

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

For the six months ended 30th June 2021



GIB Consolidated Liquidity Coverage Ratio (LCR)
Three months ended 30th June 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 June 2021 and the previous three month period in the manner prescribed by the CBB. The consolidated average LCR of 153 per cent for the three months ended 30th June 2021 is mainly derived from US\$5.6 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 30.6.21		3 months ended 31.3.21	
		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)		5,563		5,470
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	458	46	470	47
3	Stable deposits	-	-	-	-
4	Less stable deposits	458	46	470	47
5	Unsecured wholesale funding, of which:	11,809	4,972	11,163	4,736
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	11,809	4,972	11,163	4,736
8	Unsecured debt	-	-	-	-
9	Secured wholesale funding	81	-	-	-
10	Additional requirements, of which:	1,826	223	1,747	227
11	Outflows related to derivative exposures and other collateral requirements	45	45	59	59
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	1,782	178	1,689	169
14	Other contractual funding obligations	627	627	498	498
15	Other contingent funding obligations	5,682	284	5,745	287
16	Total Cash Outflows		6,152		5,796
Cash Inflows					
17	Secured lending (e.g. reverse repos)	-	-	2	2
18	Inflows from fully performing exposures	2,607	2,287	2,564	2,282
19	Other cash inflows	154	154	142	142
20	Total Cash Inflows	2,761	2,441	2,707	2,426
		Total adjusted value		Total adjusted value	
21	Total HQLA		5,563		5,470
22	Total Net Cash Outflows		3,712		3,370
23	Liquidity Coverage Ratio (%)		153%		164%

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 June 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 June 2021 in the manner prescribed by the CBB. The consolidated NSFR of 156 per cent at 30th June 2021 (31st March 2021: 165 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 40 per cent (31st March 2021: 37 per cent) of the Group's total ASF. 66 per cent (31st March 2021: 67 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 June 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	2,616				2,616	2,616
3	Other Capital Instruments	446				446	446
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	179	755	13	0	948	853
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	7,730	10,992	2,783	3,538	25,043	12,585
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	Total ASF						16,501
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)						1,117
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	996	2,755	806	127	4,684	1,093
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:		5,547	1,220	3,560	10,326	6,409
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				879	879	571
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		0	10	142	152	130
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		130			130	111
27	NSFR derivative assets		155			155	155
28	NSFR derivative liabilities before deduction of variation margin posted		83			83	83
29	All other assets not included in the above categories	525				525	525
30	OBS items		2,486	1,271	3,853	7,609	380
31	Total RSF						10,573
32	NSFR (%)						156%