

**GIB Consolidated Liquidity Coverage Ratio (LCR)**
**Three months ended 31st March 2021**

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 2021 and the previous three month period in the manner prescribed by the CBB. The consolidated average LCR of 164 per cent for the three months ended 31st March 2021 is mainly derived from US\$5.5 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 31.3.21           |                                | 3 months ended 31.12.20          |                                |
|--|--|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|  |  | Total unweighted value (average) | Total weighted value (average) | Total unweighted value (average) | Total weighted value (average) |
| <b>High-Quality Liquid Assets (HQLA)</b> |  |                                  |                                |                                  |                                |
| 1  | Total high quality liquid assets (HQLA)                                      |                                  | 5,470                          |                                  | 4,669                          |
| <b>Cash Outflows</b>                     |  |                                  |                                |                                  |                                |
| 2  | <b>Retail deposits and deposits from small business customers, of which:</b> | <b>470</b>                       | <b>47</b>                      | <b>544</b>                       | <b>54</b>                      |
| 3  | Stable deposits  | -                                | -                              | -                                | -                              |
| 4  | Less stable deposits   | 470                              | 47                             | 544                              | 54                             |
| 5  | <b>Unsecured wholesale funding, of which:</b>                                | <b>11,163</b>                    | <b>4,736</b>                   | <b>9,610</b>                     | <b>4,011</b>                   |
| 6  | Operational deposits (all counterparties)                                    | -                                | -                              | -                                | -                              |
| 7  | Non operational deposits (all counterparties)                                | 11,163                           | 4,736                          | 9,610                            | 4,011                          |
| 8  | Unsecured debt   | -                                | -                              | -                                | -                              |
| 9  | <b>Secured wholesale funding</b>   | <b>-</b>                         | <b>-</b>                       | <b>-</b>                         | <b>-</b>                       |
| 10                                       | <b>Additional requirements, of which:</b>                                    | <b>1,747</b>                     | <b>227</b>                     | <b>1,687</b>                     | <b>198</b>                     |
| 11                                       | Outflows related to derivative exposures and other collateral requirements   | 59                               | 59                             | 33                               | 33                             |
| 12                                       | Outflows related to loss of funding on debt products                         | -                                | -                              | -                                | -                              |
| 13                                       | Credit and liquidity facilities  | 1,689                            | 169                            | 1,654                            | 165                            |
| 14                                       | <b>Other contractual funding obligations</b>                                 | <b>498</b>                       | <b>498</b>                     | <b>600</b>                       | <b>600</b>                     |
| 15                                       | <b>Other contingent funding obligations</b>                                  | <b>5,745</b>                     | <b>287</b>                     | <b>5,802</b>                     | <b>290</b>                     |
| 16                                       | <b>Total Cash Outflows</b>   |                                  | <b>5,796</b>                   |                                  | <b>5,154</b>                   |
| <b>Cash Inflows</b>                      |  |                                  |                                |                                  |                                |
| 17                                       | Secured lending (e.g. reverse repos)   | 2                                | 2                              | 14                               | 14                             |
| 18                                       | Inflows from fully performing exposures                                      | 2,564                            | 2,282                          | 2,532                            | 2,312                          |
| 19                                       | Other cash inflows   | 142                              | 142                            | 142                              | 142                            |
| 20                                       | <b>Total Cash Inflows</b>  | <b>2,707</b>                     | <b>2,426</b>                   | <b>2,688</b>                     | <b>2,468</b>                   |
|  |  |                                  | <b>Total adjusted value</b>    |                                  | <b>Total adjusted value</b>    |
| 21                                       | <b>Total HQLA</b>  |                                  | <b>5,470</b>                   |                                  | <b>4,669</b>                   |
| 22                                       | <b>Total Net Cash Outflows</b>   |                                  | <b>3,370</b>                   |                                  | <b>2,687</b>                   |
| 23                                       | <b>Liquidity Coverage Ratio (%)</b>  |                                  | <b>164%</b>                    |                                  | <b>184%</b>                    |

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 2021**

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 2021 in the manner prescribed by the CBB. The consolidated NSFR of 165 per cent at 31st March 2021 (31st December 2020: 156 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 37 per cent (31st December 2020: 44 per cent) of the Group's total ASF. 67 per cent (31st December 2020: 67 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 2021        |                      |
|--|---|---|--------------------------------|---|------------------------|------------------------|----------------------|
|  |   | 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 |
| <b>Available Stable Funding (ASF):</b> |   |   |                                |   |                        |                        |                      |
| 1                                      | Capital:  |   |                                |   |                        |                        |                      |
| 2                                      | Regulatory Capital  | 2,582   |                                |   |                        | 2,582                  | 2,582                |
| 3                                      | Other Capital Instruments   | 465   |                                |   |                        | 465                    | 465                  |
| 4                                      | Retail deposits and deposits from small business customers:   |   |                                |   |                        |                        |                      |
| 5                                      | Stable deposits   |   |                                |   |                        |                        |                      |
| 6                                      | Less stable deposits  | 191   | 728                            | 11  | 1                      | 931                    | 838                  |
| 7                                      | Wholesale funding:  |   |                                |   |                        |                        |                      |
| 8                                      | Operational deposits  |   |                                |   |                        |                        |                      |
| 9                                      | Other wholesale funding   | 12,653  | 11,614                         | 3,371   | 3,299                  | 30,937                 | 13,094               |
| 10                                     | Other liabilities:  |   |                                |   |                        |                        |                      |
| 11                                     | NSFR derivative liabilities   |   |                                |   |                        |                        |                      |
| 12                                     | All other liabilities not included in the above categories  |   |                                |   |                        |                        |                      |
| 13                                     | <b>Total ASF</b>  |   |                                |   |                        |                        | <b>16,979</b>        |
| <b>Required Stable Funding (RSF):</b>  |   |   |                                |   |                        |                        |                      |
| 14                                     | Total NSFR high-quality liquid assets (HQLA)  |   |                                |   |                        |                        | 1,048                |
| 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                                     | Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions                               | 1,138   | 2,457                          | 452   | 102                    | 4,148                  | 867                  |
| 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: |   | 5,041                          | 1,316   | 3,765                  | 10,122                 | 6,379                |
| 20                                     | - With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines  |   |                                |   | 856                    | 856                    | 557                  |
| 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   |   |                                |   | 172                    | 172                    | 152                  |
| 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   |   | 104                            |   |                        | 104                    | 88                   |
| 27                                     | NSFR derivative assets  |   | 139                            |   |                        | 139                    | 139                  |
| 28                                     | NSFR derivative liabilities before deduction of variation margin posted   |   | 78                             |   |                        | 78                     | 78                   |
| 29                                     | All other assets not included in the above categories   | 617   |                                |   |                        | 617                    | 617                  |
| 30                                     | OBS items   |   | 2,158                          | 1,692   | 3,997                  | 7,846                  | 361                  |
| 31                                     | <b>Total RSF</b>  |   |                                |   |                        |                        | <b>10,285</b>        |
| 32                                     | <b>NSFR (%)</b>   |   |                                |   |                        |                        | <b>165%</b>          |