

**Ithmaar Bank B.S.C (c)**  
**Liquidity Disclosures – Basel III**  
**31 December 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 31 December 2023.

<b>Pillar 3 LCR Common Disclosure Template</b>		
<b>For the Quarter ended 31/12/2023</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	517,767
<b>CASH OUTFLOWS</b>		
2	Retail deposits and deposits from small business customers, of which:	
3	Stable deposits	597
4	Less stable deposits	625,118
5	Unsecured wholesale funding, of which:	
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	23,864
7	Non-operational deposits (all counterparties)	712,534
8	Unsecured debt	-
9	Secured wholesale funding	-
10	Additional requirements, of which:	
11	Outflows related to derivative exposures and other collateral requirements	2,501
12	Outflows related to loss of funding on debt products	-
13	Credit and liquidity facilities	70,474
14	Other contractual funding obligations	71,016
15	Other contingent funding obligations	472,662
16	<b>TOTAL CASH OUTFLOWS</b>	602,577
<b>CASH INFLOWS</b>		
17	Secured lending (eg reverse repos)	-
18	Inflows from fully performing exposures	174,462
19	Other cash inflows	-
20	<b>TOTAL CASH INFLOWS</b>	174,462
		<b>TOTAL ADJUSTED VALUE</b>
21	<b>TOTAL HQLA</b>	517,767
22	<b>TOTAL NET CASH OUTFLOWS</b>	510,513
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>	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 31 December 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	
<b>Available Stable Funding (ASF):</b>						
1	<b>Capital:</b>	<b>108,330</b>	<b>0</b>	<b>0</b>	<b>7,205</b>	<b>115,535</b>
2	Regulatory Capital	108,330				108,330
3	Other Capital Instruments				7,205	7,205
4	<b>Retail deposits and deposits from small business customers:</b>	<b>0</b>	<b>598,126</b>	<b>54,289</b>	<b>2,455</b>	<b>591,310</b>
5	Stable deposits	0	32,919	718	18	31,973
6	Less stable deposits	0	565,207	53,571	2,438	559,338
7	<b>Wholesale funding:</b>	<b>0</b>	<b>632,948</b>	<b>335,690</b>	<b>318,671</b>	<b>656,738</b>
8	Operational deposits			0		0
9	Other wholesale funding		632,948	335,690	318,671	656,738
10	<b>Other liabilities:</b>	<b>0</b>	<b>280,702</b>	<b>0</b>	<b>7,654</b>	<b>7,654</b>
11	NSFR Shari'a-compliant hedging contract liabilities		7,876			
12	All other liabilities not included in the above categories		272,826		7,654	7,654
13	<b>Total ASF</b>					<b>1,371,238</b>
<b>Required Stable Funding (RSF):</b>						
14	Total NSFR high-quality liquid assets (HQLA)					42,791
15	Deposits held at other financial institutions for operational purposes			0		0
16	<b>Performing loans and securities:</b>		<b>439,783</b>	<b>72,584</b>	<b>620,111</b>	<b>788,751</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		9,120	4,848	259,844	263,636
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:		430,662	67,736	206,774	424,957
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				129,397	84,108
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				22,985	14,940
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,110	1,110
24	<b>Other assets:</b>	<b>0</b>	<b>252,640</b>	<b>0</b>	<b>0</b>	<b>252,640</b>
25	Physical traded commodities, including gold					
26	Assets posted as initial margin for Shari'a-compliant hedging contracts 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		1,575			1,575
29	All other assets not included in the above categories		251,065		0	251,065
30	OBS items		527,703			26,385
31	<b>Total RSF</b>					<b>1,110,567</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>	108,330
	<b>On Balance Sheet Assets</b>	
<b>2</b>	SF	464,533
<b>3</b>	URIA	1,861,409
<b>4</b>	<b>Off Balance (with conversion CCFs)</b>	310,652
<b>5</b>	<b>Total Assets (2+3*(0.3)+4)</b>	<b>1,333,608</b>
<b>6</b>	<b>Leverage Ratio (1/5)</b>	<b>8.12%</b>