



Leverage and Liquidity Disclosures

30 Sep 2024

Alubaf Arab International Bank B.S.C (c)**As at 30 September 2024****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 2024, the Group's LCR was well above the regulatory requirement and stood at 459% (31 December 2023: 783%). The Group's simple average of daily LCR computed on working days of the quarter was 446% (30 June 2024: 507%).

Net Stable Funding 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% Net Stable Funding ratio (NSFR).

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 180% as at 30 September 2024 (31 December 2023: 149%). The main drivers for robust Available Stable Funding (ASF) is its sizeable capital base, which contributes about 51% (31 December 2023: 76%) of total ASF and the remaining 49% (31 December 2023: 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 2023: 50%) 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 2023: 9%) of the total RSF, while non-HQLA securities accounted for 24% (31 December 2023: 29%) of the total RSF.



Alubaf Arab International Bank B.S.C. (c)
Liquidity Quarterly ratio (LCR)

Report date: 30 Sep 2024
Currency: US\$'000

	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets		
1. Total HQLA		633,752
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 banks	-	-
7. Non-operational deposits (all counterparties)	990,951	573,010
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	10,000	4,000
13. Credit and liquidity facilities	-	-
14. Other contractual funding obligations	-	-
15. Other contingent funding obligations	46,415	2,321
16. Total Cash Outflows		579,331
Cash inflows		
17. Secured lending (eg reverse repos)	-	-
18. Inflows from fully performing exposures		
19. Other cash inflows	821,258	820,754
20. Total Cash Inflows	821,258	820,754
		Total adjusted value
21. Total HQLA		633,752
22. Total net cash outflows		142,097
23. Liquidity Coverage Ratio (%)		446%

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:	359,416	-	-	-	359,416
2	Regulatory Capital	359,416	-	-	-	359,416
3	Other Capital Instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	-	-	-	-
5	Stable Deposits:	-	-	-	-	-
6	Less stable deposits:	-	-	-	-	-
7	Wholesale funding:	-	1,322,109	180,528	-	343,944
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	1,322,109	180,528	-	343,944
10	Other liabilities:	-	17,921	278	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities not included in the above categories	-	17,921	278	-	-
13	Total ASF					703,360
Required Stable Funding (RSF)						
14	Total NSFR high-quality liquid assets (HQLA)					36,444
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	-	966,221	5,750	15,638	163,446
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:	-	22,340	-	29,201	35,991
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	-	9,995	10,944	97,449	93,301
24	Other assets:	60,195	-	-	-	60,195
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	60,195	-	-	-	60,195
30	Off balance sheet items	46,445	-	-	-	2,322
31	Total RSF					391,699
32	NSFR (%)					180%



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Leverage Ratio

Report date: 30-September-2024

Currency: US\$'000

Total Exposure - On-Balance Sheet (All unweighted)	1,880,120
Total Off Balance Sheet items - with relevent Credit Conversion	11,289
Total Exposure (On & Off Balance Sheet)	1,891,409
Tier One Capital	356,657
Leverage Ratio	18.86%

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