



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

Disclosure of Basel III Ratios

As at 30 June 2024

Liquidity Coverage Ratio (LCR) - Consolidated	Factor	Total Amount	Amount with Factor Applied	Amount with Factor Applied
			Q2 2024	Q1 2024
Stock of HQLA				
A. Level 1 assets:				
Coins and banknotes	100%	7,827	7,827	7,740
Qualified balances with the CBB	100%	37,067	37,067	24,767
Debt securities/Sukuk issued by the CBB or the Government of Bahrain	100%	127,344	127,344	150,728
Debt securities/Sukuk issued governments of GCC member states and their central banks;	100%	4,427	4,427	16,009
Debt securities/Sukuk that can be monetised and issued or guaranteed by sovereigns, central banks, PSEs, IMF, BIS, ECB, EC, or MDBs	100%	9,774	9,774	6,313
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%	102,739	102,739	115,582
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			289,178	321,139
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%	2,894	2,460	2,547
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%	3,191	1,596	1,671
Qualified common equity shares	50%	283	141	144
Total level 2 Assets (1+2)			4,197	4,362
Total value of stock of HQLA			293,375	325,502
Cash Outflows				
A1. Retail Mudaraba, Wakala and Reverse Murabaha Deposits				
Demand deposits and term deposits (maturity within 30 days)				
Stable deposits; and	3%	71,404	2,142	2,084
Less stable - retail deposits	10%	207,765	20,776	20,029
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%	48,886	4,889	4,334
Term deposits with remaining maturity over 30 days	0%	3,551	-	-
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%	234,708	93,883	-
4) Deposits from Financial Institutions and other legal entity corporations.	100%	101,942	101,942	110,465
C. Secured Funding				
Backed by level 1 assets or with central banks	0%	7,944	-	-
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%	22,258	22,258	6,628
D. Other Cash Outflow				
Net Shari'a-compliant hedging contract cash outflow	100%	803	803	574
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%	9,818	491	486
Non-financial corporates, sovereigns and central banks, PSEs and multilateral development banks (from amount not used) - Credit	10%	654	65	156
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%	77,010	3,850	4,067
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			251,100	234,506
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%	4,251	2,125	1,134
Non-retail customers:				
1. Financial institutions and central banks	100%	58,409	58,409	37,731
2. Non-financial institutions	50%	11,651	5,826	6,529
Operational deposits held at other financial institutions	0%	2,171	-	-
D. Other net Shari'a-compliant hedging contract cash inflows; and	100%	-	-	-
E. Other contractual cash inflows	100%	8,669	8,669	3,571
Total Cash Inflows			75,029	48,965
Net cash outflow = total cash outflow - total cash inflow or lowest value (75 percent of total cash outflow)			176,071	185,541
Liquidity coverage ratio - HQLA / Net cash outflow/Regulatory Limit (Regulatory limit of 100%)			167%	175%

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 2024 stood at ~167%, and the above are the details of the daily averages computed throughout the quarter (including subsidiaries).

Al Baraka Islamic Bank maintains ~BHD 293 million (post-haircut) as HQLA versus an average net cash-outflow of ~BHD 176 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 2024	Q1 2024	
		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:	72,120	-	-	3,456	75,575	78,349	
2	Regulatory Capital	72,120	-	-	3,456	75,575	78,349	
3	Other Capital Instruments	-	-	-	-	-	-	
4	Retail deposits and deposits from small business customers:	-	346,678	37,589	36,661	382,741	369,410	
5	Stable deposits	-	4,766	20	44	4,590	4,457	
6	Less stable deposits	-	341,912	37,569	36,618	378,151	364,953	
7	Wholesale funding:	-	419,600	53,357	3,884	157,469	158,624	
8	Operational deposits	-	-	-	2,730	2,730	1,332	
9	Other wholesale funding	-	419,600	53,357	1,154	154,739	157,292	
10	Other liabilities:	-	-	-	43,397	43,397	38,291	
11	NSFR Shari'a-compliant hedging contract liabilities	-	-	-	-	-	-	
12	All other liabilities not included in the above categories	-	-	-	43,397	43,397	38,291	
13	Total ASF					659,183	644,674	
Required Stable Funding (RSF):								
14	Total NSFR high-quality liquid assets (HQLA)					80,886	81,140	
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	-	48,791	-	31,383	38,701	52,488	
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:	-	63,866	45,089	-	54,477	48,381	
20	- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines	-	-	-	114,891	74,679	75,270	
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:	57,000	-	-	-	57,000	55,063	
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	21,191	-	-	-	21,191	22,008	
30	OBS items	-	-	-	-	3,374	3,322	
31	Total RSF					330,308	337,671	
32	NSFR (Regulatory limit of 100%)					200%	191%	

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 Q2 2024 considering the Bank's subsidiary.

As of June 2024, the Bank's total weighted value of Available Stable Funding (ASF) stood at ~BHD 659 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 ~139% on a solo basis and ~200% on a consolidated basis.