



Gulf International Bank B.S.C.

COMPOSITION OF CAPITAL AND LEVERAGE RATIO

As at 30th September 2025



Executive summary

All Bahraini conventional bank licensees are required to report the composition of capital in addition to the main features of the regulatory instruments. Furthermore, banks must provide a full reconciliation report of all regulatory capital elements back to the published consolidated financial statements.

The purpose of the disclosure is to enable market participants to compare the capital adequacy of banks across jurisdictions and to improve consistency and ease of use of disclosures relating to the composition of regulatory capital.

- 1- **Reconciliation Requirements:** Established to ensure that a full reconciliation of all regulatory capital elements back to the published consolidated financial statements is provided in a consistent manner.
- 2- **Main Features of Regulatory Capital Instruments:** Provides a description of the main features of regulatory capital instruments issued. Established to ensure that banks provide a description of the main features of the regulatory capital instruments issued.
- 3- **Capital Components:** Discloses the components of capital, taking into consideration the transitional arrangements. The disclosure provides the full terms and conditions of regulatory capital instruments and reports the calculation of any ratios involving components of regulatory capital, to enable the Prudential Information Returns (PIR) to be reconciled with the consolidated financial statements.

The format and the level of disclosure in the attached report is dictated by the Central Bank of Bahrain (CBB) and reflects a proforma issued by the Central Bank.

Step 1: Balance sheet under the regulatory scope of consolidation as at 30 September 2025

US\$ Millions	Balance sheet as in published consolidated financial statements	Consolidated PIR data	Reference
Assets			
Cash and other liquid assets	10,100.0	158.8	1,2
Securities purchased under agreements to resell	530.8	-	2
Placements with banks and similar financial institutions	6,109.6	16,582.0	2,3
Investment securities	10,103.9	10,109.3	3
Loans and advances to banks and non-banks	15,619.5	15,754.2	3
Other assets	1,497.2	1,497.2	4
Total assets	43,961.0	44,101.5	
Liabilities			
Deposits from banks	1,435.1	7,239.1	5
Deposits from customers	29,010.1	23,206.1	5
Securities sold under agreements to repurchase	2,496.8	2,496.8	
Senior term financing	5,503.4	5,503.4	
Other liabilities	1,415.8	1,404.7	3,6
Subordinated term financing	400.0	-	7
Total liabilities	40,261.2	39,850.0	
Shareholders' Equity			
Paid up share capital	2,000.0	2,000.0	
Reserves	230.4	230.4	
Retained earnings	392.8	392.8	
Tier 2 capital instruments	-	400.0	7
Expected Credit Losses	-	151.6	3
Equity attributable to the shareholders of the Bank	2,623.2	3,174.8	
Non-controlling interest	1,076.6	1,076.6	
Total equity	3,699.8	4,251.4	
Total liabilities & shareholders' equity	43,961.0	44,101.5	

Differences due to PIR requirements:

- ¹ Cash balance reported in PIR is the cash on hand and balances at the Central Bank of Bahrain. Other bank balances are reported under placements.
- ² Other bank balances and securities purchased under agreements to resell are included under placements.
- ³ Expected credit losses (Stages 1 & 2) (loans, securities, placements) and Off Balance sheet provisions are reported separately.
- ⁴ Under PIR the following breakdown is applicable:
- | | |
|--|----------------|
| - Interest receivable | 509.3 |
| - Property, plant, and equipment (PPE) | 159.4 |
| - Other assets | 828.5 |
| Total | 1,497.2 |
- ⁵ Central Banks deposits are reported under deposits from banks under the PIR, however, these are customer relationships to GIB.
- ⁶ Differences between amounts reported in the Balance sheet and the PIR are due to Off Balance sheet provisions.
- Under PIR the following breakdown is applicable:
- | | |
|---------------------|----------------|
| - Interest payable | 420.8 |
| - Other liabilities | 983.8 |
| Total | 1,404.7 |
- ⁷ Eligible Tier 2 instruments issued by subsidiaries and held by third parties recognised in the regulatory capital base.
- ⁸ Figures are rounded to the nearest US\$ million

Step 2: Expansion of the Balance sheet under the regulatory scope of consolidation as at 30 September 2025

US\$ Millions	Balance sheet as in published consolidated financial statements	Consolidated PIR data	Reference
Assets			
Cash and other liquid assets	10,100.0	158.8	
Securities purchased under agreements to resell	530.8	-	
Placements with banks and similar financial institutions	6,109.6	16,582.0	
Investment securities	10,103.9	10,109.3	
Loans and advances to banks and non-banks	15,619.5	15,754.2	
Other assets	1,497.2	1,497.2	
Total assets	43,961.0	44,101.5	
Liabilities			
Deposits from banks	1,435.1	7,239.1	
Deposits from customers	29,010.1	23,206.1	
Securities sold under agreements to repurchase	2,496.8	2,496.8	
Senior term financing	5,503.4	5,503.4	
Other liabilities	1,415.8	1,404.7	
Subordinated term financing	400.0	-	
Total liabilities	40,261.2	39,850.0	
Shareholders' Equity			
Paid up share capital	2,000.0	2,000.0	
of which amount eligible for CET1	-	2,000.0	
of which amount eligible for AT1	-	-	
Reserves	230.4	230.4	
Retained earnings	392.8	392.8	A
Expected Credit Losses	-	89.8	B
Equity attributable to the shareholders of the Bank	2,623.2	2,713.0	
Non-controlling interest			
CET1 owned by the bank	1,076.6	1,076.6	
Tier 2 capital instruments	-	400.0	
Expected Credit Losses	-	61.8	
Non-controlling interest Total		1,538.5	
of which amount eligible for CET1		652.2	
of which amount eligible for AT1		108.7	
of which amount eligible for T2		304.9	
of which amount ineligible		472.7	
Total equity	3,699.8	4,251.4	
Total liabilities & shareholders' equity	43,961.0	44,101.5	

Step 3: Composition of Capital Disclosures template as at 30 September 2025

US\$ millions	Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
Common Equity Tier 1 capital: instruments and reserves		
1.	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	2,000.0
2.	Retained earnings	392.8
3.	Accumulated other comprehensive income (and other reserves)	215.4
4.	<i>Not Applicable</i>	
5.	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	652.2
6.	Common Equity Tier 1 capital before regulatory adjustments	3,260.4
Common Equity Tier 1 capital: regulatory adjustments		
7.	Prudential valuation adjustments	
8.	Goodwill (net of related tax liability)	
9.	Other intangibles other than mortgage-servicing rights (net of related tax liability)	6.26
10.	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	
11.	Cash-flow hedge reserve	
12.	Shortfall of provisions to expected losses	
13.	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	
14.	<i>Not applicable.</i>	
15.	Defined-benefit pension fund net assets	-
16.	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	
17.	Reciprocal cross-holdings in common equity	
18.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	
19.	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
20.	Mortgage servicing rights (amount above 10% threshold)	
21.	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22.	Amount exceeding the 15% threshold	
23.	of which: significant investments in the common stock of financials	
24.	of which: mortgage servicing rights	
25.	of which: deferred tax assets arising from temporary differences	
26.	CBB specific regulatory adjustments	
27.	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28.	Total regulatory adjustments to Common equity Tier 1	6.3
29.	Common Equity Tier 1 capital (CET1)	3,254.1
30.	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	
31.	of which: classified as equity under applicable accounting standards	
32.	of which: classified as liabilities under applicable accounting standards	
33.	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	
34.	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	
35.	<i>of which: instruments issued by subsidiaries subject to phase out</i>	
36.	Additional Tier 1 capital before regulatory adjustments	108.7
Additional Tier 1 capital: regulatory adjustments		
37.	Investments in own Additional Tier 1 instruments	
38.	Reciprocal cross-holdings in Additional Tier 1 instruments	
39.	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	
40.	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
41.	CBB specific regulatory adjustments	
42.	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	
43.	Total regulatory adjustments to Additional Tier 1 capital	-
44.	Additional Tier 1 capital (AT1)	108.7
45.	Tier 1 capital (T1 = CET1 + AT1)	3,362.8

Tier 2 capital: instruments and provisions	
46. Directly issued qualifying Tier 2 instruments plus related stock surplus	
47. <i>Directly issued capital instruments subject to phase out from Tier 2</i>	
48. Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	336.5
49. <i>of which: instruments issued by subsidiaries subject to phase out</i>	
50. Provisions	89.1 ^B
51. Tier 2 capital before regulatory adjustments	425.6
Tier 2 capital: regulatory adjustments	
52. Investments in own Tier 2 instruments	
53. Reciprocal cross-holdings in Tier 2 instruments	
54. Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
55. Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	
56. CBB specific regulatory adjustments	
57. Total regulatory adjustments to Tier 2 capital	-
58. Tier 2 capital (T2)	425.6
59. Total capital (TC = T1 + T2)	3,788.4
RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT OF WHICH:	
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	
<u>OF WHICH:</u> Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	
60. Total risk weighted assets	24,363.3
Capital ratios	
61. Common Equity Tier 1 (as a percentage of risk weighted assets)	13.4%
62. Tier 1 (as a percentage of risk weighted assets)	13.8%
63. Total capital (as a percentage of risk weighted assets)	15.5%
64. Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus D-SIB buffer requirement expressed as a percentage of risk weighted assets)	9.0%
65. <i>of which: capital conservation buffer requirement</i>	2.5%
66. <i>of which: bank specific countercyclical buffer requirement (N/A)</i>	N/A
67. <i>of which: D-SIB buffer requirement (N/A)</i>	N/A
68. Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	13.4%
National minima including CCB (if different from Basel 3)	
69. CBB Common Equity Tier 1 minimum ratio	9.0%
70. CBB Tier 1 minimum ratio	10.5%
71. CBB total capital minimum ratio	12.5%
Amounts below the thresholds for deduction (before risk weighting)	
72. Non-significant investments in the capital of other financials	
73. Significant investments in the common stock of financials	
74. Mortgage servicing rights (net of related tax liability)	
75. Deferred tax assets arising from temporary differences (net of related tax liability)	
Applicable caps on the inclusion of provisions in Tier 2	
76. Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	89.1
77. Cap on inclusion of provisions in Tier 2 under standardised approach	276.9
78. N/A	
79. N/A	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2020 and 1 Jan 2024)	
80. <i>Current cap on CET1 instruments subject to phase out arrangements</i>	
81. <i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	
82. <i>Current cap on AT1 instruments subject to phase out arrangements</i>	
83. <i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	
84. <i>Current cap on T2 instruments subject to phase out arrangements</i>	
85. <i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	

PD 3: Main Features of Regulatory Capital Instruments

US\$ millions

1.	Issuer	Gulf International Bank B.S.C.
2.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	3541088Z
3.	Governing law(s) of the instrument	Bahrain
	<i>Regulatory treatment</i>	
4.	Transitional CBB rules	Tier 1
5.	Post-transitional CBB rules	Tier 1
6.	Eligible at solo/group/group & solo	Solo and Group
7.	Instrument type (types to be specified by each jurisdiction)	Common equity
8.	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	3,788.4
9.	Par value of instrument	2,000.0
10.	Accounting classification	Shareholders' equity
11.	Original date of issuance	NA
12.	Perpetual or dated	Perpetual
13.	Original maturity date	NA
14.	Issuer call subject to prior supervisory approval	No
15.	Optional call date, contingent call dates and redemption amount	NA
16.	Subsequent call dates, if applicable	NA
	<i>Coupons / dividends</i>	NA
17.	Fixed or floating dividend/coupon	NA
18.	Coupon rate and any related index	NA
19.	Existence of a dividend stopper	NA
20.	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21.	Existence of step up or other incentive to redeem	NA
22.	Noncumulative or cumulative	NA
23.	Convertible or non-convertible	NA
24.	If convertible, conversion trigger (s)	NA
25.	If convertible, fully or partially	NA
26.	If convertible, conversion rate	NA
27.	If convertible, mandatory or optional conversion	NA
28.	If convertible, specify instrument type convertible into	NA
29.	If convertible, specify issuer of instrument it converts into	NA
30.	Write-down feature	NA
31.	If write-down, write-down trigger(s)	NA
32.	If write-down, full or partial	NA
33.	If write-down, permanent or temporary	NA
34.	If temporary write-down, description of write-up mechanism	NA
35.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36.	Non-compliant transitioned features	NA
37.	If yes, specify non-compliant features	NA

Leverage Ratio:

The leverage ratio serves as a supplementary measure to the risk-based capital requirements. The leverage ratio is computed on a consolidated basis and Bahraini conventional bank licensees must meet a 3.0% leverage ratio minimum requirement at all times.

Leverage Ratio components:

	US\$ millions
Tier 1 capital	3,362.8
Total exposure	50,073.8
Leverage ratio	6.7%