

**Comments of Saudi Banks on the BCBS Consultative Document regarding  
Basel III: Net Stable Funding Ratio**

**Bank # 1**

**Page – 7, Para 30 & 31**

Assets assigned a 5% RSF factor

30. Assets assigned a 5% RSF (Required Stable Funding) factor comprise unencumbered Level 1 assets as defined in LCR paragraph 50, excluding assets receiving a 0% RSF as specified above, and including:

- marketable securities representing claims on or guaranteed by sovereigns, central banks, PSEs, the Bank for International Settlements, the International Monetary Fund, the European Central Bank and European Community, or multilateral development banks that are assigned a 0% risk-weight under the Basel II Standardised Approach for credit risk; and
- certain non-0% risk-weighted sovereign or central bank debt securities as specified in the LCR.

31. Assets assigned a 15% RSF factor comprise unencumbered Level 2A assets as defined in LCR paragraph 52, including:

- Marketable securities representing claims on or guaranteed by sovereigns, central banks, PSEs or multilateral development banks that are assigned a 20% risk weight under the Basel II Standardised Approach for credit risk; and
- Corporate debt securities (including commercial paper) and covered bonds with a credit rating equal or equivalent to at least AA–.

**Bank Comment:**

**Same RSF is applied to HQLA (level 1, 5% and level 2A, 15%) irrespective of the maturity, we suggest a lower RSF factor should be applied to HQLA with short term maturity (less than one year) given the lower risk profile for the assets with short term maturity.**

## **Bank # 2**

The direction of the NSFR towards a 'business as usual' approach rather than a stressed approach is deemed to be progressive.

However, further guidance by the BCBS should be provided in respect of RSF factors for contingent funding obligations, including irrevocable credit and liquidity facilities and trade finance related obligations.

## **Bank # 3**

When calibrating the final requirements it is requested that any asymmetric aspects created within the rules are taken into account e.g. where aggregate industry outflows are captured consideration should be given to any corresponding inflows into the system.

It is recommended that the BIS Committee seek to establish more detailed parameters around off balance sheet items to reduce national discretion and consequent difficulties in comparability across banks globally.