

Ithmaar Bank B.S.C (c)
Liquidity Disclosures – Basel III
30 September 2023

Liquidity Coverage Ratio

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. The below table describes the average 90 day LCR of Ithmaar Bank on a consolidated basis as of 30 September 2023.

Pillar 3 LCR Common Disclosure Template		
For the Quarter ended 30/9/2023		
BD 000		
BD 000	Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS		
1	Total HQLA	474,588
CASH OUTFLOWS		
2	Retail deposits and deposits from small business customers, of which:	
3	Stable deposits	621
4	Less stable deposits	599,113
5	Unsecured wholesale funding, of which:	
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	28,685
7	Non-operational deposits (all counterparties)	668,128
8	Unsecured debt	-
9	Secured wholesale funding	-
10	Additional requirements, of which:	
11	Outflows related to derivative exposures and other collateral requirements	2,721
12	Outflows related to loss of funding on debt products	-
13	Credit and liquidity facilities	67,585
14	Other contractual funding obligations	56,835
15	Other contingent funding obligations	436,355
16	TOTAL CASH OUTFLOWS	569,977
CASH INFLOWS		
17	Secured lending (eg reverse repos)	-
18	Inflows from fully performing exposures	181,319
19	Other cash inflows	-
20	TOTAL CASH INFLOWS	181,319
		TOTAL ADJUSTED VALUE
21	TOTAL HQLA	474,588
22	TOTAL NET CASH OUTFLOWS	471,030
23	LIQUIDITY COVERAGE RATIO (%)	101%

Net Stable Funding Ratio (NSFR)

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 following table details the NSFR of Ithmaar Bank B.S.C (c) as of 30 September 2023 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:	97,815	0	0	7,442	105,257
2	Regulatory Capital	97,815				97,815
3	Other Capital Instruments				7,442	7,442
4	Retail deposits and deposits from small business customers:	0	559,333	50,397	3,236	553,589
5	Stable deposits	0	31,244	658	18	30,325
6	Less stable deposits	0	528,089	49,739	3,219	523,263
7	Wholesale funding:	0	613,187	277,392	311,598	620,707
8	Operational deposits			0		0
9	Other wholesale funding		613,187	277,392	311,598	620,707
10	Other liabilities:	0	226,078	0	4,943	4,943
11	NSFR Shari'a-compliant hedging contract liabilities		9,312			
12	All other liabilities not included in the above categories		216,765		4,943	4,943
13	Total ASF					1,284,495
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					40,920
15	Deposits held at other financial institutions for operational purposes			0		0
16	Performing loans and securities:		316,260	80,922	605,701	717,877
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		13,425	7,924	260,336	266,312
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:		302,835	72,998	193,890	352,723
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				128,902	83,786
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				21,479	13,961
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,095	1,095
24	Other assets:	0	269,250	0	0	269,250
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		0			0
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted		1,636			1,636
29	All other assets not included in the above categories		267,615		0	267,615
30	OBS items		527,703			26,385
31	Total RSF					1,054,433
32	NSFR (%)					122%

Leverage Ratio

The Central Bank of Bahrain issued regulations on the financial leverage ratio as part of the CA: Capital Adequacy Module Chapter 10, which was implemented as of 30 September 2019.

The leverage ratio calculation includes all on balance sheet exposures, all off balance sheet exposures after applying the applicable adjustments as per the CBB guidelines:

CBB require banks to hold a minimum leverage ratio of at least 3%.

SNO	Description	BD 000
1	Tier 1 Capital	97,815
	On Balance Sheet Assets	
2	SF	462,066
3	URIA	1,668,317
4	Off Balance (with conversion CCFs)	256,566
5	Total Assets (2+3*(0.3)+4)	1,219,128
6	Leverage Ratio (1/5)	8.02%