

Ithmaar Bank B.S.C (c)
Liquidity Disclosures – Basel III
30 June 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 30 June 2022.

Pillar 3 LCR Common Disclosure Template		
For the Quarter ended 30/6/2022		
BD 000		
BD 000	Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS		
1 Total HQLA		516,837
CASH OUTFLOWS		
2 Retail deposits and deposits from small business customers, of which:		
3 Stable deposits	208,281	6,248
4 Less stable deposits	924,142	91,061
5 Unsecured wholesale funding, of which:		
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	38,361	9,590
7 Non-operational deposits (all counterparties)	580,294	314,780
8 Unsecured debt	-	-
9 Secured wholesale funding		-
10 Additional requirements, of which:		
11 Outflows related to derivative exposures and other collateral requirements	3,271	3,271
12 Outflows related to loss of funding on debt products	-	-
13 Credit and liquidity facilities	182,808	15,328
14 Other contractual funding obligations	61,099	61,099
15 Other contingent funding obligations	462,078	23,104
16 TOTAL CASH OUTFLOWS	-	524,480
CASH INFLOWS		
17 Secured lending (eg reverse repos)	3,739	-
18 Inflows from fully performing exposures	203,726	137,328
19 Other cash inflows	1,366	1,366
20 TOTAL CASH INFLOWS	208,831	138,695
		TOTAL ADJUSTED VALUE
21 TOTAL HQLA		516,837
22 TOTAL NET CASH OUTFLOWS		385,786
23 LIQUIDITY COVERAGE RATIO (%)		134%

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 June 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	
Available Stable Funding (ASF):						
1	Capital:	103,084	0	0	7,943	111,027
2	Regulatory Capital	103,084				103,084
3	Other Capital Instruments				7,943	7,943
4	Retail deposits and deposits from small business customers:	0	1,318,649	282,794	46,152	1,501,987
5	Stable deposits	0	267,576	23,137	6,730	282,907
6	Less stable deposits	0	1,051,073	259,657	39,423	1,219,080
7	Wholesale funding:	0	579,676	289,754	347,196	683,291
8	Operational deposits			0		0
9	Other wholesale funding		579,676	289,754	347,196	683,291
10	Other liabilities:	0	331,207	0	3,901	3,901
11	NSFR Shari'a-compliant hedging contract liabilities		12,034			
12	All other liabilities not included in the above categories		319,172		3,901	3,901
13	Total ASF					2,300,206
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					13,561
15	Deposits held at other financial institutions for operational purposes			0		0
16	Performing loans and securities:		489,279	123,894	1,438,573	1,547,041
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		87,637	13,705	576,456	596,454
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:		401,642	110,189	669,059	824,616
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				172,261	111,969
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				19,416	12,620
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,382	1,382
24	Other assets:	0	298,700	0	0	298,700
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		2,407			2,407
29	All other assets not included in the above categories		296,293		0	296,293
30	OBS items		617,921			30,896
31	Total RSF					1,890,198
32	NSFR (%)					121.69%

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	103,084
	On Balance Sheet Assets	
2	SF	1,119,414
3	URIA	2,160,648
4	Off Balance (with conversion CCFs)	401,778
5	Total Assets (2+3*(0.3)+4)	2,169,387
6	Leverage Ratio (1/5)	4.75%