.

## **Securities**

**Securities other than Shares** are instruments serving as evidence that units have obligations to settle by means of providing cash, a financial instrument, or some other item of economic value. Common types of securities other than shares are government treasury bills, government bonds, corporate bonds and debentures, and certificates of deposit. Loans that have become negotiable de-facto should also be classified under this category.

**Shares and Other Equity** on the assets side of the balance sheet comprise banks' investments in shares and other equity of corporations. Shares and other equity on the liabilities side of the balance sheet refers mainly to Capital and Reserves. In general, the value of securities other than shares, and shares and other equity, are based on market prices or fair values. However, most components of liabilities in the form of shares and other equity should be valued at book value. Detailed accounting rules are spelt out under specific item heads in RD1 and RD2.

## **Financial Derivatives**

A financial derivative contract is a financial instrument that is linked to another specific financial instrument, or commodity, and through which specific financial risks (such as interest-rate risk, currency risk, equity risk, commodity-price risk, or credit risk) can be traded, in their own right, in financial markets. The value of a financial derivative derives from the price of an underlying item such as an asset or index.

The present value (or market value) of a financial derivative is derived from the difference between the agreed-upon contract price of an underlying item and the prevailing market price. Financial derivatives are valued at market prices prevailing on balance sheet recording dates. Price changes occurring between recording dates are classified as revaluation gains or losses. If market price data are unavailable, fair value methods may be used to value derivatives.

Financial derivatives should be reported at their fair value corresponding to an unrealised earning or unrealised loss on the balance sheet under assets and liabilities. Financial derivatives that have a positive value should be recorded under financial assets and derivatives that have a negative value should be reported under financial liabilities (i.e. gross values rather than net values should be reported).

## **Acceptances**

Acceptances could broadly be defined as a short-term credit instrument created by a non-financial firm and guaranteed by a bank. Acceptances are one type of contingent liabilities arising from an irrevocable obligation of a bank to pay a third-party beneficiary when a client fails to perform some contractual obligations. In terms of recent changes to IFRS, acceptances are considered assets (for banks), as they allow traders to substitute the banks' credit standing for their own. These are to be reported as per the extant accounting norms applicable in the Sultanate.

## **5. Explanatory notes to Banking Return Form RD1- Assets**

### **A1 Cash on hand**

Report the value of Rial Omani notes and coins in the Resident column and all foreign currency notes and coins in the Non-Resident column.

### **A2 Claims on Central Bank**

This should give the Bank's position with the Central Bank of Oman. It should include deposits of the Bank with C.B.O. in the form of clearing account, capital deposits, deposits in foreign currencies, overnight deposits, etc. It should **not** include Banking Deposit Insurance Scheme (BDIS) contribution.

### **A3 Claims on Head Office, Affiliates, Subsidiaries and Own Branches Abroad**

Report all balances of the reporting bank with their Head Office abroad, affiliates and subsidiaries and in the case of locally incorporated banks, all principal shareholders of the local bank, affiliates and subsidiaries and own branches abroad. All nostro/overdrawn vostro accounts balances should also be reported under this item.

### **A4 Claims on Other Banks**

Irrespective of whether in local or foreign currency, the balances due from other banks in Oman are to be shown under the Resident column while balances due from other banks abroad are to be reported under the Non-resident column. The sub-items under this heading should be classified according to the original period of maturity.

#### **A4.1 Transferable Deposits (Demand and At Call)**

Report all demand, at call and overnight balances with other banks.

#### **A4.2 Fixed-Term Deposits (One Month or Less)**

This represents balances with an original maturity of upto 1 month.

#### **A4.3 Fixed-Term Deposits (More than 1 Month and upto 3 Months)**

This represents balances with an original maturity of more than 1 month and upto 3 months.

#### **A4.4 Fixed-Term Deposits (More than 3 Months)**

This represents balances with an original maturity of more than 3 months.

#### **A4.5 Loans (including syndicated loans)**

Loans at times may be difficult to distinguish from a deposit under claims on banks, since both may have almost identical characteristics. In such cases, the reporting should be on the basis of the representation in the documents that evidence them.

#### **A4.6 Inter-bank Repo Transactions**

Credit extended to other banks by way of repurchase facility on securities and other instruments should be reported here. Securities under repurchase agreements are treated as collateralized loans rather than as outright sale of securities.

#### **A5 Domestic Interbranch Transactions (Net)**

Report all interbranch transactions within the country after netting. In principle, this item should be zero. All cheques in the course of collection on own local branches should be included here. The net balance of all interbranch transactions should appear either under item A5 in Form 1 Assets or under item L5 in Form 2 Liabilities.

#### **A6 Total Credit (Loans, Advances and Overdrafts)**

Banks shall report all outstanding amount of loans, bills discounted, overdrafts and other advances according to their Sector and Residency (for Sectors refer to Section 4.5 Institutional Units and Sectors). The entire loan portfolio, which comprises the outstanding principal amount plus accrued interest, must be reported gross and at book value. General provisions are to be reported under item L10.1 while specific provisions and reserve interest are to be reported in item L10.2 and L10.3.

##### **A6.2.1 Pension Funds**

For reporting purposes, all Pension Funds regardless of the institutions owning them, should be reported here.

##### **A6.5.1 Household Sector**

###### **A6.5.1.1 Personal loans**

**A6.5.1.1.1 Residential Housing Loans** refers to credit extended to finance the purchase of residential housing and property. However, while reporting the amount of such loans in RD Form 1, housing loans to staff **must also** be covered, irrespective of the Regulation/ Circular

in this regard. Nevertheless, a provision has been made to report separately personal loans excluding staff loans for both residential housing loans and other personal loans under Form RD3 'Other Information', which is as per the regulation on personal loans.

**A6.5.1.1.2 Other Personal Loans** are those granted to individuals and households for non-business purposes. Such loans will include but not to be limited to those for purchase of automobiles, furniture, household appliances and other consumer items for personal purposes. Banks should also include under this item personal loans intended for medical, hospitalization, educational, investment in shares, and other personal needs of the borrower. As a matter of general rule, all credit facilities including credit cards, extended to individuals and households not evidenced and documented to be for business purposes shall be treated as personal loans.

**A6.5.1.2 Business Loans to Individuals and Households** include loans to households engaged in the production of goods and services. The production activities undertaken by those households that produce and sell goods and services are treated as integral parts of the households themselves and not as separate entities unless legal entities are created or the size of operations warrant treatment as quasi-corporations. In such instances, the business' set of accounts cannot be distinguished from its owners such as a loan given to an individual for running taxi service, individual tourist guides, etc.

**Note:** However, a loan advanced to enterprises should not be included under business loans to individuals but under item A6.4.1 'Small & Medium Enterprises'. Thus a loan advanced to a doctor for equipping his clinic which has Commercial Registration (C.R) should not be included under 'Business Loans to Individuals and Households' but under credit to 'Small & Medium Enterprises'. Again, loans made to an individual for purchase of computers and office equipment for running a school should be recorded under credit to 'Small & Medium Enterprises' while a loan advanced to him for purchasing a computer for personal use should feature under Other Personal/ Consumer Loans.

## **A7 Investments**

This includes holdings of debt and equity instruments, whether for trading or for long-term investment purposes. For the purpose of this Return, securities are deemed as marketable or potentially marketable income-yielding instruments, including bonds and shares. In other words, they represent those funds allocated to acquire certain type of assets usually negotiable in the financial and money market with sufficient yield and safety to the reporting bank.

Banks should report its holdings of shares, securities, bonds etc. at market value in line with IFRS accounts. Investments are classified by the institutional units and sectors that have issued the security, the type of securities and residency.

The reporting of shares and other equity must follow international standards based on IFRS accounting rules. Investments held by the banks could be categorized into four categories at present, viz.

- Financial Assets at Fair Value through Profit or Loss.
- Held for Trading - This includes holdings of debt and equity instruments, held for trading purposes only.
- Investments Held to Maturity - Such assets normally consist of bills and bonds which are intended to be maintained until maturity.
- Available for Sale .

Held to maturity investments are to be valued at cost, barring cases where the diminution in value is permanent; financial assets at fair value through profit or loss and held for trading investments are to be valued on the basis of market prices (in the absence of which by fair value, determined with the help of models etc). The gain and losses on such valuations are to be reflected in the income account, as per the extant IFRS guidelines. Available for sale investments are also to be valued on the basis of market prices, however, the gain or loss is to be recognised through equity directly, without any impact on the income account.

**Investments in Treasury Bills:** Report the value of treasury bills held by the bank as of the reporting date. When the bills mature or the ownership of these bills is transferred prior to maturity by way of discounting or outright sales, the corresponding asset value should be reduced to the extent of these bills, after making necessary adjustments to the required accounts. However, in the case of repurchase facility on treasury bills, banks should continue to hold the

asset value of the bills in their portfolio with additional accounting entries to reflect their liability. Investment in treasury bills of foreign governments should be reflected in the non-resident column.

**Investments in Oman Government Development Bonds:** Report the value of investments in Oman Government Development Bonds under this item.

**Investment in Government's and International official bodies:** Report securities issued or guaranteed by the Government of the Sultanate (Other than Government Development bonds which should appear under A7.1.2) under the Resident column, and securities of foreign governments and international official bodies such as IBRD under the non-resident column

**Investments in Certificates of Deposit:** Report the amount of certificates of deposit purchased by the reporting bank according to their issuing sector and residence.

**Investments in Bonds and Notes:** Report all investments in bonds, notes, debentures and other evidences of obligations authorized by the Central Bank as envisaged in Chapter Four, Article 65, of the Banking Law 2000.

**Investments in Shares and Securities of Corporations:** Report all investments in shares and securities of corporations and other companies domiciled and organized within the Sultanate, in the Resident column, and outside Oman in the non-resident column.

Commercial banks investments in shares and other equity of enterprises, excluding subsidiaries and associated companies, whether quoted or unquoted should be reported under the various Sectors outlined. Include also under this item shares of companies which have been acquired in settlement of debts. (Reference Chapter Four, Article 65(b)5, of the Banking Law 2000).

**A8 Financial Derivatives:** Report the positive change in value of the derivatives.

#### **A9 Non-financial Assets (Net Fixed Assets)**

Fixed assets should include only those assets that are related to the activity of the reporting bank. Fixed assets should be reported net of depreciation.

In some cases, banks are permitted to revalue fixed assets, normally their own premises, in line with the change in market values. Where a formal revaluation has been permitted and carried

through to the balance sheet the increased value can be shown as part of fixed assets with the corresponding resultant revaluation reserve within supplementary capital elements. When fixed assets of a bank are located abroad, they must be shown in the non-resident column.

**A9.1 Bank Premises:** Report the value of land, buildings and leasehold improvements used for its banking business.

**A9.2 Bank Real Estate:** Report the value of land and buildings, which have been acquired or purchased by the reporting bank such as staff housing.

**A9.3 Other Real Estate in Settlement of Dues:** Report the value of land and buildings acquired in satisfaction of debts previously contracted within the normal course of banking business and which are available for disposal as per Article 66 b and c of the Banking Law 2000.

**A9.4 Furniture, Fixtures and Equipment:** Report the value of all furniture and fixtures including computers and accessories.

**A9.5 Motor Vehicles:** Report the value of motor vehicles owned by the bank.

**A9.6 Others:** Report any item that cannot be classified under items A9.1- A9.5.

**A10 Other Assets:**

**A10.1 Interest Receivable:** As enumerated in the valuation principles under General Compilation Issues 4.3, accrued interest on most financial instruments such as deposits, loans, and securities should be incorporated into the outstanding amount of the financial asset or liability, and **not** reported under interest receivable/ payable. Any financial instrument where it is not possible to include interest receivable together with the underlying instrument may be reported in this item.

**A10.2 Settlement Accounts & Items in the Process of Collection:** Report settlement account balances, which are used to account for differences in the time of recording between (1) purchases or sales of financial assets, on the trade dates when change of ownership occur and (2)

the subsequent payments for the financial assets on the settlement dates. It also includes items in the process of collection such as checks.

**A10.3 Acceptances:** This comprises all acceptances accepted by the bank which are still outstanding, but excluding any which the reporting bank has itself discounted.

**A10.4 Others:** Report all accounts not elsewhere classified in the balance sheet such as deferred tax assets, advances for work that is in progress, prepayment for goods and services, prepayment of rent, etc. In addition, BDIS and Oman Switch contribution should be reported under this item.

**A11 Total Assets:** This is the total of all entries under items 1 to 10. The total of resident and non-resident combined must equal the total of resident and non-resident shown under item 13 on the Liabilities side in RD Form 2.

## **6. Explanatory Notes to Banking Return Form RD2- Liabilities**

### **L1 Total Deposits**

Deposits include all funds placed with banks in the form of demand, savings, time, and certificates of deposit as well as import deposits (commercial prepayments). The deposits should be valued at book value (outstanding principal plus accrued interest). Deposits data should be presented according to institutional units and sectors as described in Section 4.5. Deposits of residents should be shown in the resident column while deposits of non-residents should be shown in the non-resident column. A further breakdown is to be reported for deposits denominated in national currency and for those in foreign currency.

**L1.1 Demand Deposits:** comprise balances such as current account deposits, call deposits, overdue fixed deposits etc, which are payable on demand including deposits with maturity of upto seven days.

**L1.2 Saving Deposits:** comprise deposits accepted by banks under savings bank deposit rules.

**L1.3 Time Deposits:** comprise deposits with fixed maturity of more than seven days.

**L1.4 Negotiable Certificates of Deposit:** comprise all negotiable certificates of deposit issued by the reporting bank.

**L1.5 Non-Negotiable Certificates of Deposit:** comprise all non-negotiable certificates of deposit issued by the reporting bank.

**Note:** As banks are not permitted to invest in their own CD's repurchased prior to maturity, such CD's, if any, should be cancelled and should not form part of the portfolio of the issuing bank.

**L1.6 Commercial Prepayments (Margins):** Report margin deposits held by banks from importers for opening letters of credit, issuing guarantees, etc.

**L2 Debt Securities Issued (Bonds, Notes and Other Obligations):** Report under this item the issue of bonds, notes, etc which are not in the nature of deposits or supplementary capital.

### **L3 Due to H/O, Affiliates, Subsidiaries and Own Branches Abroad**

Report all balances due to Head Office abroad, affiliates, and subsidiaries and in the case of locally incorporated banks, all balances due to principal shareholders of the local bank, affiliates and own branches abroad.

### **L4 Due to Other Banks**

Irrespective of whether in local or foreign currency, the balances due to other banks in Oman are to be shown under the Resident column while balances due to other banks abroad are to be reported under the non-resident column. For classifying the period of maturity as at the date of reporting, please refer to Item A4 of Banking Return Form 1, Assets.

### **L5 Domestic Interbranch Transactions (Net)**

Please see note to item A5 of Banking Return Form 1, Assets.

### **L6 Borrowings from Central Bank**

**L6.1 Repurchase Transactions:** Credit extended by the CBO to commercial banks by way of repurchase facility on CDs, treasury bills and other instruments should be reported here. (refer to item A7 under Assets for accounting entries).

**L6.2 Discounted Commercial Bills:** Report the amount of commercial bills rediscounted by the reporting bank with the Central Bank of Oman.

**Note:** Discounted commercial bills should **not** be reported as a deduction from the total loan portfolio of the reporting bank.

**L6.3 Overdrawings:** Report any overdrawings such as debit balances in the clearing account.

**L6.4 Loans and Advances:** Report any loans or advances granted by the Central Bank to the reporting bank in terms of Article 28(d) of the Banking Law 2000.

**L6.5 Others:** Report borrowings from Central Bank of Oman which cannot be classified under items L6.1 to L6.4.

**L7 Financial Derivatives:** Report the negative change in the value of the derivatives.

## **L8 Core Capital and Reserves**

**L8.1 Capital Paid up/Assigned:** Local banks should report paid-up capital and foreign bank branches should report assigned capital in the Resident column. **However, it is important for compilation of Balance of Payments (BOP) and International Investment Position (IIP) statistics to obtain information on capital and reserves segregated into Resident and Non-Resident components. Therefore, all local banks should provide the respective shares of Non-Residents in their total capital (broken down into Foreign Direct Investment-FDI- and Portfolio Investment) in the specific space earmarked in the Return.**

**L8.2 Capital Deposit Earmarked:** Report the amount of capital deposits held with Central Bank of Oman.

**L8.3 Legal Reserves:** comprise reserves created in terms of Commercial Companies Law in respect of local banks. Similar reserves created by overseas branches of Omani banks as per the respective laws should also be included here.

**L8.4 General Reserves:** comprise reserves made out of appropriation of profits in accordance with Commercial Companies Law and other regulations.

**L8.5 Share Premium:** premium collected on the paid-up capital at the time of IPO, Rights & Private Placements, etc. to be reported here.

**L8.6 Subordinated Loan Reserve:** comprises of reserves created out of appropriation of profits for meeting the redemption of the subordinated debt, as per the extant instructions.

**L8.7 Other Disclosed Reserves:** include any other reserves created out of appropriation of profits.

**Note:** Banks that report any amount under the item other disclosed reserves should indicate in a footnote the nature of the reserve and the corresponding amount.

**L8.9 Retained Earnings (Losses) c/f from Previous Years:** Report any undistributed balances of profits/ accumulated losses. For the provisional return ending December of each year, the current year profit/ loss should be shown under L11 'Current Years Profit/Loss'. While submitting the revised return for the year end (December) after audit and final approvals from CBO, item L11 'Current years profit/Loss' should be reported as 'nil' and the appropriations to Reserves, dividend and other pay outs as well as proposed remittances of profits by foreign bank branches should be reported under the relevant sub-items of L8 'Core Capital and Reserves' **to be in conformity with the audited Financials for the year end**. Where losses are carried forward it should be recorded as a negative item.

**L8.10 Goodwill:** Report as a negative item any amount shown in the bank's books as Goodwill.

### **L9 Supplementary Capital elements**

The items that fall under supplementary capital are designed for the measurement of capital adequacy for the purposes of meeting the BIS standards. For the purpose of reporting in this Return, all supplementary capital elements qualifying under Basle standards are not included here. For example, general provisions are to be reported under item L10.1.

**L9.1 Subordinated Term Debt:** Report subordinated term debt instruments such as subordinated term loans and other debt capital including Floating Rate Notes (FRNs) that justify for inclusion under supplementary capital elements without any haircut as envisaged for regulatory purposes.

**L9.2 Convertible Bonds:** Instruments that are partly or fully convertible into equity shares of the bank at a future date should be reported here, till the date of conversion.

**L9.3 Asset Revaluation Reserves:** Report the asset revaluation reserves arising out of a formal revaluation of banks' own premises and holdings of securities and carried through to the balance sheet.

**L9.4 Others:** Report any other capital instruments that combine certain characteristics of equity and of debt. Where these instruments have close similarities to equity, in particular when they

are able to support losses on an on-going basis without triggering liquidation, they may be included in supplementary capital. Their precise specifications differ from country to country, but they should meet certain basic requirements as outlined in the BIS capital measurement framework.

## **L10 Total Provisions**

**L10.1 General Loan-Loss Reserves:** Report the general provisions that are made for meeting the possibility of future losses. They must not be ascribed to any particular asset and must be freely available to meet any losses, which are identified after the reporting date. Where provisions have been made against identified losses or in respect of deterioration in the value of particular assets, they should not be included here but are to be reported under item L10.2 'Specific Provisions for Bad and Doubtful Debts'.

**L10.2 Specific Provision for Bad and Doubtful Debts:** This represents the principal amount of provisions for bad and doubtful debts made against specific loans and advances.

**L10.3 Reserve Interest:** Report the total amount of interest accrued but not received, on all debts classified substandard, doubtful or loss and which are credited to a 'Reserve Interest Account'.

**L10.4 Specific Provision for Investments:** Report the total amount of provisions made available in respect of the decline, if any, in the value of the reporting banks held to maturity investments.

**L11 Current Year's Profit/(Loss):** comprises the current profit and loss account during the period. If a loss is reported, it should be recorded as a negative item. Profits reported here should be after provisions and taxes.

## **L12 Other Liabilities**

**L12.1 Interest Payable:** Any financial instruments where it is not possible to include interest payable together with the underlying instrument may be reported here (Refer to notes under item A10.1)

**L12.2 Acceptances:** This comprises all acceptances accepted by the bank which are still outstanding, but excluding any which the reporting bank has itself discounted.

**L12.3 Balances due to Central Bank:** Balances in any account maintained by the Central Bank of Oman with commercial banks may be shown here.

**L12.4 Others:** Include items such as provisions for staff indemnity, end of service benefits, bonus, provisions for taxes etc.

**L13 Total Liabilities**

This is the total of all entries under items L1 to L12.

## **7. Explanatory notes to Banking Return Form RD3- (Off-Balance Sheet Items & Other Information)**

### **C1 Contingent Liabilities**

#### **C1.1 Letters of Credit**

**C1.1.1 Government:** Report amounts outstanding of letters of credit opened on behalf of the Government.

**C1.1.2 Private Sector:** Report amounts outstanding of letters of credit opened on behalf of the Private sector. For reporting purposes, quasi-Government bodies and Government fully owned corporations should be included here.

#### **C1.2 Letters of Guarantee**

**C1.2.1 Government:** Report outstanding guarantees issued on behalf of the government.

**C1.2.2 Private Sector:** Report outstanding guarantees issued other than those on behalf of the Government.

### **C2 Derivatives**

**C2.1.1 Forward Exchange Purchases:** Report the amount of total forward purchases in local currency, from both banks and customers, in the Rial Omani column and the total purchases in foreign currency from banks and customers in the foreign currency column.

**C2.1.2 Forward Exchange Sales:** Report the amount of total forward sales in local currency, to both banks and customers, in the Rial Omani column and the total sales in foreign currency to banks and customers in the foreign currency column.

**C2.2.1 Currency Futures Purchases:** Report all purchase contracts in the futures exchange markets which are in fixed amounts of specified currencies at a fixed date in the future.

**C2.2.2 Currency Futures Sales:** Report all sales contracts in the futures exchange markets.

**C2.3.1 Currency Options Purchases:** Report the total amount of options, both call and put, purchased by the reporting bank.

**C2.3.2 Currency Options Sales:** Report the total amount of options, both call and put, sold by the reporting bank.

**C2.4 Interest Rate Swaps:** Include transactions in which interest payment streams based on underlying notional principal amounts are exchanged. The three main types are coupon swaps (fixed rate to floating rate in the same currency), basis swaps (one floating rate index to another floating rate index in the same currency) and cross currency interest rate swaps (fixed rate in one currency to floating rate in another).

### **C3 Other Information**

**C3.1 Personal Loans Excluding Staff Loans:** The figure reported here is based on the CBO regulation on personal loans.

**C3.2 Loans for Real Estate Purposes:** Report the total amount of loans granted for the purpose of purchasing, development and construction of real estate, with or without security.

**C3.3 Loans for Real Estate Purposes Granted Against the Collateral of Real Estate:** Report the total amount of loans granted for the purpose of purchasing, development and construction of real estate, that have been secured by real estate.

**C3.4 Other Loans Granted Against the Collateral of Real Estate:** Report the total amount of other loans, that have been secured by real estate.

**C3.5 Loans Granted for Purchase of Shares in the Stock Market:** Report the amount of loans granted by the reporting bank for the specific purpose of purchase of shares in the Stock Market.

**C3.6 Depreciation and Amortization:** As banks have been instructed to show their fixed assets net of depreciation in Form RD1 item A10, they should report here, for information purposes, the accumulated depreciation on fixed assets and other real estate.

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