

**Ithmaar Bank B.S.C (c)**  
**Liquidity Disclosures – Basel III**  
**31 December 2022**

## 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 2022.

<b>Pillar 3 LCR Common Disclosure Template</b>		
<b>For the Quarter ended</b>		<b>31/12/2022</b>
<b>BD 000</b>		
<b>BD 000</b>	<b>Total Unweighted Value (average)</b>	<b>Total Weighted Value (average)</b>
<b>HIGH-QUALITY LIQUID ASSETS</b>		
1	Total HQLA	451,565
<b>CASH OUTFLOWS</b>		
2	Retail deposits and deposits from small business customers, of which:	
3	Stable deposits	717
4	Less stable deposits	683,983
5	Unsecured wholesale funding, of which:	
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	34,077
7	Non-operational deposits (all counterparties)	582,032
8	Unsecured debt	-
9	Secured wholesale funding	-
10	Additional requirements, of which:	
11	Outflows related to derivative exposures and other collateral requirements	2,582
12	Outflows related to loss of funding on debt products	-
13	Credit and liquidity facilities	128,118
14	Other contractual funding obligations	58,005
15	Other contingent funding obligations	454,518
16	<b>TOTAL CASH OUTFLOWS</b>	507,943
<b>CASH INFLOWS</b>		
17	Secured lending (eg reverse repos)	12,540
18	Inflows from fully performing exposures	159,773
19	Other cash inflows	-
20	<b>TOTAL CASH INFLOWS</b>	172,313
		<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>	451,565
22	<b>TOTAL NET CASH OUTFLOWS</b>	421,884
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>	107%

## 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 2022 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	
<b>Available Stable Funding (ASF):</b>						
1	<b>Capital:</b>	<b>99,288</b>	<b>0</b>	<b>0</b>	<b>6,588</b>	<b>105,876</b>
2	Regulatory Capital	99,288				99,288
3	Other Capital Instruments				6,588	6,588
4	<b>Retail deposits and deposits from small business customers:</b>	<b>0</b>	<b>672,470</b>	<b>55,729</b>	<b>3,213</b>	<b>660,470</b>
5	Stable deposits	0	37,018	537	43	35,720
6	Less stable deposits	0	635,451	55,193	3,170	624,750
7	<b>Wholesale funding:</b>	<b>0</b>	<b>603,020</b>	<b>261,369</b>	<b>330,670</b>	<b>631,712</b>
8	Operational deposits			0		0
9	Other wholesale funding		603,020	261,369	330,670	631,712
10	<b>Other liabilities:</b>	<b>0</b>	<b>281,799</b>	<b>0</b>	<b>3,022</b>	<b>3,022</b>
11	NSFR Shari'a-compliant hedging contract liabilities		10,731			
12	All other liabilities not included in the above categories		271,068		3,022	3,022
13	<b>Total ASF</b>					<b>1,401,081</b>
<b>Required Stable Funding (RSF):</b>						
14	Total NSFR high-quality liquid assets (HQLA)					31,640
15	Deposits held at other financial institutions for operational purposes			0		0
16	<b>Performing loans and securities:</b>		<b>320,754</b>	<b>44,411</b>	<b>654,138</b>	<b>713,385</b>
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		14,211	5,536	168,722	173,622
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:		306,543	38,875	255,227	389,652
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				203,789	132,463
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				25,003	16,252
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,396	1,396
24	<b>Other assets:</b>	<b>0</b>	<b>258,549</b>	<b>0</b>	<b>0</b>	<b>258,549</b>
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		2,146			2,146
29	All other assets not included in the above categories		256,403		0	256,403
30	OBS items		654,709			32,735
31	<b>Total RSF</b>					<b>1,036,309</b>
32	<b>NSFR (%)</b>					<b>135%</b>

## 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%.

<b>SNO</b>	<b>Description</b>	<b>BD 000</b>
<b>1</b>	<b>Tier 1 Capital</b>	99,288
	<b>On Balance Sheet Assets</b>	
<b>2</b>	SF	470,719
<b>3</b>	URIA	1,838,838
<b>4</b>	<b>Off Balance (with conversion CCFs)</b>	289,389
<b>5</b>	<b>Total Assets (2+3*(0.3)+4)</b>	<b>1,311,760</b>
<b>6</b>	<b>Leverage Ratio (1/5)</b>	<b>7.57%</b>