

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

Pillar 3 LCR Common Disclosure Template			
		For the Quarter ended 30/6/2024	
		BD 000	
BD 000		Total Unweighted Value (average)	Total Weighted Value (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total HQLA		596,205
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	545	16
4	Less stable deposits	688,302	67,086
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	34,232	8,558
7	Non-operational deposits (all counterparties)	840,462	517,445
8	Unsecured debt	-	-
9	Secured wholesale funding		-
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	1,957	1,957
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	82,668	6,027
14	Other contractual funding obligations	75,371	75,371
15	Other contingent funding obligations	494,784	24,739
16	TOTAL CASH OUTFLOWS	-	701,200
CASH INFLOWS			
17	Secured lending (eg reverse repos)	-	-
18	Inflows from fully performing exposures	231,764	131,709
19	Other cash inflows	-	-
20	TOTAL CASH INFLOWS	231,764	131,709
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		596,205
22	TOTAL NET CASH OUTFLOWS		569,490
23	LIQUIDITY COVERAGE RATIO (%)		105%

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 June 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:	118,956	0	0	7,415	126,371
2	Regulatory Capital	118,956				118,956
3	Other Capital Instruments				7,415	7,415
4	Retail deposits and deposits from small business customers:	0	652,548	47,341	2,502	635,020
5	Stable deposits	0	51,666	687	16	49,752
6	Less stable deposits	0	600,882	46,654	2,486	585,269
7	Wholesale funding:	0	671,726	299,079	360,325	699,243
8	Operational deposits			0		0
9	Other wholesale funding		671,726	299,079	360,325	699,243
10	Other liabilities:	0	277,246	0	5,834	5,834
11	NSFR Shari'a-compliant hedging contract liabilities		8,579			
12	All other liabilities not included in the above categories		268,667		5,834	5,834
13	Total ASF					1,466,468
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					39,724
15	Deposits held at other financial institutions for operational purposes			0		0
16	Performing loans and securities:		391,389	168,693	649,130	794,901
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		27,678	5,386	7,378	14,222
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:		363,711	163,307	498,179	686,961
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				116,682	75,843
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				25,761	16,745
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				1,130	1,130
24	Other assets:	0	262,887	0	0	262,887
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		1,716			1,716
29	All other assets not included in the above categories		261,171		0	261,171
30	OBS items		597,179			29,859
31	Total RSF					1,127,371
32	NSFR (%)					130.08%

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	118,956
	On Balance Sheet Assets	
2	SF	1,402,620
3	URIA	1,056,053
4	Off Balance (with conversion CCFs)	316,998
5	Total Assets (2+3*(0.3)+4)	2,036,434
6	Leverage Ratio (1/5)	5.84%