

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

Pillar 3 LCR Common Disclosure Template			
		For the Quarter ended	30/6/2023
		BD 000	
BD 000		Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total HQLA		445,830
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	596	18
4	Less stable deposits	583,155	56,825
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	27,420	6,855
7	Non-operational deposits (all counterparties)	593,111	389,948
8	Unsecured debt	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	2,609	2,609
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	92,277	7,493
14	Other contractual funding obligations	51,960	51,960
15	Other contingent funding obligations	372,492	18,625
16	TOTAL CASH OUTFLOWS	-	534,332
CASH INFLOWS			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	167,258	96,656
19	Other cash inflows	-	-
20	TOTAL CASH INFLOWS	167,258	96,656
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		445,830
22	TOTAL NET CASH OUTFLOWS		437,676
23	LIQUIDITY COVERAGE RATIO (%)		102%

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 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:	80,569	0	0	5,475	86,044
2	Regulatory Capital	80,569				80,569
3	Other Capital Instruments				5,475	5,475
4	Retail deposits and deposits from small business customers:	0	579,162	46,550	3,420	568,166
5	Stable deposits	0	31,429	669	32	30,525
6	Less stable deposits	0	547,733	45,882	3,388	537,641
7	Wholesale funding:	0	588,022	258,519	319,235	607,782
8	Operational deposits			0		0
9	Other wholesale funding		588,022	258,519	319,235	607,782
10	Other liabilities:	0	256,254	0	3,953	3,953
11	NSFR Shari'a-compliant hedging contract liabilities		9,312			
12	All other liabilities not included in the above categories		246,942		3,953	3,953
13	Total ASF					1,265,946
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					43,260
15	Deposits held at other financial institutions for operational purposes			0		0
16	Performing loans and securities:		333,950	128,894	687,222	768,119
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		50,890	5,544	9,833	20,239
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:		283,061	123,349	519,930	645,146
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				135,849	88,302
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				20,506	13,329
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,104	1,104
24	Other assets:	0	243,148	0	0	243,148
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		1,862			1,862
29	All other assets not included in the above categories		241,286		0	241,286
30	OBS items		503,531			25,177
31	Total RSF					1,079,703
32	NSFR (%)					117%

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	80,569
	On Balance Sheet Assets	
2	SF	488,878
3	URIA	1,713,636
4	Off Balance (with conversion CCFs)	273,539
5	Total Assets (2+3*(0.3)+4)	1,276,508
6	Leverage Ratio (1/5)	6.31%