

Liquidity Coverage Ratio (LCR) /  
Net Stable Funding Ratio (NSFR)

For the year ended 31<sup>st</sup> December 2021



**GIB Consolidated Liquidity Coverage Ratio (LCR)**
**Three months ended 31st December 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 December 2021 and the previous three month period in the manner prescribed by the CBB. The consolidated average LCR of 158 per cent for the three months ended 31st December 2021 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 31.12.21		3 months ended 30.9.21	
		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)		5,570		5,294
<b>Cash Outflows</b>					
2	Retail deposits and deposits from small business customers, of which:	399	40	424	42
3	Stable deposits	-	-	-	-
4	Less stable deposits	399	40	424	42
5	Unsecured wholesale funding, of which:	11,582	4,917	11,302	4,824
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	11,582	4,917	11,302	4,824
8	Unsecured debt	-	-	-	-
9	Secured wholesale funding	66	-	78	-
10	Additional requirements, of which:	2,138	249	2,059	255
11	Outflows related to derivative exposures and other collateral requirements	39	39	55	55
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	2,099	210	2,005	200
14	Other contractual funding obligations	714	714	508	508
15	Other contingent funding obligations	6,471	324	6,038	302
16	<b>Total Cash Outflows</b>		<b>6,244</b>		<b>5,931</b>
<b>Cash Inflows</b>					
17	Secured lending (e.g. reverse repos)	8	8	-	-
18	Inflows from fully performing exposures	2,535	2,336	2,414	2,211
19	Other cash inflows	327	327	256	256
20	<b>Total Cash Inflows</b>	<b>2,870</b>	<b>2,671</b>	<b>2,670</b>	<b>2,468</b>
		<b>Total adjusted value</b>		<b>Total adjusted value</b>	
21	<b>Total HQLA</b>		<b>5,570</b>		<b>5,294</b>
22	<b>Total Net Cash Outflows</b>		<b>3,574</b>		<b>3,464</b>
23	<b>Liquidity Coverage Ratio (%)</b>		<b>158%</b>		<b>155%</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 December 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 December 2021 in the manner prescribed by the CBB. The consolidated NSFR of 146 per cent at 31st December 2021 (30th September 2021: 145 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 43 per cent (30th September 2021: 39 per cent) of the Group's total ASF. 66 per cent (30th September 2021: 64 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 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	2,441				2,441	2,441
3	Other Capital Instruments	652				652	652
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	147	660	7	0	815	733
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	8,733	10,975	3,143	4,078	26,928	12,907
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	<b>Total ASF</b>						<b>16,733</b>
<b>Required Stable Funding (RSF):</b>							
14	Total NSFR high-quality liquid assets (HQLA)						804
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	1,324	3,548	502	147	5,521	1,129
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:		5,244	1,208	4,511	10,963	7,060
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				821	821	533
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		10	102	63	175	117
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		133			133	113
27	NSFR derivative assets		83			83	83
28	NSFR derivative liabilities before deduction of variation margin posted		67			67	67
29	All other assets not included in the above categories	1,101				1,101	1,101
30	OBS items		2,591	1,850	4,246	8,686	434
31	<b>Total RSF</b>						<b>11,442</b>
32	<b>NSFR (%)</b>						<b>146%</b>