

Ithmaar Bank B.S.C (c)
Liquidity Disclosures – Basel III
31 December 2019

Liquidity Coverage Ratio

CBB in August 2018 issued revised guidelines on Liquidity Management. One of the key requirements of the revised CBB guidelines includes the computation and disclosure of the Liquidity Coverage Ratio (LCR). LCR has been developed to promote short-term resilience of a bank's liquidity risk profile. The LCR requirements aim to ensure that a bank has an adequate stock of unencumbered high quality liquidity assets (HQLA) that consists of assets that can be converted into cash immediately to meet its liquidity needs for a 30-calendar day stressed liquidity period.

As per CBB LM regulations, banks must meet the minimum LCR of not less than 100 percent on a daily basis both at a solo and consolidated level. The below table describes the average 90 day LCR of Ithmaar Bank on a consolidated basis.

		BD 000	
<i>BD 000</i>		Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total HQLA		430,383.07
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	190,099.02	5,702.97
4	Less stable deposits	794,371.05	78,296.97
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	59,106.70	14,776.68
7	Non-operational deposits (all counterparties)	586,430.73	310,108.58
8	Unsecured debt	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	2,531.08	2,531.08
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	135,386.96	10,911.81
14	Other contractual funding obligations	57,886.76	57,886.76
15	Other contingent funding obligations	433,822.51	21,691.13
16	TOTAL CASH OUTFLOWS	-	501,905.97
CASH INFLOWS			
17	Secured lending (eg reverse repos)	44,811.07	-
18	Inflows from fully performing exposures	285,798.97	204,559.96
19	Other cash inflows	-	-
20	TOTAL CASH INFLOWS	330,610.04	204,559.96
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		430,383.07
22	TOTAL NET CASH OUTFLOWS		297,346.00
23	LIQUIDITY COVERAGE RATIO (%)		145%

Net Stable Funding Ratio (NSFR)

CBB in August 2018 issued revised guidelines on Liquidity Management. One of the key requirements of the revised CBB guidelines includes the computation and disclosure of the Net Stable Funding Ratio (NSFR). The NSFR requires banks to maintain a stable funding profile in relation to assets and off-balance sheet activities. The NSFR must be equal to at least 100% on an ongoing basis. The following table details the NSFR of Ithmaar Bank B.S.C (c) as of 31 December on a consolidated basis.

BD 000						
No.	Item	Unweighted Values (i.e. before applying relevant factors)				Total weighted value
		No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	
Available Stable Funding (ASF):						
1	Capital:	121,126	0	0	24,768	145,894
2	Regulatory Capital	121,126	-	-	-	121,126
3	Other Capital Instruments	-	-	-	24,768	24,768
4	Retail deposits and deposits from small business customers:	841,208	203,016	272,529	145,826	1,343,339
5	Stable deposits	199,120.49	29,955.45	19,622.91	10,077.94	246,341.84
6	Less stable deposits	642,087.39	173,060.73	252,906.24	135,747.77	1,096,996.69
7	Wholesale funding:	0	480,924	274,615	339,248	629,540
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	480,924.12	274,614.51	339,247.78	629,539.61
10	Other liabilities:	0	327,628	0	10,650	10,650
11	NSFR Shari'a-compliant hedging contract liabilities	-	26,682.94	-	-	-
12	All other liabilities not included in the above categories	-	300,944.84	-	10,650.30	10,650.30
13	Total ASF	-	-	-	-	2,129,422.44
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	9,690.43
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities:	-	513,543.53	111,751.33	1,362,308.45	1,486,457.66
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	113,240.05	8,117.62	588,328.32	609,373.13
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	400,303.48	103,633.71	610,144.24	770,591.20
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	150,570.29	97,870.69
21	Performing residential mortgages, of which:	-	-	-	-	-
22	- With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	13,265.61	8,622.64
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
24	Other assets:	-	355,162.25	-	1,498.51	356,660.76
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR Shari'a-compliant hedging assets	-	-	-	-	-
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	5,336.59	-	-	5,336.59
29	All other assets not included in the above categories	-	349,825.67	-	1,498.51	351,324.17
30	OBS items	-	608,232.01	-	-	30,411.60
31	Total RSF	-	-	-	-	1,883,220.46
32	NSFR (%)	-	-	-	-	113%