



بنك البحرين للتنمية شركة مساهمة  
BAHRAIN DEVELOPMENT BANK B.S.C (c)

## Liquidity Disclosures - Basel III

September 2020

### Consolidated Liquidity Coverage Ratio – September 2020

In August 2018, the Central Bank of Bahrain (CBB) issued its regulations on Liquidity Risk Management (LM). Amongst other things, the LM regulations mandate banks to implement Liquidity Coverage Ratio (LCR) by end of June 2019. The main objective of the LCR is to promote short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient level of high-quality liquid assets (HQLAs) to honour net cash outflows and survive a significant stress scenario lasting for a period of up to 30 days. As per CBB LM regulations, banks must meet the minimum LCR of not less than 100 percent daily.

The below table provides information on BDB's Consolidated LCR for the quarter ended 30<sup>th</sup> September 2020.

(In BD 000')

<b>Consolidated LCR</b>		<b>Total Unweighted Value (average)</b>	<b>Weights</b>	<b>Total Weighted Value (average)</b>
<b>HIGH-QUALITY LIQUID ASSETS</b>				
1	Total HQLA			49,056
<b>CASH OUTFLOWS</b>				
2	<b>Retails Deposits and deposits from small business customers, of which:</b>			
3	Stable Deposits			
4	Less Stable Deposits	828	10%	83
5	<b>Unsecured wholesale funding, of which:</b>			
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks			
7	Non-operational deposits (all counterparties)	18,025	100%	18,025
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	<b>Other contractual funding obligations</b>	2,058	100%	2,058
15	<b>Other contingent funding obligations</b>	1,348	5%	67
16	<b>Total Cash Outflows</b>	22,259		<b>20,233</b>
<b>CASH INFLOWS</b>				
17	Secured lending (eg reverse repos)			
18	Inflows from fully performing exposures	1,483	50%	741
19	Other cash inflows	7,970	100%	7,970
20	<b>Total Cash Inflows</b>	9,453		<b>8,712</b>
				<b>Total Adjusted Value</b>
21	<b>TOTAL HQLA</b>			<b>49,056</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>			<b>11,521</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>426%</b>

As per the CBB LM module, the consolidated LCR of 426% reported above in line 23 is the simple average of daily LCR during Q3 2020.

### Net Stable Funding Ratio – September 2020

The CBB's Net Stable Funding Ratio (NSFR) regulations became effective on 31<sup>st</sup> December 2019. The objective of the NSFR is to promote the resilience of banks' liquidity risk profile and to incentivise a more resilient banking sector over a longer time horizon. The NSFR requires banks to maintain a stable funding profile in relation to assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood of disruptions to a bank's regular sources of funding that will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits over-reliance on short-term wholesale funding, encourages better assessment of funding risk across all on-balance sheet and off-balance sheet items, and promotes funding stability. The NSFR must be equal to at least 100% on an ongoing basis.

The below table provides information on BDB's Consolidated NSFR as of 30th September 2020:

(In BD 000')

No.	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	
<b>Available Stable Funding (ASF)</b>						
1	<b>Capital:</b>					
2	Regulatory Capital	71,518	-	-	1,140	72,658
3	Other Capital Instruments	-	-	-	-	-
4	<b>Retail Deposits and deposits from small business customers:</b>					
5	<b>Stable Deposits:</b>	-	-	-	-	-
6	<b>Less stable deposits:</b>	-	1,400	-	-	1,260
7	<b>Wholesale funding:</b>					
8	Operational Deposits	-	-	-	-	-
9	Other Wholesale Funding	-	24,287	5,175	124,683	139,414
10	<b>Other liabilities:</b>					
11	NSFR Derivative Liabilities		-	-	-	-
12	All other liabilities not included in the above categories		4502	-	-	-
13	<b>Total ASF</b>					213,332
<b>Required Stable Funding (RSF)</b>						
14	<b>Total NSFR high-quality liquid assets (HQLA)</b>					2,264
15	<b>Deposits held at other financial institutions for operational purposes</b>	-	-	-	-	-
16	<b>Performing loans and securities:</b>					
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	-	10,291	-	-	1,544
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:	-	7,677	8,191	-	7,934
20	-With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio guidelines	-	-	-	112,426	95,562
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					
24	<b>Other Assets:</b>					
25	<b>Physical traded commodities, including gold</b>	-				-
26	<b>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</b>					
27	<b>NSFR Derivative Assets</b>					
28	<b>NSFR Derivative Liabilities before deduction of variation margin posted</b>					
29	<b>All other assets not included in the above categories</b>	38,669	-	-	-	38,669
30	<b>OBS Items</b>		40,700	-	-	2,035
31	<b>Total RSF</b>					148,008
32	<b>NSFR %</b>					144%