

Ithmaar Bank B.S.C (c)
Liquidity Disclosures – Basel III
31 December 2021

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 31 December 2021.

Pillar 3 LCR Common Disclosure Template		
For the Quarter ended		31/12/2021
BD 000		
BD 000	Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS		
1	Total HQLA	544,079
CASH OUTFLOWS		
2	Retail deposits and deposits from small business customers, of which:	
3	Stable deposits	6,307
4	Less stable deposits	96,883
5	Unsecured wholesale funding, of which:	
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	16,754
7	Non-operational deposits (all counterparties)	299,771
8	Unsecured debt	-
9	Secured wholesale funding	-
10	Additional requirements, of which:	
11	Outflows related to derivative exposures and other collateral requirements	3,160
12	Outflows related to loss of funding on debt products	-
13	Credit and liquidity facilities	17,095
14	Other contractual funding obligations	55,730
15	Other contingent funding obligations	24,538
16	TOTAL CASH OUTFLOWS	520,237
CASH INFLOWS		
17	Secured lending (eg reverse repos)	-
18	Inflows from fully performing exposures	156,693
19	Other cash inflows	1,251
20	TOTAL CASH INFLOWS	157,944
		TOTAL ADJUSTED VALUE
21	TOTAL HQLA	544,079
22	TOTAL NET CASH OUTFLOWS	362,293
23	LIQUIDITY COVERAGE RATIO (%)	150%

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 31 December 2021 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:	118,144	0	0	9,552	127,696
2	Regulatory Capital	118,144				118,144
3	Other Capital Instruments				9,552	9,552
4	Retail deposits and deposits from small business customers:	0	1,364,699	276,297	75,295	1,567,119
5	Stable deposits	0	276,970	21,591	8,107	291,740
6	Less stable deposits	0	1,087,729	254,706	67,188	1,275,379
7	Wholesale funding:	0	542,257	334,400	358,537	698,295
8	Operational deposits			0		0
9	Other wholesale funding		542,257	334,400	358,537	698,295
10	Other liabilities:	0	299,731	0	5,129	5,129
11	NSFR Shari'a-compliant hedging contract liabilities		16,768			
12	All other liabilities not included in the above categories		282,963		5,129	5,129
13	Total ASF					2,398,239
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					16,028
15	Deposits held at other financial institutions for operational purposes			0		0
16	Performing loans and securities:		490,446	107,947	1,441,651	1,545,980
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		81,213	13,895	581,956	601,085
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:		409,233	94,052	669,448	820,673
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				167,745	109,034
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				20,900	13,585
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,603	1,603
24	Other assets:	0	327,293	0	1,603	327,293
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		270			270
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted		3,084			3,084
29	All other assets not included in the above categories		323,939		1,603	323,939
30	OBS items		688,054			34,403
31	Total RSF					1,923,704
32	NSFR (%)					125%

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 June 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	118,144
	On Balance Sheet Assets	
2	SF	1,395,173
3	URIA	1,932,326
4	Off Balance (with conversion CCFs)	394,696
5	Total Assets (2+3*(0.3)+4)	2,369,566
6	Leverage Ratio (1/5)	4.99%