

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

Pillar 3 LCR Common Disclosure Template		
For the Quarter ended 30/9/2022		
<i>In Local Currency</i>	Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS		
1 Total HQLA		378,299,984
CASH OUTFLOWS		
2 Retail deposits and deposits from small business customers, of which:		
3 Stable deposits	772,184	23,166
4 Less stable deposits	690,498,715	67,792,304
5 Unsecured wholesale funding, of which:		
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	38,401,099	9,600,275
7 Non-operational deposits (all counterparties)	590,593,170	314,645,941
8 Unsecured debt	-	-
9 Secured wholesale funding		-
10 Additional requirements, of which:		
11 Outflows related to derivative exposures and other collateral requirements	3,153,468	3,153,468
12 Outflows related to loss of funding on debt products	-	-
13 Credit and liquidity facilities	136,155,416	11,912,025
14 Other contractual funding obligations	59,609,793	59,609,793
15 Other contingent funding obligations	413,964,206	20,698,210
16 TOTAL CASH OUTFLOWS		487,435,182
CASH INFLOWS		
17 Secured lending (eg reverse repos)	2,521,467	-
18 Inflows from fully performing exposures	204,898,346	114,317,772
19 Other cash inflows	492,051	492,051
20 TOTAL CASH INFLOWS	207,911,864	114,809,823
		TOTAL ADJUSTED VALUE
21 TOTAL HQLA		378,299,984
22 TOTAL NET CASH OUTFLOWS		372,625,359
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 September 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:	98,946	0	0	6,720	105,666
2	Regulatory Capital	98,946				98,946
3	Other Capital Instruments				6,720	6,720
4	Retail deposits and deposits from small business customers:	0	664,716	49,256	1,952	646,387
5	Stable deposits	0	36,754	450	19	35,363
6	Less stable deposits	0	627,962	48,805	1,933	611,023
7	Wholesale funding:	0	557,834	249,791	321,768	627,673
8	Operational deposits			0		0
9	Other wholesale funding		557,834	249,791	321,768	627,673
10	Other liabilities:	0	318,297	0	3,249	3,249
11	NSFR Shari'a-compliant hedging contract liabilities		10,674			
12	All other liabilities not included in the above categories		307,623		3,249	3,249
13	Total ASF					1,382,974
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					10,676
15	Deposits held at other financial institutions for operational purposes			0		0
16	Performing loans and securities:		366,228	80,568	784,239	843,254
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		27,322	20,608	9,194	23,596
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:		338,906	59,960	580,056	692,481
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				169,959	110,473
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				23,791	15,464
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,240	1,240
24	Other assets:	0	285,258	0	0	285,258
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		2,135			2,135
29	All other assets not included in the above categories		283,123		0	283,123
30	OBS items		510,187			25,509
31	Total RSF					1,164,697
32	NSFR (%)					119%

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	98,946
	On Balance Sheet Assets	
2	SF	597,961
3	URIA	1,680,218
4	Off Balance (with conversion CCFs)	395,516
5	Total Assets (2+3*(0.3)+4)	1,497,543
6	Leverage Ratio (1/5)	6.61%