

GIB Consolidated Liquidity Coverage Ratio (LCR)
Three months ended 30th June 2020

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 June 2020 and the previous three month period in the manner prescribed by the CBB. The consolidated average LCR of 151 per cent for the three months ended 30th June 2020 is mainly derived from US\$4.2 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 30.6.20		3 months ended 31.12.19	
		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)		4,215		5,337
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	638	64	678	68
3	Stable deposits	-	-	-	-
4	Less stable deposits	638	64	678	68
5	Unsecured wholesale funding, of which:	10,830	4,557	12,174	5,128
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	10,830	4,557	12,170	5,125
8	Unsecured debt	-	-	4	4
9	Secured wholesale funding		-		28
10	Additional requirements, of which:	1,620	184	1,574	178
11	Outflows related to derivative exposures and other collateral requirements	25	25	29	29
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	1,595	160	1,545	155
14	Other contractual funding obligations	744	744	365	365
15	Other contingent funding obligations	6,007	300	6,053	303
16	Total Cash Outflows		5,849		6,070
Cash Inflows					
17	Secured lending (e.g. reverse repos)	53	53	175	91
18	Inflows from fully performing exposures	2,938	2,704	2,545	2,350
19	Other cash inflows	158	158	716	716
20	Total Cash Inflows	3,150	2,915	3,436	3,157
			Total adjusted value		Total adjusted value
21	Total HQLA		4,215		5,337
22	Total Net Cash Outflows		2,936		2,901
23	Liquidity Coverage Ratio (%)		151%		187%

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 June 2020

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 June 2020 in the manner prescribed by the CBB. The consolidated NSFR of 158 per cent at 30th June 2020 (31st December 2020: 163 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 42 per cent (31st December 2019: 35 per cent) of the Group's total ASF. 60 per cent (31st December 2020: 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 June 2020	
		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	2,190				2,190	2,190
3	Other Capital Instruments	979				979	979
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	197	1,111	14	1	1,323	1,191
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	7,651	11,571	1,400	3,700	24,323	11,880
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	Total ASF						16,239
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)						990
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		6,659	701	42	7,403	1,391
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:		4,746	945	3,460	9,151	5,786
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				638	638	415
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				152	152	129
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		173			173	147
27	NSFR derivative assets		112			112	112
28	NSFR derivative liabilities before deduction of variation margin posted		111			111	111
29	All other assets not included in the above categories	772	0	18	35	825	816
30	OBS items		2,209	1,608	3,409	7,226	361
31	Total RSF						10,258
32	NSFR (%)						158%