

Ithmaar Bank B.S.C (c)
Liquidity Disclosures – Basel III
31 March 2024

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 2024.

Pillar 3 LCR Common Disclosure Template		
For the Quarter ended		31/03/2024
BD 000		
BD 000	Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS		
1	Total HQLA	577,598
CASH OUTFLOWS		
2	Retail deposits and deposits from small business customers, of which:	
3	Stable deposits	17
4	Less stable deposits	65,821
5	Unsecured wholesale funding, of which:	
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	6,293
7	Non-operational deposits (all counterparties)	503,474
8	Unsecured debt	-
9	Secured wholesale funding	-
10	Additional requirements, of which:	
11	Outflows related to derivative exposures and other collateral requirements	2,327
12	Outflows related to loss of funding on debt products	-
13	Credit and liquidity facilities	6,480
14	Other contractual funding obligations	71,634
15	Other contingent funding obligations	21,310
16	TOTAL CASH OUTFLOWS	677,356
CASH INFLOWS		
17	Secured lending (eg reverse repos)	-
18	Inflows from fully performing exposures	117,909
19	Other cash inflows	-
20	TOTAL CASH INFLOWS	117,909
		TOTAL ADJUSTED VALUE
21	TOTAL HQLA	577,598
22	TOTAL NET CASH OUTFLOWS	559,446
23	LIQUIDITY COVERAGE RATIO (%)	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 2024 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:	114,321	0	0	7,407	121,728	
2	Regulatory Capital	114,321				114,321	
3	Other Capital Instruments				7,407	7,407	
4	Retail deposits and deposits from small business customers:	0	622,764	49,070	2,324	608,740	
5	Stable deposits	0	34,505	794	16	33,550	
6	Less stable deposits	0	588,259	48,276	2,308	575,190	
7	Wholesale funding:	0	680,453	302,584	357,232	692,524	
8	Operational deposits			0		0	
9	Other wholesale funding		680,453	302,584	357,232	692,524	
10	Other liabilities:	0	388,721	0	6,777	6,777	
11	NSFR Shari'a-compliant hedging contract liabilities		7,751				
12	All other liabilities not included in the above categories		380,971		6,777	6,777	
13	Total ASF					1,429,769	
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)					42,131	
15	Deposits held at other financial institutions for operational purposes			0		0	
16	Performing loans and securities:		478,709	79,322	684,364	816,715	
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		39,761	4,637	2,869	11,152	
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:		438,948	74,685	526,888	704,671	
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				129,329	84,064	
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				24,146	15,695	
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,133	1,133	
24	Other assets:	0	282,029	0	0	282,029	
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		1,550			1,550	
29	All other assets not included in the above categories		280,479		0	280,479	
30	OBS items		599,822			29,991	
31	Total RSF					1,170,866	
32	NSFR (%)					122.11%	

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	114,321
	On Balance Sheet Assets	
2	SF	470,498
3	URIA	2,051,282
4	Off Balance (with conversion CCFs)	380,978
5	Total Assets (2+3*(0.3)+4)	1,466,861
6	Leverage Ratio (1/5)	7.79%