

GIB Consolidated Liquidity Coverage Ratio (LCR)
Three months ended 30th September 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 30th September 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 30th September 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 30.09.23		3 months ended 30.06.23	
		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)		6,404		6,337
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	401	40	340	34
3	Stable deposits	-	-	0	0
4	Less stable deposits	401	40	340	34
5	Unsecured wholesale funding, of which:	16,319	6,675	16,639	6,848
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	16,319	6,675	16,639	6,848
8	Unsecured debt	226	6	0	0
9	Secured wholesale funding	12	-	12	-
10	Additional requirements, of which:	2,530	360	2,162	330
11	Outflows related to derivative exposures and other collateral requirements	49	49	57	57
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	2,481	311	2,105	273
14	Other contractual funding obligations	469	469	323	323
15	Other contingent funding obligations	7,714	386	7,555	378
16	Total Cash Outflows		7,929		7,913
Cash Inflows					
17	Secured lending (e.g. reverse repos)	81	7	20	7
18	Inflows from fully performing exposures	3,496	3,241	3,950	3,680
19	Other cash inflows	462	462	492	492
20	Total Cash Inflows	4,040	3,711	4,462	4,179
		Total adjusted value		Total adjusted value	
21	Total HQLA		6,404		6,337
22	Total Net Cash Outflows		4,224		3,756
23	Liquidity Coverage Ratio (%)		154%		191%

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)
30th September 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 30th September 2023 in the manner prescribed by the CBB. The consolidated NSFR of 153 per cent at 30th September 2023 (30th June 2023: 147 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 41 per cent (30th June 2023: 42 per cent) of the Group's total ASF. 64 per cent (30th June 2023: 63 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)				30th September 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	3,179	0	0	0	3,179	3,179
3	Other Capital Instruments	162	0	0	0	162	162
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	129	953	104	0	1,186	1,067
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	18,755	14,699	1,975	4,488	39,917	14,736
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	Total ASF						19,144
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)						1,198
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		18			18	2
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,137	3,357	810	482	5,785	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:	0	5,198	980	4,522	10,701	6,933
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	0	0	0	1,762	1,762	1,145
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	147	2	9	248	407	398
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		62				53
27	NSFR derivative assets		364				364
28	NSFR derivative liabilities before deduction of variation margin posted		83				83
29	All other assets not included in the above categories	297				297	297
30	OBS items		2,823	1,738	5,426	9,987	499
31	Total RSF						12,532
32	NSFR (%)						153%