

Liquidity Coverage Ratio (LCR) /
Net Stable Funding Ratio (NSFR)

For the nine months ended 30th September 2021



GIB Consolidated Liquidity Coverage Ratio (LCR)
Three months ended 30th September 2021

In August 2018 the Central Bank of Bahrain (CBB) issued regulations on Liquidity Risk Management through its Liquidity Risk Management Module. The regulations require Bahraini bank licensees to meet a minimum Liquidity Coverage Ratio (LCR) of 100 per cent on a daily basis. The LCR has been designed to promote short term resilience of a bank's liquidity risk profile and aims to ensure that a bank has an adequate stock of high-quality, unencumbered liquid assets to meet its liquidity needs for a 30-calendar day stressed liquidity period.

The below table provides Gulf International Bank's disclosure of its consolidated LCR for the three months ended 30th September 2021 and the previous three month period in the manner prescribed by the CBB. The consolidated average LCR of 155 per cent for the three months ended 30th September 2021 is mainly derived from US\$5.3 billion of High Quality Liquid Assets (HQLA). The HQLA mainly comprise overnight balances with central banks in the jurisdictions in which the Group operates, and investments in debt securities of investment grade issuers.

US\$ millions		3 months ended 30.9.21		3 months ended 30.6.21	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High-Quality Liquid Assets (HQLA)					
1	Total high quality liquid assets (HQLA)		5,294		5,563
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	424	42	458	46
3	Stable deposits	-	-	-	-
4	Less stable deposits	424	42	458	46
5	Unsecured wholesale funding, of which:	11,302	4,824	11,809	4,972
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	11,302	4,824	11,809	4,972
8	Unsecured debt	-	-	-	-
9	Secured wholesale funding	78	-	81	-
10	Additional requirements, of which:	2,059	255	1,826	223
11	Outflows related to derivative exposures and other collateral requirements	55	55	45	45
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	2,005	200	1,782	178
14	Other contractual funding obligations	508	508	627	627
15	Other contingent funding obligations	6,038	302	5,682	284
16	Total Cash Outflows		5,931		6,152
Cash Inflows					
17	Secured lending (e.g. reverse repos)	-	-	-	-
18	Inflows from fully performing exposures	2,414	2,211	2,607	2,287
19	Other cash inflows	256	256	154	154
20	Total Cash Inflows	2,670	2,468	2,761	2,441
		Total adjusted value		Total adjusted value	
21	Total HQLA		5,294		5,563
22	Total Net Cash Outflows		3,464		3,712
23	Liquidity Coverage Ratio (%)		155%		153%

Note: In accordance with Central Bank of Bahrain guidelines, the LCR presented above is a simple average of the daily LCRs for the period

GIB Consolidated Net Stable Funding Ratio (NSFR)

30th September 2021

In August 2018 the Central Bank of Bahrain (CBB) issued regulations on Liquidity Risk Management through its Liquidity Risk Management Module. The regulations require Bahraini bank licensees to meet a minimum Net Stable Funding Ratio (NSFR) of 100 per cent on an ongoing basis from 31st December 2019. The NSFR rules are designed to ensure that a bank's liability profile provides it adequate stable funds to fund its assets.

The below table provides Gulf International Bank's disclosure of its consolidated NSFR as at 30th September 2021 in the manner prescribed by the CBB. The consolidated NSFR of 145 per cent at 30th September 2021 (30th June 2021: 156 per cent) demonstrates that the Group has adequate Available Stable Funds (ASF) relative to its Required Stable Funds (RSF). The Group's ASF comprises the Group's capital base, senior term financing, retail deposits and wholesale customer deposits. The ASF attributable to the Group's capital base and liabilities maturing beyond one year comprised 39 per cent (30th June 2021: 40 per cent) of the Group's total ASF. 64 per cent (30th June 2021: 66 per cent) of the Group's RSF is attributable to loans provided to non-financial clients. The Group's HQLA, which mainly comprise investment grade debt securities and overnight placements with Central Banks, require minimal RSF on a weighted basis.

All figures in US\$ millions

No.	Item	Unweighted Values (i.e. before applying relevant factors)				30th September 2021	
		No specified maturity	Maturing in less than 6 months	Maturing in more than 6 months and less than one year	Maturing over one year	Total unweighted value	Total weighted value
Available Stable Funding (ASF):							
1	Capital:						
2	Regulatory Capital	2,142				2,142	2,142
3	Other Capital Instruments	948				948	948
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	168	741	9	0	918	826
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	10,633	12,090	2,420	3,356	28,500	12,497
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	Total ASF						16,413
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)						401
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		32			32	3
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,026	2,512	1,071	157	4,766	1,226
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:		5,944	920	3,897	10,762	6,745
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				853	853	555
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		54	157	405	616	454
24	Other assets:						
25	Physical traded commodities, including gold						
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		120			120	102
27	NSFR derivative assets		142			142	142
28	NSFR derivative liabilities before deduction of variation margin posted		75			75	75
29	All other assets not included in the above categories	1,220				1,220	1,220
30	OBS items		2,560	1,614	4,454	8,628	431
31	Total RSF						11,354
32	NSFR (%)						145%