

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

For the three months ended 30th September 2022



GIB Consolidated Liquidity Coverage Ratio (LCR)

Three months ended 30th September 2022

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 2022 and the previous three month period in the manner prescribed by the CBB. The consolidated average LCR of 172 per cent for the three months ended 30th September 2022 is mainly derived from US\$6.6 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 30.09.22		3 months ended 30.06.22	
		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)		6,615		6,334
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	356	36	372	37
3	Stable deposits	-	-	0	-
4	Less stable deposits	356	36	372	37
5	Unsecured wholesale funding, of which:	17,117	7,038	16,731	6,856
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	17,117	7,038	16,731	6,856
8	Unsecured debt	-	-	0	0
9	Secured wholesale funding	72	1	217	5
10	Additional requirements, of which:	2,837	358	2,257	286
11	Outflows related to derivative exposures and other collateral requirements	39	39	38	38
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	2,798	318	2,218	248
14	Other contractual funding obligations	300	309	536	536
15	Other contingent funding obligations	6,829	342	7,004	350
16	Total Cash Outflows		8,083		8,070
Cash Inflows					
17	Secured lending (e.g. reverse repos)	-	-	14	7
18	Inflows from fully performing exposures	3,292	3,205	3,028	2,878
19	Other cash inflows	887	888	507	507
20	Total Cash Inflows	4,179	4,093	3,548	3,392
		Total adjusted value		Total adjusted value	
21	Total HQLA		6,615		6,334
22	Total Net Cash Outflows		3,990		4,680
23	Liquidity Coverage Ratio (%)		172%		137%

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 2022

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 2022 in the manner prescribed by the CBB. The consolidated NSFR of 161 per cent at 30th September 2022 (30th June 2022: 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 43 per cent (30th June 2022: 41 per cent) of the Group's total ASF. 65 per cent (30th June 2022: 61 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 2022	
		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	2,501				2,501	2,501
3	Other Capital Instruments	673				673	673
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	134	545	97	0	775	698
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	12,986	11,325	2,277	4,275	30,864	13,595
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	Total ASF						17,467
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)						565
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					0	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,349	2,786	860	228	5,223	1,278
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:		4,748	837	4,566	10,151	6,674
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				614	614	399
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		15	0	127	142	131
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		42				36
27	NSFR derivative assets		258				258
28	NSFR derivative liabilities before deduction of variation margin posted		77				77
29	All other assets not included in the above categories	992				992	992
30	OBS items		2,577	1,575	4,852	9,004	450
31	Total RSF						10,860
32	NSFR (%)						161%