



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

Disclosure of Basel III Ratios

As at 31 December 2023

Liquidity Coverage Ratio (LCR) - Consolidated	Factor	Total Amount	Amount with Factor Applied	Amount with Factor Applied
			Q4 2023	Q3 2023
Stock of HQLA				
A. Level 1 assets:				
Coins and banknotes	100%	7,554	7,554	7,815
Qualified balances with the CBB	100%	22,753	22,753	20,628
Debt securities/Sukuk issued by the CBB or the Government of Bahrain	100%	170,430	170,430	172,680
Debt securities/Sukuk issued by governments of GCC member states and their central banks;	100%	16,210	16,210	15,518
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%	110,241	110,241	111,417
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			327,187	328,058
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%	3,002	2,552	2,565
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%	3,444	1,722	1,733
Qualified common equity shares	50%	258	129	121
Total level 2 Assets (1+2)			4,403	4,419
Total value of stock of HQLA			331,590	332,477
Cash Outflows				
A1. Retail Mudaraba, Wakala and Reverse Murabaha Deposits				
Demand deposits and term deposits (maturity within 30 days)				
Stable deposits; and	3%	70,468	2,114	2,159
Less stable - retail deposits	10%	200,792	20,079	20,930
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%	41,505	4,150	4,412
Term deposits with remaining maturity over 30 days	0%	2,956	-	-
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%	211,281	84,512	104,358
4) Deposits from Financial Institutions and other legal entity corporations.	100%	107,619	107,619	114,350
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%	-	-	1,824
D. Other Cash Outflow				
Net Shari'a-compliant hedging contract cash outflow	100%	1,257	1,257	66
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%	10,451	523	467
Non-financial corporates, sovereigns and central banks, PSEs and multilateral development banks (from amount not used) - Credit	10%	865	86	60
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%	94,865	4,743	4,844
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			225,083	253,471
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%	1,896	948	1,175
Non-retail customers:				
1. Financial institutions and central banks	100%	46,353	46,353	81,638
2. Non-financial institutions	50%	10,741	5,371	5,377
Operational deposits held at other financial institutions	0%	876	-	-
D. Other net Shari'a-compliant hedging contract cash inflows; and	100%	-	-	991
E. Other contractual cash inflows	100%	3,685	3,685	5,353
Total Cash Inflows			56,357	94,533
Net cash outflow = total cash outflow - total cash inflow or lowest value (75 percent of total cash outflow)			168,726	158,937
Liquidity coverage ratio - HQLA / Net cash outflow/Regulatory Limit (Regulatory limit of 100%)			197%	209%

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 Q4 2023 stood at ~197%, and the above are the details of the daily averages computed throughout the quarter (including subsidiary).

Al Baraka Islamic Bank maintains ~BHD 332 million (post-haircut) as HQLA versus an average net cash-outflow of ~BHD 169 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)				Q4 2023	Q3 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:	77,139	-	-	4,230	81,369	86,317
2	Regulatory Capital	77,139	-	-	4,230	81,369	86,317
3	Other Capital Instruments	-	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	308,821	34,667	39,572	348,937	333,306
5	Stable deposits	-	4,468	39	42	4,323	4,268
6	Less stable deposits	-	304,353	34,628	39,531	344,614	329,038
7	Wholesale funding:	-	422,844	65,067	3,045	179,085	161,875
8	Operational deposits	-	-	-	422	422	387
9	Other wholesale funding	-	422,844	65,067	2,623	178,663	161,488
10	Other liabilities:	-	-	-	43,188	43,188	37,706
11	NSFR Shari'a-compliant hedging contract liabilities	-	-	-	-	-	-
12	All other liabilities not included in the above categories	-	-	-	43,188	43,188	37,706
13	Total ASF					652,579	619,205
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)					26,319	26,427
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	-	33,732	-	46,383	51,443	41,027
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:	-	108,852	25,404	-	67,128	48,734
20	- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines	-	-	-	121,461	78,949	81,484
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	-	-	-	-	-	-
24	Other assets:	58,258	-	-	-	58,258	60,626
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	-	-	-	-	-	-
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-	-
29	All other assets not included in the above categories	16,218	-	-	-	16,218	15,884
30	OBS items	-	-	-	-	3,344	3,873
31	Total RSF					301,660	278,055
32	NSFR (Regulatory limit of 100%)					216%	223%

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 Q4 2023 considering the Bank's subsidiary.

As of December 2023, the Bank's total weighted value of Available Stable Funding (ASF) stood at ~BHD 653 million vs a total weighted value of ~BHD 302 million Required Stable Funding (RSF). Banks must maintain the NSFR at or above a minimum regulatory requirement of 100%, where AIB levelled at ~157% on a solo basis and ~216% on a consolidated basis.