

GIB Consolidated Liquidity Coverage Ratio (LCR)

Three months ended 31st December 2023

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 2023 and the previous three month period in the manner prescribed by the CBB. The consolidated average LCR of 154 per cent for the three months ended 31st December 2023 is mainly derived from US\$7.7 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 31.12.23		3 months ended 30.09.23	
		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)		7,694		6,404
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	449	45	401	40
3	Stable deposits	-	-	-	-
4	Less stable deposits	449	45	401	40
5	Unsecured wholesale funding, of which:	18,019	7,330	16,319	6,675
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	18,019	7,330	16,319	6,675
8	Unsecured debt	-	-	226	6
9	Secured wholesale funding	45	1	12	-
10	Additional requirements, of which:	3,021	414	2,530	360
11	Outflows related to derivative exposures and other collateral requirements	62	62	49	49
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	2,959	351	2,481	311
14	Other contractual funding obligations	443	443	469	469
15	Other contingent funding obligations	7,677	384	7,714	386
16	Total Cash Outflows		8,617		7,929
Cash Inflows					
17	Secured lending (e.g. reverse repos)	74	6	81	7
18	Inflows from fully performing exposures	3,245	2,913	3,496	3,241
19	Other cash inflows	493	493	462	462
20	Total Cash Inflows	3,812	3,412	4,040	3,711
21	Total HQLA		7,694		6,404
22	Total Net Cash Outflows		5,205		4,224
23	Liquidity Coverage Ratio (%)		154%		154%

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 2023

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 2023 in the manner prescribed by the CBB. The consolidated NSFR of 143 per cent at 31st December 2023 (30th September 2023: 153 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 40 per cent (30th September 2023: 41 per cent) of the Group's total ASF 67 per cent (30th September 2023: 64 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)				31st December 2023	
		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	3,318	0	0	0	3,318	3,318
3	Other Capital Instruments	51	0	0	0	51	51
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	119	896	202	0	1,217	1,095
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	19,873	12,031	4,863	4,442	41,209	15,197
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	Total ASF						19,661
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)						1,255
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	
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,333	3,920	818	392	6,463	1,589
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:	0	6,485	956	4,855	12,296	7,847
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	0	0	0	2,030	2,030	1,319
21	Performing residential mortgages, of which:						
22	- With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio						
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	161	2	12	281	457	445
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		92				78
27	NSFR derivative assets		335				335
28	NSFR derivative liabilities before deduction of variation margin posted		76				76
29	All other assets not included in the above categories	290				290	290
30	OBS items		2,342	2,079	5,918	10,339	517
31	Total RSF						13,752
32	NSFR (%)						143%