BASEL 3

Regulatory Liquidity Disclosures

For the quarter ended 30th June 2026

gfh.com
GFH Bank B.S.C, CR 44136
T. (+973) 1753 8538, F. (+973) 1754 0006, info@gfh.com
GFH House, Bahrain Harbour, P.O. Box 10006, Manama, Kingdom of Bahrain

Liquidity Coverage Ratio (LCR) for the quarter ended 30th June 2026

Introduction

In August 2018, the Central Bank of Bahrain (CBB) issued its regulations on Liquidity Risk Management (LM). The regulations require Bahraini bank licensees to meet a minimum Liquidity Coverage Ratio (LCR) of 100% on a daily basis. The objective of the LCR is to improve resilience of banks' short-term liquidity risk profile by ensuring that they have sufficient level of high-quality liquid assets (HQLAs) to honor net cash outflows and survive a significant stress scenario lasting for a period of up to 30 days.

GFH Financial Group Liquidity Coverage Ratio

The Group has reported LCR at 139% for the period of Q2 2026.	**139%** Regulatory minimum: 100%

High-Quality Liquid Assets (HQLA) Portfolio

Assets qualify as HQLA if they can be easily and immediately converted into cash at little or no loss of value under stress circumstances. HQLA comprises of Level 1, Level 2A, and Level 2B liquid assets. Level 1 assets comprise of an unlimited share of the total pool and are not subject to haircuts. A 15% haircut is applied to the current market value of each Level 2A asset held in the stock of HQLA. Level 2B liquid assets are considered less liquid and more volatile than Level 2A liquid assets.

GFH has constantly maintained a robust portfolio of High-Quality Liquid Assets (HQLA) to support its liquidity position. The Group's total HQLA for the reporting period has increased by 20% for Q2 2026 compared to Q1 2026.

Net Cash Outflow

The term total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. GFH calculates its outflows on the basis of total expected cash outflows of various categories or types of liabilities and off-balance sheet commitments such as deposit repayments and term debts by the rates at which they are expected to run off or be drawn down.

Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables such as money market placements and other non-HQLA securities funded by the Group; by the rates at which they are expected to flow out under the scenario up to an aggregate cap of 75% on total expected inflows as % of total expected cash outflows.

Liquidity Coverage Ratio – for the quarter ended 30 June 2026

(USD ’000)

No.	Item	Total unweighted value	Total weighted value
High-Quality Liquid Assets			
1	Total HQLA		500,089
Cash outflows			
2	**Retail deposits and deposits from small business customers, of which:**		
3	Stable deposits	165,436	4,963
4	Less stable deposits	914,562	91,456
5	**Unsecured wholesale funding, of which:**		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	–	–
7	Non-operational deposits (all counterparties)	2,190,283	1,209,902
8	Unsecured sukuk	–	–
9	Secured wholesale funding		55,829
10	**Additional requirements, of which:**		
11	Outflows related to Shari’a-compliant hedging instruments exposures and other collateral requirements	–	–
12	Outflows related to loss of funding on financing products	–	–
13	Credit and liquidity facilities	146,614	12,879
14	**Other contractual funding obligations**	**–**	**–**
15	**Other contingent funding obligations**	**501,341**	**25,067**
16	**Total cash outflows**		**1,400,096**
Cash inflows			
17	Secured lending (e.g. reverse repos)	–	–
18	Inflows from fully performing exposures	1,163,187	1,040,110
19	Other cash inflows	–	–
20	**Total cash inflows**	**1,163,187**	**1,040,110**
			Total adjusted value
21	**Total HQLA**		**500,089**
22	**Total net cash outflow**		**359,987**
23	**Liquidity Coverage Ratio (%)**		**139%**

Net Stable Funding Ratio (NSFR) for the quarter ended 30th June 2026

Introduction

Net Stable Funding Ratio (NSFR) is defined as the amount of available stable funding (ASF) relative to the amount of required stable funding (RSF). This ratio should be equal to at least 100% on an ongoing basis. In August 2018, the Central Bank of Bahrain (CBB) issued the regulations to banks operating in Bahrain on the reporting of the Net Stable Funding Ratio effective 31 March 2019.

Net Stable Funding Ratio (NSFR)

The Group's NSFR stood at 102% as at 30 June 2026.	**102%** Regulatory minimum: 100%

Available Stable Funding (ASF)

ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to 1 year. The Group reported Total weighted ASF value was USD 8,111 mn.

Required Stable Funding (RSF)

RSF is defined as the portion of assets and OBS exposures expected to be funded on an ongoing basis over a 1-year horizon. The total weighted RSF stood at USD 7,966 mn.

Net Stable Funding Ratio – as at 30 June 2026

(USD '000)

No.	Item	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
Available Stable Funding (ASF)						
1	**Capital:**					
2	Regulatory capital	1,027,774	–	–	52,327	1,080,102
3	Other capital instruments	–	–	–	–	–
4	**Retail deposits and deposits from small business customers:**					
5	Stable deposits		134,704	38,514	253	164,811
6	Less stable deposits	–	2,654,304	750,742	274,504	3,339,045
7	**Wholesale funding:**					
8	Operational deposits					
9	Other wholesale funding	–	5,472,288	375,543	1,377,963	3,203,651
10	**Other liabilities:**					
11	NSFR Shari'a-compliant hedging contract liabilities		–	–	–	
12	All other liabilities not included in the above categories	–	230,635	–	324,645	323,637
13	**Total ASF**					**8,111,245**
Required Stable Funding (RSF)						
14	**Total NSFR high-quality liquid assets (HQLA)**					**125,510**
15	**Deposits held at other financial institutions for operational purposes**					
16	**Performing financing and sukuk/securities:**	**–**	**1,230,329**	**–**	**1,412,704**	**1,400,440**
17	Performing financing to financial institutions by level 1 HQLA	–	–	–	–	–
18	Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	–	22,895	512,618	800,084	947,828
19	Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	–	411,889	140,671	668,029	710,499
20	With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	–	–	–	–	–

No.	Item	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
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/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	–	657,551	31,986	595,679	940,448
24	**Other assets:**					
25	Physical traded commodities, including gold	–				–
26	Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs		–	–	–	–
27	NSFR Shari'a-compliant hedging assets		–	–	–	8,166
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted		–	–	–	–
29	All other assets not included in the above categories	3,655,913	–	–	–	3,655,913
30	OBS items		–	–	–	177,499
31	**Total RSF**		**2,322,664**	**685,275**	**3,476,496**	**7,966,303**
32	**NSFR (%)**					**102%**