



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

Disclosure of Basel III Ratios

As at 31 March 2022

Liquidity Coverage Ratio (LCR) - Consolidated	Factor	Total Amount	Amount with Factor Applied	Amount with Factor Applied
			Q1 2022	Q4 2021
Stock of HQLA				
A. Level 1 assets:				
Coins and banknotes	100%	10,120	10,120	11,465
Qualified balances with the CBB	100%	8,568	8,568	8,665
Debt securities/Sukuk issued by the CBB or the Government of Bahrain	100%	172,779	172,779	167,621
Debt securities/Sukuk issued by governments of GCC member states and their central banks;	100%	13,141	13,141	18,994
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%	94,767	94,767	110,037
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			299,374	316,783
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	Fine			
Debt securities/Sukuk qualified for liquidation (including commercial paper)	85%	2,771	2,355	3,259
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	Fine			
Qualified common equity shares	50%	489	245	402
	50%	150	75	190
Total level 2 Assets (1+2)			2,675	3,850
Total value of stock of HQLA			302,049	320,633
Cash Outflows				
A1. Retail Mudaraba, Wakala and Reverse Murabaha Deposits				
Demand deposits and term deposits (maturity within 30 days)				
Stable deposits; and	3%	74,351	2,231	2,844
Less stable - retail deposits	10%	222,961	22,296	21,819
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%	40,717	4,072	4,079
Term deposits with remaining maturity over 30 days	0%	3,717	-	-
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%	177,975	71,190	74,169
4) Deposits from Financial Institutions and other legal entity corporations.				
	100%	110,549	110,549	105,629
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%	-	-	-
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%	5,507	275	297
Non-financial corporates, sovereigns and central banks, PSEs and multilateral development banks (from amount not used) - Credit	10%	1,163	116	141
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%	223,467	11,173	11,562
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%	29	29	2,721
Total Cash Outflow			221,932	223,262
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%	2,360	1,180	1,989
Non-retail customers:				
1. Financial institutions and central banks	100%	60,247	60,247	54,526
2. Non-financial institutions	50%	1,235	618	7,359
Operational deposits held at other financial institutions	0%	3,121	-	-
D. Other net Shari'a-compliant hedging contract cash inflows; and				
	100%	1,496	1,496	1,526
E. Other contractual cash inflows				
	100%	16,993	16,993	3,649
Total Cash Inflows			80,533	69,048
Net cash outflow = total cash outflow - total cash inflow or lowest value (75 percent of total cash outflow)			141,398	154,214
Liquidity coverage ratio - HQLA / Net cash outflow/Regulatory Limit (Regulatory limit of 100%)			213.62%	207.91%

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 2022 stood at 213.62% and the above are the details of the daily averages computed throughout the quarter (including subsidiaries) as compared to Q4 2021. It is worth noting that in light of the COVID-19 pandemic, the CBB has introduced relaxed regulatory limits which temporarily require maintaining a minimum LCR of 80%.

Al Baraka Islamic Bank maintains -BHD 302 million (post-haircut) as HQLA versus an average net cash-outflow of -BHD 141 million. Furthermore, the daily average LCR for the month of March 2022 was 228% on a consolidated basis, and 71% on a solo basis. 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 2022	Q4 2021
		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:	90,826	-	-	6,144	96,970	80,404
2	Regulatory Capital	90,826	-	-	6,144	96,970	80,404
3	Other Capital Instruments	-	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	347,148	13,919	3,995	330,011	341,962
5	Stable deposits	-	21,122	2	-	20,067	2,331
6	Less stable deposits	-	326,027	13,917	3,995	309,944	339,631
7	Wholesale funding:	-	429,620	71,500	17,229	143,097	165,459
8	Operational deposits	-	-	-	-	-	-
9	Other wholesale funding	-	429,620	71,500	17,229	143,097	165,459
10	Other liabilities:	-	-	-	43,639	43,639	46,107
11	NSFR Shari'a-compliant hedging contract liabilities	-	-	-	-	-	-
12	All other liabilities not included in the above categories	-	-	-	43,639	43,639	46,107
13	Total ASF					613,717	633,933
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)					23,810	23,918
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	-	81,235	-	12,761	24,947	25,763
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:	-	101,267	19,229	-	60,248	60,833
20	- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines	-	-	-	82,646	53,720	43,187
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	-	-	-	13,507	13,507	13,827
24	Other assets:	67,858	-	-	-	67,858	49,847
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	-	-	-	-	62,018	63,417
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-	-
29	All other assets not included in the above categories	14,044	-	-	-	14,044	16,680
30	OBS items	-	-	-	-	9,349	9,309
31	Total RSF					329,501	306,780
32	NSFR (Regulatory limit of 100%)					186.3%	206.6%

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 March 2022 considering the Bank's subsidiaries, as compared to December 2021.

As of March 2022, the Bank's total weighted value of Available Stable Funding (ASF) stood at ~BHD 614 million vs a total weighted value of ~BHD 330 million Required Stable Funding (RSF). Banks must maintain the NSFR at or above a minimum regulatory requirement of 100%, where AIB levelled at 145% on a solo basis and 186% on a consolidated basis. It is worth noting that in light of the COVID-19 pandemic, the CBB has introduced relaxed regulatory limits which temporarily require maintaining a minimum NSFR of 80%.