

BBK
Liquidity Coverage Ratio Disclosure – 30th June 2019

Introduction:

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 on a daily basis. The below table provides information on BBK's LCR as of end of June 2019:

BBK			
LCR Common Disclosure Template			
As of 30th June 2019			
			BD'M
Consolidated LCR		Total Unweighted Value (average) ⁽¹⁾	Total Weighted Value (average) ⁽¹⁾
HIGH-QUALITY LIQUID ASSETS			
1	Total HQLA		1,265,542
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	400,117	12,004
4	Less stable deposits ⁽²⁾	553,971	58,061
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0
7	Non-operational deposits (all counterparties)	769,387	521,202
8	Unsecured debt	0	0
9	Secured wholesale funding		129
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	660	660
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	576,289	69,590
14	Other contractual funding obligations	10,769	10,769
15	Other contingent funding obligations	294,963	14,748
16	Total Cash Outflows		687,162
CASH INFLOWS			
17	Secured lending (eg reverse repos)	0	0
18	Inflows from fully performing exposures	337,872	327,088
19	Other cash inflows	9,754	9,754
20	Total Cash Inflows	347,626	336,843
			TOTAL ADJUSTED VALUE
21	TOTAL HQLA		1,265,542
22	TOTAL NET CASH OUTFLOWS		350,320
23	LIQUIDITY COVERAGE RATIO (%)		361.3%

Notes:

1. As per the requirements of CBB LM regulations, banks are required to disclose information on LCR on a quarterly basis as simple average of daily LCRs over the current and previous period. However, as the effective date for LCR regulations is end of June 2019, the figures presented in the table above are as of end of June 2019. Starting from next quarter, the Bank will publish LCR information as average of daily LCRs.

2. Includes the deposits of retail and small business customers of the Bank's overseas branches.