



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

Disclosure of Basel III Ratios

As at 30 June 2023

Liquidity Coverage Ratio (LCR) - Consolidated	Factor	Total Amount	Amount with Factor Applied	Amount with Factor Applied
			Q2 2023	Q1 2023
Stock of HQLA				
A. Level 1 assets:				
Coins and banknotes	100%	8,139	8,139	7,630
Qualified balances with the CBB	100%	17,455	17,455	17,372
Debt securities/Sukuk issued by the CBB or the Government of Bahrain	100%	171,499	171,499	169,119
Debt securities/Sukuk issued governments of GCC member states and their central banks;	100%	11,568	11,568	15,269
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%	111,561	111,561	116,035
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%	-	-	-
Total level 1 Assets			320,221	325,425
B. Level 2 assets (maximum of 40 percent Of HQLA)				
1) Level 2A assets	Fine			
Debt securities/Sukuk that can be issued and liquidated or guaranteed by sovereigns, central banks, PSEs, and qualified MDBs	85%	3,024	2,570	2,724
Debt securities/Sukuk qualified for liquidation (including commercial paper)	85%	-	-	-
Qualified covered bonds	85%	-	-	-
2) Level 2B assets (maximum of 15 percent of HQLA)	Fine			
Debt securities/Sukuk (including commercial paper) issued by qualified non-financial institutions	50%	2,748	1,374	1,660
Qualified common equity shares	50%	252	126	147
Total level 2 Assets (1+2)			4,070	4,531
Total value of stock of HQLA			324,291	329,956
Cash Outflows				
A1. Retail Mudaraba, Wakala and Reverse Murabaha Deposits				
Demand deposits and term deposits (maturity within 30 days)				
Stable deposits; and	3%	74,186	2,226	2,253
Less stable - retail deposits	10%	209,992	20,999	21,019
Retail and Small Business Customers demand and fixed deposits (for overseas branches and subsidiaries)*	-	-	-	-
B. Unsecured Wholesale Mudaraba, Wakala and Reverse Murabaha Funding				
1) Small business customer deposits:				
Less stable deposits	10%	48,097	4,810	4,421
Term deposits with remaining maturity over 30 days	0%	4,115	-	-
2) Operational deposits generated by clearing, custody, and cash management:	25%	-	-	-
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.	40%	219,573	87,829	84,835
4) Deposits from Financial Institutions and other legal entity corporations.	100%	133,182	133,182	137,692
C. Secured Funding				
Backed by level 1 assets or with central banks	0%	3,789	-	-
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%	17,097	17,097	5,811
D. Other Cash Outflow				
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%	-	-	-
Committed: credit and liquidity facilities given by bank to:				
Retail and small business customers, including credit cards (from amount not used)	5%	9,300	465	492
Non-financial corporates, sovereigns and central banks, PSEs and multilateral development banks (from amount not used) - Credit	10%	498	50	43
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%	-	-	-
Other Contingent Funding Obligations:				
Guarantees, LCs, revocable credit and liquidity facilities, non-contractual commitments	5%	88,531	4,427	4,684
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%	-	-	-
Total Cash Outflow			271,084	261,250
Cash Inflows				
A. Secured lending transactions backed by the following asset category				
Level 1 assets	0%	-	-	-
Level 2A assets	15%	-	-	-
Level 2B assets	50%	-	-	-
Margin lending backed by all other collateral	50%	-	-	-
Other collateral	100%	-	-	-
B. Committed facilities - credit and liquidity facilities given to banks	0%	-	-	-
C. Other inflows by				
Retail and small business customer	50%	3,896	1,948	2,055
Non-retail customers:				
1. Financial institutions and central banks	100%	59,259	59,259	37,126
2. Non-financial institutions	50%	9,108	4,554	7,056
Operational deposits held at other financial institutions	0%	1,168	-	-
D. Other net Shari'a-compliant hedging contract cash inflows; and	100%	4,538	4,538	4,638
E. Other contractual cash inflows	100%	4,934	4,934	4,136
Total Cash Inflows			75,234	55,012
Net cash outflow = total cash outflow - total cash inflow or lowest value (75 percent of total cash outflow)			195,851	206,239
Liquidity coverage ratio - HQLA / Net cash outflow/Regulatory Limit (Regulatory limit of 100%)			166%	160%

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 Q2 2023 stood at ~166%, and the above are the details of the daily averages computed throughout the quarter (including subsidiaries).

Al Baraka Islamic Bank maintains ~BHD 324 million (post-haircut) as HQLA versus an average net cash-outflow of ~BHD 196 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)				Q2 2023	Q1 2023	
		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	
Available Stable Funding (ASF):								
1	Capital:	86,491	-	-	4,620	91,112	92,687	
2	Regulatory Capital	86,491	-	-	4,620	91,112	92,687	
3	Other Capital Instruments	-	-	-	-	-	-	
4	Retail deposits and deposits from small business customers:	-	307,365	28,313	29,080	331,451	307,544	
5	Stable deposits	-	5,198	20	36	4,994	4,704	
6	Less stable deposits	-	302,166	28,293	29,044	326,458	302,839	
7	Wholesale funding:	-	452,054	107,557	4,668	199,211	121,259	
8	Operational deposits	-	-	-	516	516	-	
9	Other wholesale funding	-	452,054	107,557	4,152	198,695	121,259	
10	Other liabilities:	-	-	-	40,895	40,895	43,685	
11	NSFR Shari'a-compliant hedging contract liabilities	-	-	-	-	-	-	
12	All other liabilities not included in the above categories	-	-	-	40,895	40,895	43,685	
13	Total ASF					662,670	565,175	
Required Stable Funding (RSF):								
14	Total NSFR high-quality liquid assets (HQLA)					28,169	26,194	
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	-	120,781	-	10,763	28,881	16,896	
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:	-	70,919	20,574	-	45,746	46,723	
20	- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines	-	-	-	119,881	77,923	74,359	
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	-	-	-	10,740	10,740	11,798	
24	Other assets:	58,422	-	-	-	58,422	48,889	
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	-	-	-	-	951	39,750	
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-	-	
29	All other assets not included in the above categories	13,843	-	-	-	13,843	12,697	
30	OBS items	-	-	-	-	3,200	2,544	
31	Total RSF					267,874	279,850	
32	NSFR (Regulatory limit of 100%)					247%	202%	

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 Q1 2023 considering the Bank's subsidiary.

As of June 2023, the Bank's total weighted value of Available Stable Funding (ASF) stood at ~BHD 663 million vs a total weighted value of ~BHD 268 million Required Stable Funding (RSF). Banks must maintain the NSFR at or above a minimum regulatory requirement of 100%, where AIB levelled at ~187% on a solo basis and ~247% on a consolidated basis.