

GIB Consolidated Liquidity Coverage Ratio (LCR)
Three months ended 31st December 2022

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 2022 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 December 2022 is mainly derived from US\$5.6 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 31.12.22		3 months ended 30.09.22	
		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)		5,566		6,615
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	337	34	356	36
3	Stable deposits	0	0	-	-
4	Less stable deposits	337	34	356	36
5	Unsecured wholesale funding, of which:	13,720	5,702	17,117	7,038
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	13,720	5,702	17,117	7,038
8	Unsecured debt	0	0	-	-
9	Secured wholesale funding	56	3	72	1
10	Additional requirements, of which:	2,211	298	2,837	358
11	Outflows related to derivative exposures and other collateral requirements	43	43	39	39
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	2,168	255	2,798	318
14	Other contractual funding obligations	281	279	300	309
15	Other contingent funding obligations	6,813	342	6,829	342
16	Total Cash Outflows		6,658		8,083
Cash Inflows					
17	Secured lending (e.g. reverse repos)	13	5	-	-
18	Inflows from fully performing exposures	3,676	3,366	3,292	3,205
19	Other cash inflows	412	399	887	888
20	Total Cash Inflows	4,101	3,770	4,179	4,093
		Total adjusted value		Total adjusted value	
21	Total HQLA		5,566		6,615
22	Total Net Cash Outflows		2,910		3,990
23	Liquidity Coverage Ratio (%)		203%		172%

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 2022

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 2022 in the manner prescribed by the CBB. The consolidated NSFR of 162 per cent at 31st December 2022 (30th September 2022: 161 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 44 per cent (30th September 2022: 43 per cent) of the Group's total ASF. 64 per cent (30th September 2022: 65 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 2022	
		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	2,973	0	0	0	2,973	2,973
3	Other Capital Instruments	211	0	0	0	211	211
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	132	521	186	0	839	756
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	7,802	13,384	1,335	4,914	27,436	14,409
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	Total ASF						18,349
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)						428
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	0
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,498	4,095	609	257	6,460	1,402
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:		5,385	1,039	4,133	10,557	6,725
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				920	920	598
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		15	0	193	209	197
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		47				40
27	NSFR derivative assets		240				240
28	NSFR derivative liabilities before deduction of variation margin posted		79				79
29	All other assets not included in the above categories	1,197				1,197	1,197
30	OBS items		2,422	2,045	4,565	9,033	452
31	Total RSF						11,359
32	NSFR (%)						162%