

Ithmaar Bank B.S.C (c)
Liquidity Disclosures – Basel III
30 September 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 30 September 2024.

Pillar 3 LCR Common Disclosure Template			
For the Quarter ended		30/9/2024	
		BD 000	
BD 000		Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total HQLA		615,595
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	552	17
4	Less stable deposits	710,061	69,237
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	38,675	9,669
7	Non-operational deposits (all counterparties)	814,290	494,497
8	Unsecured debt	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	1,800	1,800
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	82,276	5,803
14	Other contractual funding obligations	63,809	63,809
15	Other contingent funding obligations	512,081	25,604
16	TOTAL CASH OUTFLOWS	-	670,435
CASH INFLOWS			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	145,406	78,046
19	Other cash inflows	-	-
20	TOTAL CASH INFLOWS	145,406	78,046
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		615,595
22	TOTAL NET CASH OUTFLOWS		592,389
23	LIQUIDITY COVERAGE RATIO (%)		104%

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 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:	126,861	0	0	7,238	134,099
2	Regulatory Capital	126,861				126,861
3	Other Capital Instruments				7,238	7,238
4	Retail deposits and deposits from small business customers:	0	675,119	48,441	1,906	654,953
5	Stable deposits	0	36,255	612	15	35,038
6	Less stable deposits	0	638,864	47,830	1,891	619,915
7	Wholesale funding:	0	746,448	331,332	351,562	709,991
8	Operational deposits			0		0
9	Other wholesale funding		746,448	331,332	351,562	709,991
10	Other liabilities:	0	167,335	0	14,312	14,312
11	NSFR Shari'a-compliant hedging contract liabilities		6,596			
12	All other liabilities not included in the above categories		160,739		14,312	14,312
13	Total ASF					1,513,355
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					42,344
15	Deposits held at other financial institutions for operational purposes			0		0
16	Performing loans and securities:		419,597	60,953	650,163	749,404
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		45,332	5,805	6,033	15,735
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:		374,265	55,148	499,399	639,196
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				116,763	75,896
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				26,831	17,440
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,137	1,137
24	Other assets:	0	319,226	0	0	319,226
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		1,319			1,319
29	All other assets not included in the above categories		317,906		0	317,906
30	OBS items		741,892			37,095
31	Total RSF					1,148,068
32	NSFR (%)					131.82%

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	126,861
	On Balance Sheet Assets	
2	SF	1,299,378
3	URIA	1,158,433
4	Off Balance (with conversion CCFs)	304,933
5	Total Assets (2+3*(0.3)+4)	1,951,841
6	Leverage Ratio (1/5)	6.50%