

Ithmaar Bank B.S.C (c)
Liquidity Disclosures – Basel III
30 September 2021

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 September 2021.

Pillar 3 LCR Common Disclosure Template		
For the Quarter ended		30/9/2021
BD 000		
BD 000	Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS		
1	Total HQLA	524,989
CASH OUTFLOWS		
2	Retail deposits and deposits from small business customers, of which:	
3	Stable deposits	214,036
4	Less stable deposits	992,049
5	Unsecured wholesale funding, of which:	
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	97,967
7	Non-operational deposits (all counterparties)	512,988
8	Unsecured debt	-
9	Secured wholesale funding	-
10	Additional requirements, of which:	
11	Outflows related to derivative exposures and other collateral requirements	2,396
12	Outflows related to loss of funding on debt products	-
13	Credit and liquidity facilities	220,886
14	Other contractual funding obligations	56,755
15	Other contingent funding obligations	511,262
16	TOTAL CASH OUTFLOWS	489,467
CASH INFLOWS		
17	Secured lending (eg reverse repos)	5,116
18	Inflows from fully performing exposures	210,500
19	Other cash inflows	897
20	TOTAL CASH INFLOWS	216,513
		TOTAL ADJUSTED VALUE
21	TOTAL HQLA	524,989
22	TOTAL NET CASH OUTFLOWS	337,659
23	LIQUIDITY COVERAGE RATIO (%)	155%

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 September 2021 on a consolidated basis.

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	
BD 000						
Available Stable Funding (ASF):						
1	Capital:	121,669	0	0	10,188	131,857
2	Regulatory Capital	121,669				121,669
3	Other Capital Instruments				10,188	10,188
4	Retail deposits and deposits from small business customers:	0	1,340,246	245,537	123,628	1,565,892
5	Stable deposits	0	279,305	21,891	8,885	295,020
6	Less stable deposits	0	1,060,942	223,646	114,743	1,270,871
7	Wholesale funding:	0	530,682	321,960	371,499	694,641
8	Operational deposits			0		0
9	Other wholesale funding		530,682	321,960	371,499	694,641
10	Other liabilities:	0	309,801	0	5,601	5,601
11	NSFR Shari'a-compliant hedging contract liabilities		17,323			
12	All other liabilities not included in the above categories		292,478		5,601	5,601
13	Total ASF					2,397,990
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					15,213
15	Deposits held at other financial institutions for operational purposes			0		0
16	Performing loans and securities:		457,155	112,689	1,433,689	1,522,115
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		89,830	14,259	582,669	603,273
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:		367,325	98,430	662,010	795,586
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				167,843	109,098
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				20,026	13,017
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,141	1,141
24	Other assets:	0	426,057	0	1,141	426,057
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		284			284
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted		3,181			3,181
29	All other assets not included in the above categories		422,592		1,141	422,592
30	OBS items		696,829			34,841
31	Total RSF					1,998,227
32	NSFR (%)					120.01%

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	121,669
	On Balance Sheet Assets	
2	Self-Financed Assets	1,680,351
3	URIA Assets	1,639,621
4	Off Balance Assets (with conversion CCFs)	432,141
5	Total Assets (2+3*(0.3)+4)	2,604,379
6	Leverage Ratio (1/5)	4.67%