



Leverage and Liquidity Disclosures As at 31 December 2022

Alubaf Arab International Bank B.S.C (c)
As at 31 December 2022

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 31 December 2022, the Group's LCR was well above the regulatory requirement and stood at 416% (2021: 362%) . The Group's simple average of daily LCR computed on working days of the quarter was 536% (30 September 2022: 534%).

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 Group's NSFR was well above the regulatory requirement and stood at 136% as at 31 December 2022 (31 December 2021: 136%). The main drivers for robust Available Stable Funding (ASF) is its sizeable capital base, which contributes about 76% of total ASF and the remaining 24% of ASF constituted funding from non-financial corporate customers and deposits from financial institutions. Required Stable Funding (RSF), primarily comprised of short term deposit placements with Banks and other performing loans, which constituted about 52% of total RSF. High quality liquid assets (that comprised mainly of Bahrain government securities and other highly rated debt issuances) accounted for about 8% of the total RSF, while non-HQLA securities accounted for 29% of the total RSF.



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Liquidity Quarterly ratio (LCR)

Report date: 31 December 2022
Currency: US\$'000

	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets		
1. Total HQLA		485,304
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)	370,570	355,587
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	-	-
13. Credit and liquidity facilities	-	-
14. Other contractual funding obligations	-	-
15. Other contingent funding obligations	73,786	3,690
16. Total Cash Outflows		359,277
Cash inflows		
17. Secured lending (eg reverse repos)	-	-
18. Inflows from fully performing exposures		
19. Other cash inflows	306,379	303,378
20. Total Cash Inflows	306,379	303,378
		Total adjusted value
21. Total HQLA		485,304
22. Total net cash outflows		90,491
23. Liquidity Coverage Ratio (%)		536%



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NSFR Common Disclosure Template

Report date: 31-December-22
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:	334,090	-	-	-	334,090
2	Regulatory Capital	334,090	-	-	-	334,090
3	Other Capital Instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	-	-	-	-
5	Stable Deposits:	-	-	-	-	-
6	Less stable deposits:	-	-	-	-	-
7	Wholesale funding:	-	623,715	187,915	-	105,757
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	623,715	187,915	-	105,757
10	Other liabilities:	-	14,675	24	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities not included in the above categories	-	14,675	24	-	-
13	Total ASF					439,847
Required Stable Funding (RSF)						
14	Total NSFR high-quality liquid assets (HQLA)					26,675
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	-	445,694	21,731	-	77,720
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:	-	18,891	-	96,466	91,442
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	-	6,242	3,865	104,815	94,146
24	Other assets:	28,774	-	-	-	28,774
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	28,774	-	-	-	28,774
30	Off balance sheet items		72,088	-	-	3,604
31	Total RSF					322,361
32	NSFR (%)					136%



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Leverage Ratio

Report date: 31-December 2022

Currency: US\$'000

Total Exposure - On-Balance Sheet (All unweighted)	1,158,713
Total Off Balance Sheet items - with relevent Credit Conversion	14,418
Total Exposure (On & Off Balance Sheet)	1,173,131
Tier One Capital	330,147
Leverage Ratio	28.14%

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