

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

<b>Pillar 3 LCR Common Disclosure Template</b>		
<b>For the Quarter ended 31/3/2023</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		433,301
<b>CASH OUTFLOWS</b>		
2 Retail deposits and deposits from small business customers, of which:		
3 Stable deposits	662	20
4 Less stable deposits	562,956	54,991
5 Unsecured wholesale funding, of which:		
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	28,714	7,179
7 Non-operational deposits (all counterparties)	517,045	334,441
8 Unsecured debt	-	-
9 Secured wholesale funding		-
10 Additional requirements, of which:		
11 Outflows related to derivative exposures and other collateral requirements	2,123	2,123
12 Outflows related to loss of funding on debt products	-	-
13 Credit and liquidity facilities	100,061	8,426
14 Other contractual funding obligations	51,885	51,885
15 Other contingent funding obligations	407,153	20,358
16 <b>TOTAL CASH OUTFLOWS</b>	-	479,421
<b>CASH INFLOWS</b>		
17 Secured lending (eg reverse repos)	-	-
18 Inflows from fully performing exposures	101,287	58,317
19 Other cash inflows	-	-
20 <b>TOTAL CASH INFLOWS</b>	101,287	58,317
		<b>TOTAL ADJUSTED VALUE</b>
21 <b>TOTAL HQLA</b>		433,301
22 <b>TOTAL NET CASH OUTFLOWS</b>		421,104
23 <b>LIQUIDITY COVERAGE RATIO (%)</b>		103%

## 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 March 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>73,339</b>	<b>0</b>	<b>0</b>	<b>5,388</b>	<b>78,727</b>
2	Regulatory Capital	73,339				73,339
3	Other Capital Instruments				5,388	5,388
4	<b>Retail deposits and deposits from small business customers:</b>	<b>0</b>	<b>546,350</b>	<b>39,730</b>	<b>3,306</b>	<b>532,284</b>
5	Stable deposits	0	29,718	411	33	28,656
6	Less stable deposits	0	516,632	39,319	3,273	503,628
7	<b>Wholesale funding:</b>	<b>0</b>	<b>603,851</b>	<b>149,006</b>	<b>316,617</b>	<b>556,126</b>
8	Operational deposits			0		0
9	Other wholesale funding		603,851	149,006	316,617	556,126
10	<b>Other liabilities:</b>	<b>0</b>	<b>288,195</b>	<b>0</b>	<b>2,937</b>	<b>2,937</b>
11	NSFR Shari'a-compliant hedging contract liabilities		9,585			
12	All other liabilities not included in the above categories		278,610		2,937	2,937
13	<b>Total ASF</b>					<b>1,170,075</b>
<b>Required Stable Funding (RSF):</b>						
14	Total NSFR high-quality liquid assets (HQLA)					44,276
15	Deposits held at other financial institutions for operational purposes			0		0
16	<b>Performing loans and securities:</b>		<b>303,180</b>	<b>96,424</b>	<b>617,666</b>	<b>724,508</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		25,284	4,897	262,882	269,123
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:		277,896	91,527	198,371	353,327
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				135,082	87,804
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				20,216	13,140
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,114	1,114
24	<b>Other assets:</b>	<b>0</b>	<b>267,408</b>	<b>0</b>	<b>0</b>	<b>267,408</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		1,917			1,917
29	All other assets not included in the above categories		265,491		0	265,491
30	OBS items		472,192			23,610
31	<b>Total RSF</b>					<b>1,059,802</b>
32	<b>NSFR (%)</b>					<b>110.41%</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>	73,339
	<b>On Balance Sheet Assets</b>	
<b>2</b>	SF	474,199
<b>3</b>	URIA	1,605,886
<b>4</b>	<b>Off Balance (with conversion CCFs)</b>	249,044
<b>5</b>	<b>Total Assets (2+3*(0.3)+4)</b>	<b>1,205,009</b>
<b>6</b>	<b>Leverage Ratio (1/5)</b>	<b>6.09%</b>