

GIB Consolidated Liquidity Coverage Ratio (LCR)

Three months ended 31st March 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 March 2023 and the previous three month period in the manner prescribed by the CBB. The consolidated average LCR of 203 per cent for the three months ended 31st March 2023 is mainly derived from US\$6.4 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 31.03.23		3 months ended 31.12.22	
		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)		6,375		5,566
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	291	29	337	34
3	Stable deposits	0	0	0	0
4	Less stable deposits	291	29	337	34
5	Unsecured wholesale funding, of which:	16,571	6,794	13,720	5,702
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	16,571	6,794	13,720	5,702
8	Unsecured debt	0	0	0	0
9	Secured wholesale funding	77	-	56	3
10	Additional requirements, of which:	2,271	343	2,211	298
11	Outflows related to derivative exposures and other collateral requirements	68	68	43	43
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	2,202	275	2,168	255
14	Other contractual funding obligations	358	363	281	279
15	Other contingent funding obligations	6,999	350	6,813	342
16	Total Cash Outflows		7,880		6,658
Cash Inflows					
17	Secured lending (e.g. reverse repos)	35	11	13	5
18	Inflows from fully performing exposures	4,040	3,772	3,676	3,366
19	Other cash inflows	460	458	412	399
20	Total Cash Inflows	4,534	4,241	4,101	3,770
		Total adjusted value		Total adjusted value	
21	Total HQLA		6,375		5,566
22	Total Net Cash Outflows		3,641		2,910
23	Liquidity Coverage Ratio (%)		185%		203%

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 March 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 March 2023 in the manner prescribed by the CBB. The consolidated NSFR of 150 per cent at 31st March 2023 (31st December 2022: 162 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 43 per cent (31st December 2022: 44 per cent) of the Group's total ASF. 64 per cent (31st December 2022: 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 March 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	3,054	0	0	0	3,054	3,054
3	Other Capital Instruments	189	0	0	0	189	189
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	118	718	164	0	1,000	900
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	12,121	11,443	3,291	4,548	31,403	13,941
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	Total ASF						18,084
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)						1,324
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		12			12	1
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,313	3,082	1,248	276	5,919	1,561
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:		4,756	1,099	4,764	10,619	6,977
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				1,145	1,145	744
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	120	0	0	224	345	340
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		56				47
27	NSFR derivative assets		230				230
28	NSFR derivative liabilities before deduction of variation margin posted		72				72
29	All other assets not included in the above categories	279				279	279
30	OBS items		2,896	1,765	4,557	9,217	461
31	Total RSF						12,036
32	NSFR (%)						150%