

Al Baraka Islamic Bank B.S.C. (c)
Disclosure of Basel III Ratios
As at 30 June 2019

	Factor	Total Amount	Amount with Factor Applied
Stock of HQLA			
A. Level 1 assets:			
Coins and banknotes	100%	15,018	15,018
Qualified balances with the CBB	100%	15,245	15,245
Debt securities/Sukuk issued by the CBB or the Government of Bahrain	100%	102,185	102,185
Debt securities/Sukuk issued governments of GCC member states and their central banks;	100%	10,224	10,224
Debt securities/Sukuk that can be monetised and issued or guaranteed by sovereigns, central banks, PSEs, IMF, BIS, ECB, EC, or MDBs	100%	8,673	8,673
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%	27,581	27,581
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			178,926
B. Level 2 assets (maximum of 40 percent Of HQLA)			
1) Level 2A assets			
Debt securities/Sukuk that can be issued and liquidated or guaranteed by sovereigns, central banks, PSEs, and qualified MDBs	85%	9,815	8,342
Debt securities/Sukuk qualified for liquidation (including commercial paper)	85%	-	-
Qualified covered bonds	85%	-	-
2) Level 2B assets (maximum of 15 percent of HQLA)			
Debt securities/Sukuk (including commercial paper) issued by qualified non-financial institutions	50%	1,289	644
Qualified common equity shares	50%	1,900	950
Total level 2 Assets (1+2)			9,937
Total value of stock of HQLA			188,863
Cash Outflows			
A1. Retail Mudaraba, Wakala and Reverse Murabaha Deposits			
Demand deposits and term deposits (maturity within 30 days)			
Stable deposits; and	3%	53,843	1,615
Less stable - retail deposits	10%	171,794	17,179
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%	29,952	2,995
Term deposits with remaining maturity over 30 days	0%	-	-
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%	105,164	42,066
4) Deposits from Financial Institutions and other legal entity corporations.			
	100%	132,253	132,253
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%	-	-
D. Other Cash Outflow			
Net Shari'a-compliant hedging contract cash outflow	100%	11,450	11,450
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%	2,676	134
Non-financial corporates, sovereigns and central banks, PSEs and multilateral development banks (from amount not used) - Credit	10%	368	37
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%	237,060	11,853
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			219,582
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%	8,939	4,470
Non-retail customers:			
1. Financial institutions and central banks	100%	116,004	116,004
2. Non-financial institutions	50%	30,326	15,163
Operational deposits held at other financial institutions	0%	213	-
D. Other net Shari'a-compliant hedging contract cash inflows; and			
	100%	-	-
E. Other contractual cash inflows			
	100%	847	847
Total Cash Inflows			136,483
Net cash outflow = total cash outflow - total cash inflow or lowest value (75 percent of total cash outflow)			83,099
Liquidity coverage ratio - HQLA / Net cash outflow			227.28%

General disclosures relating to Liquidity Coverage Ratio (LCR) are aimed at assessing the Bank's ability to meet the liquidity requirements in the short term (1 month). The above are the details of the daily average LCR computation done at a consolidated level (including Itqan capital and Al Baraka Pakistan).

Al Baraka Islamic Bank maintains -BHD 188 Million (post-haircut) as HQLA versus an average net cash-outflow of -BHD 83 Million. Furthermore, the average daily LCR for the stated period was 227.28% on a consolidated basis, while on a solo basis the LCR for Al Baraka Islamic Bank Bahrain stands at 440.15%. Debt securities/ Sukuk issued by the CBB and government of Bahrain formed the major portion of the consolidated HQLA accounting for -54% of HQLA.

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

Leverage Ratio Disclosure

As at 30 June 2019

BD '000
Solo Consolidated

		Solo	Consolidated
	On-Balance Sheet		
1	Self-financed exposures	202,550	286,794
2	Exposures to be funded by Unrestricted Profit Sharing Investment Accounts	321,743	521,196
3	Off-Balance Sheet	20,256	84,593
	Leverage Ratio exposure [(1) + (2 * 30%) + (3)]	319,329	527,746

iii.	Leverage Ratio		
iii.1	Tier 1	51,109	29,159
iii.2	PER of UPSIAs	65	65
iii.3	IRR of UPSIAs	-	-
iii.4	Total Exposures (i.1 + i.2 - ((iii.2 + iii.3)*30%)	319,309	527,726
iii.5	Regulatory adjustment	209	19,240
iii.6	Total exposures for the calculation of the leverage ratio (iii.4 - iii.5)	319,100	508,486
	Leverage Ratio	16.02%	5.73%