



Leverage and Liquidity Disclosures As at 30 September 2023

Alubaf Arab International Bank B.S.C (c)
As at 30 September 2023

Overview

Liquidity Coverage Ratio

The Group is subject to the Basel III liquidity ratios requirement, as stipulated by the regulator Central Bank of Bahrain, whereby the Bank is required to maintain a minimum of 100% Liquidity Coverage ratio (LCR) and Net Stable Funding ratio (NSFR).

The main objective of the Liquidity Coverage Ratio (LCR) is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient level of high-quality liquid assets (HQLA) to survive a significant stress scenario lasting for a period of up to 30 days.

At 30 September 2023, the Group's LCR was well above the regulatory requirement and stood at 1114% (31 December 2022: 416%). The Group's simple average of daily LCR computed on working days of the quarter was 658% (30 June 2023: 541%).

Net Stable Funding Ratio

The objective of the NSFR is to promote the resilience of the banking system by improving the funding profile of banks by ensuring they have a sufficient level of stable funding from stable sources and long term borrowing in relation to their assets and commitments, in order to reduce the risks of disruptions which might impact the bank's liquidity position.

The Groups NSFR was well above the regulatory requirement and stood at 142% as at 30 September 2023 (31 December 2022: 136%). The main drivers for robust Available Stable Funding (ASF) is its sizeable capital base, which contributes about 76% (31 December 2022: 76%) of total ASF and the remaining 24% (31 December 2022: 24%) of ASF constituted funding from deposits from financial institutions and non-financial corporate customers. Required Stable Funding (RSF), primarily comprised of short term deposit placements with Banks and other performing loans, which constituted about 51% (31 December 2022: 52%) of total RSF. High quality liquid assets (that comprised mainly of Bahrain government securities and other highly rated debt issuances) accounted for about 9% (31 December 2022: 8%) of the total RSF, while non-HQLA securities accounted for 29% (31 December 2022: 29%) of the total RSF.



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Liquidity Quarterly ratio (LCR)

Report date: 30 September 2023
Currency: US\$'000

	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets		
1. Total HQLA		510,505
Cash outflows		
2. Retail deposits and deposits from small business customers, of which:		
3. Stable deposits	-	-
4. Less stable deposits	-	-
5. Unsecured wholesale funding, of which:		
6. Operational deposits (all counterparties) and deposits in networks of cooperative	-	-
7. Non-operational deposits (all counterparties)	315,120	301,776
8. Unsecured debt	-	-
9. Secured wholesale funding		
10. Additional requirements, of which:		
11. Outflows related to derivative exposures and other collateral requirements		
12. Outflows related to loss of funding on debt products	20,000	8,000
13. Credit and liquidity facilities	-	-
14. Other contractual funding obligations	-	-
15. Other contingent funding obligations	28,210	1,410
16. Total Cash Outflows		311,186
Cash inflows		
17. Secured lending (eg reverse repos)	-	-
18. Inflows from fully performing exposures		
19. Other cash inflows	255,448	254,933
20. Total Cash Inflows	255,448	254,933
		Total adjusted value
21. Total HQLA		510,505
22. Total net cash outflows		77,584
23. Liquidity Coverage Ratio (%)		658%



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NSFR Common Disclosure Template

Report date: 30-September-2023
Currency: USD'000

Sr.	Item	Unweighted Values (before applying factors)				Total Weighted Value
		No Specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	
Available Stable Funding (ASF)						
1	Capital:	341,112	-	-	-	341,112
2	Regulatory Capital	341,112	-	-	-	341,112
3	Other Capital Instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	-	-	-	-
5	Stable Deposits:	-	-	-	-	-
6	Less stable deposits:	-	-	-	-	-
7	Wholesale funding:	-	640,572	197,436	-	109,364
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	640,572	197,436	-	109,364
10	Other liabilities:	-	17,247	-	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities not included in the above categories	-	17,247	-	-	-
13	Total ASF					450,476
Required Stable Funding (RSF)						
14	Total NSFR high-quality liquid assets (HQLA)					29,432
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities:	-	-	-	-	-
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	392,580	2,265	35,758	95,778
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	4,781	605	74,833	66,301
20	With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	-	-
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	-	8,951	19,413	91,182	91,687
24	Other assets:	31,614	-	-	-	31,614
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR derivative assets	-	-	-	-	-
28	NSFR derivative liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	31,614	-	-	-	31,614
30	Off balance sheet items	44,570	-	-	-	2,229
31	Total RSF					317,040
32	NSFR (%)					142%



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Leverage Ratio

Report date: 30-Sep 2023

Currency: US\$'000

Total Exposure - On-Balance Sheet (All unweighted)	1,194,025
Total Off Balance Sheet items - with relevent Credit Conversion	12,958
Total Exposure (On & Off Balance Sheet)	1,206,983
Tier One Capital	336,429
Leverage Ratio	27.87%

Formula: Tier One Capital / Total Exposure (On & Off Balance Sheet)