



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

Disclosure of Basel III Ratios

As at 31 March 2023

Liquidity Coverage Ratio (LCR) - Consolidated	Factor	Total Amount	Amount with Factor Applied	Amount with Factor Applied
			Q1 2023	Q4 2022
Stock of HQLA				
A. Level 1 assets:				
Coins and banknotes	100%	7,630	7,630	7,067
Qualified balances with the CBB	100%	17,372	17,372	14,922
Debt securities/Sukuk issued by the CBB or the Government of Bahrain	100%	169,119	169,119	180,382
Debt securities/Sukuk issued governments of GCC member states and their central banks;	100%	15,269	15,269	13,993
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%	116,035	116,035	106,813
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			325,425	323,177
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%	3,204	2,724	3,144
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%	3,321	1,660	1,843
Qualified common equity shares	50%	295	147	157
Total level 2 Assets (1+2)			4,531	5,144
Total value of stock of HQLA			329,956	328,321
Cash Outflows				
A1. Retail Mudaraba, Wakala and Reverse Murabaha Deposits				
Demand deposits and term deposits (maturity within 30 days)				
Stable deposits; and	3%	75,109	2,253	2,324
Less stable - retail deposits	10%	210,190	21,019	21,274
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%	44,210	4,421	4,048
Term deposits with remaining maturity over 30 days	0%	4,761	-	-
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%	212,087	84,835	78,186
4) Deposits from Financial Institutions and other legal entity corporations.	100%	137,692	137,692	133,942
C. Secured Funding				
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%	5,811	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%	9,844	492	502
Non-financial corporates, sovereigns and central banks, PSEs and multilateral development banks (from amount not used) - Credit	10%	432	43	90
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%	93,674	4,684	4,697
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			261,250	245,064
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%	4,111	2,055	2,374
Non-retail customers:				
1. Financial institutions and central banks	100%	37,126	37,126	55,814
2. Non-financial institutions	50%	14,112	7,056	5,820
Operational deposits held at other financial institutions	0%	1,000	-	-
D. Other net Shari'a-compliant hedging contract cash inflows; and	100%	4,638	4,638	1,126
E. Other contractual cash inflows	100%	4,136	4,136	3,741
Total Cash Inflows			55,012	68,875
Net cash outflow = total cash outflow - total cash inflow or lowest value (75 percent of total cash outflow)			206,239	176,189
Liquidity coverage ratio - HQLA / Net cash outflow/Regulatory Limit (Regulatory limit of 100%)			160%	186%

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 Q1 2023 stood at ~160%, and the above are the details of the daily averages computed throughout the quarter (including subsidiaries).

Al Baraka Islamic Bank maintains ~BHD 330 million (post-haircut) as HQLA versus an average net cash-outflow of ~BHD 206 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)				Q1 2023	Q4 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
Available Stable Funding (ASF):							
1	Capital:	88,487	-	-	4,200	92,687	90,044
2	Regulatory Capital	88,487	-	-	4,200	92,687	90,044
3	Other Capital Instruments	-	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	295,524	20,520	22,858	307,544	326,535
5	Stable deposits	-	4,907	22	23	4,704	4,838
6	Less stable deposits	-	290,617	20,498	22,835	302,839	321,697
7	Wholesale funding:	-	396,416	66,538	3,116	121,259	108,638
8	Operational deposits	-	-	-	-	-	-
9	Other wholesale funding	-	396,416	66,538	3,116	121,259	108,638
10	Other liabilities:	-	-	-	43,685	43,685	43,193
11	NSFR Shari'a-compliant hedging contract liabilities	-	-	-	-	-	-
12	All other liabilities not included in the above categories	-	-	-	43,685	43,685	43,193
13	Total ASF					565,175	568,409
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)					26,194	27,695
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	-	34,222	1,999	10,763	16,896	19,336
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:	-	66,088	27,357	-	46,723	51,824
20	- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines	-	-	-	114,398	74,359	71,008
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	-	-	1,983	10,806	11,798	12,988
24	Other assets:	48,889	-	-	-	48,889	42,609
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	-	-	-	-	39,750	49,914
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-	-
29	All other assets not included in the above categories	12,697	-	-	-	12,697	12,343
30	OBS items	-	-	-	-	2,544	2,953
31	Total RSF					279,850	290,672
32	NSFR (Regulatory limit of 100%)					202%	196%

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 March 2023, the Bank's total weighted value of Available Stable Funding (ASF) stood at ~BHD 565 million vs a total weighted value of ~BHD 280 million Required Stable Funding (RSF). Banks must maintain the NSFR at or above a minimum regulatory requirement of 100%, where AIB levelled at ~165% on a solo basis and ~202% on a consolidated basis.