



Gulf International Bank B.S.C.

Regulatory Liquidity Disclosures

31st December 2019



GIB Consolidated Liquidity Coverage Ratio (LCR)

Three months ended 31st December 2019

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 31st December 2019 and the previous three month period in the manner prescribed by the CBB. The consolidated average LCR of 187 per cent for the three months ended 31st December 2019 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 31.12.19		3 months ended 30.9.19	
		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)		5,337		4,686
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	678	68	482	48
3	Stable deposits	-	-	-	-
4	Less stable deposits	678	68	482	48
5	Unsecured wholesale funding, of which:	12,174	5,128	12,076	5,288
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	12,170	5,125	12,073	5,286
8	Unsecured debt	4	4	3	3
9	Secured wholesale funding		28		18
10	Additional requirements, of which:	1,574	178	1,442	176
11	Outflows related to derivative exposures and other collateral requirements	29	29	36	36
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	1,545	155	1,407	141
14	Other contractual funding obligations	365	365	246	246
15	Other contingent funding obligations	6,053	303	5,053	253
16	Total Cash Outflows		6,070		6,030
Cash Inflows					
17	Secured lending (e.g. reverse repos)	175	91	471	127
18	Inflows from fully performing exposures	2,545	2,350	2,964	2,439
19	Other cash inflows	716	716	1,513	1,513
20	Total Cash Inflows	3,436	3,157	4,947	4,079
		Total adjusted value		Total adjusted value	
21	Total HQLA		5,337		4,686
22	Total Net Cash Outflows		2,901		2,270
23	Liquidity Coverage Ratio (%)		187%		231%

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)
31st December 2019

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 31st December 2019 in the manner prescribed by the CBB. The consolidated NSFR of 163 per cent at 31st December 2019 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 35 per cent of the Group's total ASF. 63 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)				Total unweighted value	Total weighted value
		No specified maturity	Maturing in less than 6 months	Maturing in more than 6 months and less than one year	Maturing over one year		
Available Stable Funding (ASF):							
1	Capital:						
2	Regulatory Capital	2,296				2,296	2,296
3	Other Capital Instruments	1,000				1,000	1,000
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	124	1,393	18	3	1,537	1,384
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	10,538	9,801	840	2,369	23,548	11,727
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	Total ASF						16,407
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)						1,118
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		5,724	432	2	6,158	1,076
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:		4,883	1,156	3,370	9,408	5,884
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				623	623	405
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		10	0	143	154	127
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		122			122	104
27	NSFR derivative assets		24			24	24
28	NSFR derivative liabilities before deduction of variation margin posted		35			35	35
29	All other assets not included in the above categories	707	165	0	54	926	844
30	OBS items		1,679	1,631	5,324	8,634	432
31	Total RSF						10,048
32	NSFR (%)						163%