



**Al Baraka Islamic Bank B.S.C. (c)**

**Disclosure of Basel III Ratios**

**As at 30 September 2022**

Liquidity Coverage Ratio (LCR) - Consolidated	Factor	Total Amount	Amount with Factor Applied	Amount with Factor Applied
			Q3 2022	Q2 2022
<b>Stock of HQLA</b>				
<b>A. Level 1 assets:</b>				
Coins and banknotes	100%	6,878	6,878	9,097
Qualified balances with the CBB	100%	12,896	12,896	9,500
Debt securities/Sukuk issued by the CBB or the Government of Bahrain	100%	193,724	193,724	187,527
Debt securities/Sukuk issued governments of GCC member states and their central banks;	100%	13,301	13,301	13,752
Debt securities/Sukuk that can be monetised and issued or guaranteed by sovereigns, central banks, PSEs, IMF, BIS, ECB, EC, or MDBs	100%	-	-	-
Debt securities/Sukuk issued in local currency by sovereign or the country's central bank, where the liquidity risk arises or the banks home country - given a non-0 percent Risk-weight (RW);	100%	88,579	88,579	95,881
Debt securities/Sukuk issued in foreign currency by sovereign or central bank that does not exceed the value of the net cash outflow in the foreign currency caused by a stress scenario based on the bank's operations in the country where the liquidity risk arises from - given a non-0 percent RW	100%	-	-	-
<b>Total level 1 Assets</b>			<b>315,377</b>	<b>315,757</b>
<b>B. Level 2 assets (maximum of 40 percent Of HQLA)</b>				
<b>1) Level 2A assets</b>	Fine			
Debt securities/Sukuk that can be issued and liquidated or guaranteed by sovereigns, central banks, PSEs, and qualified MDBs	85%	3,700	3,145	2,280
Debt securities/Sukuk qualified for liquidation (including commercial paper)	85%	-	-	-
Qualified covered bonds	85%	-	-	-
<b>2) Level 2B assets (maximum of 15 percent of HQLA)</b>	Fine			
Debt securities/Sukuk (including commercial paper) issued by qualified non-financial institutions	50%	2,291	1,145	173
Qualified common equity shares	50%	392	196	41
<b>Total level 2 Assets (1+2)</b>			<b>4,487</b>	<b>2,494</b>
<b>Total value of stock of HQLA</b>			<b>319,864</b>	<b>318,251</b>
<b>Cash Outflows</b>				
<b>A1. Retail Mudaraba, Wakala and Reverse Murabaha Deposits</b>				
Demand deposits and term deposits (maturity within 30 days)				
Stable deposits; and	3%	79,521	2,386	2,415
Less stable - retail deposits	10%	214,924	21,492	21,705
Retail and Small Business Customers demand and fixed deposits (for overseas branches and subsidiaries)*	-	-	-	-
<b>B. Unsecured Wholesale Mudaraba, Wakala and Reverse Murabaha Funding</b>				
<b>1) Small business customer deposits:</b>				
Less stable deposits	10%	39,572	3,957	3,945
Term deposits with remaining maturity over 30 days	0%	4,571	-	-
<b>2) Operational deposits generated by clearing, custody, and cash management:</b>	25%	-	-	-
<b>3) Deposits from non-financial institutions, sovereign, central banks, multilateral development banks, PSEs, and Bahrain's Social Insurance Organization and GCC PIFs where PIF is a controller of the bank.</b>	40%	193,064	77,225	71,569
<b>4) Deposits from Financial Institutions and other legal entity corporations.</b>	100%	105,172	105,172	124,130
<b>C. Secured Funding</b>				
Backed by level 1 assets or with central banks	0%	-	-	-
Backed by level 2A assets	15%	-	-	-
Secured funding transactions with domestic sovereign, PSE's or multilateral development banks that are not backed by level 1 or 2A assets	25%	-	-	-
Backed by other level 2B assets	50%	-	-	-
All others	100%	-	-	-
<b>D. Other Cash Outflow</b>				
Net Shari'a-compliant hedging contract cash outflow	100%	-	-	-
Asset-backed securities, covered sukuk, and other structured financing Instruments	100%	-	-	-
Asset-backed commercial sukuk, securities investment vehicles, and other similar financing tool	100%	-	-	-
<b>Committed: credit and liquidity facilities given by bank to:</b>				
Retail and small business customers, including credit cards (from amount not used)	5%	8,169	408	273
Non-financial corporates, sovereigns and central banks, PSEs and multilateral development banks (from amount not used) - Credit	10%	937	94	145
Non-financial corporates, sovereigns and central banks, PSEs and multilateral development banks (from amount not used) - Liquidity	30%	-	-	-
Banks subject to prudential supervision (from amount not used)	40%	-	-	-
Other financial institutions (including securities firms and insurance firms) (from amount not used) - Credit	40%	-	-	-
Other financial institutions (including securities firms and insurance firms) (from amount not used) - Liquidity	100%	-	-	-
Other legal entities (from amount not used)	100%	-	-	-
<b>Other Contingent Funding Obligations:</b>				
Guarantees, LCs, revocable credit and liquidity facilities, non-contractual commitments	5%	136,278	6,814	11,058
Customer short positions that are covered by other customers' collateral	50%	-	-	-
Increased liquidity needs related to the potential for valuations changes on posted collateral	20%	-	-	-
Other contractual cash outflows	100%	-	-	-
<b>Total Cash Outflow</b>			<b>217,549</b>	<b>235,241</b>
<b>Cash Inflows</b>				
<b>A. Secured lending transactions backed by the following asset category</b>				
Level 1 assets	0%	-	-	-
Level 2A assets	15%	-	-	-
Level 2B assets	50%	-	-	-
Margin lending backed by all other collateral	50%	-	-	-
Other collateral	100%	-	-	-
<b>B. Committed facilities - credit and liquidity facilities given to banks</b>	0%	-	-	-
<b>C. Other inflows by</b>				
Retail and small business customer	50%	3,788	1,894	1,159
<b>Non-retail customers:</b>				
1. Financial institutions and central banks	100%	77,478	77,478	55,874
2. Non-financial institutions	50%	7,937	3,969	2,125
Operational deposits held at other financial institutions	0%	1,272	-	-
<b>D. Other net Shari'a-compliant hedging contract cash inflows; and</b>	100%	1,656	1,656	1,451
<b>E. Other contractual cash inflows</b>	100%	7,086	7,086	12,590
<b>Total Cash Inflows</b>			<b>92,083</b>	<b>73,199</b>
<b>Net cash outflow = total cash outflow - total cash inflow or lowest value (75 percent of total cash outflow)</b>			<b>125,466</b>	<b>162,042</b>
<b>Liquidity coverage ratio - HQLA / Net cash outflow/Regulatory Limit (Regulatory limit of 100%)</b>			<b>254.94%</b>	<b>196.40%</b>

**General Disclosures:**

The Liquidity Coverage Ratio (LCR) is aimed at assessing the Bank's ability to meet the liquidity requirements in the short term (1 month), and must be maintained at/or above the minimum regulatory limit of 100% at all times. The Bank's quarterly average of daily consolidated LCR as of Q3 2022 stood at ~25%, and the above are the details of the daily averages computed throughout the quarter (including subsidiaries).

Al Baraka Islamic Bank maintains ~BHD 320 million (post-haircut) as HQLA versus an average net cash-outflow of ~BHD 125 million. Debt securities/ Sukuk issued by the CBB and government of Bahrain formed the major portion of the Bank's HQLA.

NSFR Common Disclosure Template - Consolidated							BHD'000
No.	Item	Unweighted Values (i.e. before applying relevant factors)				Q3 2022	Q2 2022
		No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value	Total weighted value
<b>Available Stable Funding (ASF):</b>							
1	Capital:	75,623	-	-	5,320	80,944	81,112
2	Regulatory Capital	75,623	-	-	5,320	80,944	81,112
3	Other Capital Instruments	-	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	341,885	13,053	1,928	321,634	321,420
5	Stable deposits	-	5,232	0	0	4,971	56,280
6	Less stable deposits	-	336,653	13,053	1,928	316,663	265,140
7	Wholesale funding:	-	416,895	118,463	4,669	157,972	153,117
8	Operational deposits	-	-	-	-	-	-
9	Other wholesale funding	-	416,895	118,463	4,669	157,972	153,117
10	Other liabilities:	-	-	-	39,752	39,752	38,872
11	NSFR Shari'a-compliant hedging contract liabilities	-	-	-	-	-	-
12	All other liabilities not included in the above categories	-	-	-	39,752	39,752	38,872
13	<b>Total ASF</b>					<b>600,301</b>	<b>594,520</b>
<b>Required Stable Funding (RSF):</b>							
14	Total NSFR high-quality liquid assets (HQLA)					27,694	29,492
15	Deposits held at other financial institutions for operational purposes					-	-
16	Performing financing and securities:						
17	Performing financing to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-
18	Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	68,955	-	12,761	23,105	18,889
19	Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	78,842	18,369	-	48,606	54,320
20	- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines	-	-	-	102,609	66,696	61,926
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	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	13,096	13,096	7,528
24	Other assets:	47,026	-	-	-	47,026	41,249
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 contract assets	-	-	-	-	49,042	55,198
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-	-
29	All other assets not included in the above categories	13,492	-	-	-	13,492	14,058
30	OBS items	-	-	-	-	4,500	10,808
31	<b>Total RSF</b>					<b>293,257</b>	<b>293,468</b>
32	<b>NSFR (Regulatory limit of 100%)</b>					<b>204.7%</b>	<b>202.6%</b>

**General Disclosures:**

The NSFR is designed as a medium to long-term measure intended to provide a sustainable maturity structure of assets and liabilities; aiming to limit over-reliance on short-term wholesale funding and promotes funding stability. The above are the details of the NSFR components as of Q3 2022 considering the Bank's subsidiaries.

As of September 2022, the Bank's total weighted value of Available Stable Funding (ASF) stood at ~BHD 600 million vs a total weighted value of ~BHD 293 million Required Stable Funding (RSF). Banks must maintain the NSFR at or above a minimum regulatory requirement of 100%, where AIB levelled at ~161% on a solo basis and ~205% on a consolidated basis.