



Leverage and Liquidity Disclosures As at 31 March 2022

Alubaf Arab International Bank B.S.C (c)
As at 31 March 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 March 2022, the Group's LCR stood at 467% (31 December 2021: 362%), which is well above the required level. The Group's simple average of daily LCR was 497% (31 December 2021: 365%).

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 131% as at 31 March 2022 (31 December 2021: 136%). The main drivers for robust Available Stable Funding (ASF) is its sizeable capital base, which contributes about 79% (31 December 2021: 74%) of total ASF and the remaining 21% (31 December 2021: 26%) 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 2021: 54%) 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 2021: 9%) of the total RSF, while non-HQLA securities accounted for 30% (31 December 2021: 28%) of the total RSF.



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Liquidity Quarterly ratio (LCR)

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

	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets		
1. Total HQLA		426,337
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)	369,702	344,138
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	116,962	5,983
16. Total Cash Outflows		350,121
Cash inflows		
17. Secured lending (eg reverse repos)		
18. Inflows from fully performing exposures		
19. Other cash inflows	343,450	341,747
20. Total Cash Inflows	343,450	341,747
		Total adjusted value
21. Total HQLA		426,337
22. Total net cash outflows		85,782
23. Liquidity Coverage Ratio (%)		497%



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NSFR Common Disclosure Template

Report date: 31-March-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:	342,561	-	-	-	342,561
2	Regulatory Capital	342,561	-	-	-	342,561
3	Other Capital Instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	-	-	-	-
5	Stable Deposits:	-	-	-	-	-
6	Less stable deposits:	-	-	-	-	-
7	Wholesale funding:	-	639,837	150,203	-	92,721
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	639,837	150,203	-	92,721
10	Other liabilities:	-	10,261	47	-	-
11	NSFR derivative liabilities	-	-	-	-	-
12	All other liabilities not included in the above categories	-	10,261	47	-	-
13	Total ASF					435,282
Required Stable Funding (RSF)						
14	Total NSFR high-quality liquid assets (HQLA)					29,529
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	-	397,891	38,346	22,321	101,178
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	-	1,836	1,197	78,575	68,305
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	-	-	31,375	98,231	99,184
24	Other assets:	28,286	-	-	-	28,286
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 variator margin posted	-	-	-	-	-
29	All other assets not included in the above categories	28,286	-	-	-	28,286
30	Off balance sheet items		120,426	-	-	6,021
31	Total RSF					332,504
32	NSFR (%)					131%



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Leverage Ratio

Report date: 31-March 2022

Currency: US\$'000

Total Exposure - On-Balance Sheet (All unweighted)	1,141,316
Total Off Balance Sheet items - with relevant Credit Conversion	24,767
Total Exposure (On & Off Balance Sheet)	1,166,083
Tier One Capital	337,539
Leverage Ratio	28.95%

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