



**Gulf International Bank B.S.C.
ABU DHABI BRANCH**

Basel III Pillar 3

**RISK MANAGEMENT AND
CAPITAL ADEQUACY**

For the quarter ended 31st March 2023

GIB

Risk management and capital adequacy report

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1 - Overview of risk management, key prudential metrics and RWA

1.1 - Key metrics

		Mar-23	Dec-22	Sep-22	Jun-22	Mar-22
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	565,019	553,881	580,969	574,991	565,695
1a	Fully loaded ECL accounting model	561,052	549,914	575,680	569,702	554,953
2	Tier 1	565,019	553,881	580,969	574,991	565,695
2a	Fully loaded ECL accounting model Tier 1	561,052	549,914	575,680	569,702	554,953
3	Total capital	596,354	583,204	603,440	597,132	586,891
3a	Fully loaded ECL accounting model total capital	592,387	579,238	598,151	591,843	576,149
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	2,580,353	2,419,390	1,853,644	1,827,271	1,751,417
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	21.90%	22.89%	31.34%	31.47%	32.30%
5a	Fully loaded ECL accounting model CET1 (%)	21.74%	22.73%	31.06%	31.18%	31.69%
6	Tier 1 ratio (%)	21.90%	22.89%	31.34%	31.47%	32.30%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	21.74%	22.73%	31.06%	31.18%	31.69%
7	Total capital ratio (%)	23.11%	24.11%	32.55%	32.68%	33.51%
7a	Fully loaded ECL accounting model total capital ratio (%)	22.96%	23.94%	32.27%	32.39%	32.90%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.5%	2.5%	2.5%	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	12.61%	13.44%	22.06%	22.18%	23.01%
Leverage Ratio						
13	Total leverage ratio measure	3,664,024	3,871,911	2,076,007	2,096,882	2,163,596
14	Leverage ratio (%) (row 2/row 13)	15.42%	14.31%	27.98%	27.42%	26.15%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	15.31%	14.20%	27.73%	27.17%	25.65%
14b	Leverage ratio (%) (excluding the impact of any	15.42%	14.31%	27.98%	27.42%	26.15%
ELAR						
21	Total HQLA	666,497	720,148	156,984	294,049	313,446
22	Total liabilities	2,913,173	3,075,603	1,359,408	1,289,086	1,375,024
23	Eligible Liquid Assets Ratio (ELAR) (%)	22.88%	23.41%	11.55%	22.81%	22.80%
ASRR						
24	Total available stable funding	3,122,940	3,025,127	1,745,740	1,675,420	1,725,060
25	Total Advances	2,194,724	1,915,547	1,471,370	1,350,684	1,478,735
26	Advances to Stable Resources Ratio (%)	70.28%	63.32%	84.28%	80.62%	85.72%

1 - Overview of risk management, key prudential metrics and RWA

1.2 - Overview of RWA

		RWA		Minimum capital requirements
		Mar-23	Dec-22	Mar-23
1	Credit risk (excluding counterparty credit risk)	2,465,206	2,308,275	258,847
2	Of which: standardised approach (SA)	2,465,206	2,308,275	258,847
3				
4				
5				
6	Counterparty credit risk (CCR)	41,569	37,622	4,365
7	Of which: standardised approach for counterparty credit risk	41,569	37,622	4,365
8				
9				
10				
11				
20	Market risk	316	231	33
21	Of which: standardised approach (SA)	316	231	33
22				
23	Operational risk	73,262	73,262	7,692
24				
25				
26	Total (1+6+10+11+12+13+14+15+16+20+23)	2,580,353	2,419,390	270,937

2 - Leverage ratio

2.1 - Leverage ratio common disclosure

		Mar-23	Dec-22
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	3,447,602	3,592,004
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	86	86
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	3,447,516	3,591,918
Derivative exposures			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,479	2,062
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	21,558	14,829
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures (sum of rows 8 to 12)	32,252	23,647
Securities financing transactions			
14	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	471,812	610,923
20	(Adjustments for conversion to credit equivalent amounts)	287,556	348,959
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance sheet items (sum of rows 19 to 21)	184,257	261,964
Capital and total exposures			
23	Tier 1 capital	565,019	553,881
24	Total exposures (sum of rows 7, 13, 18 and 22)	3,664,024	3,877,529
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	15.42%	14.28%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	15.42%	14.28%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	-	-

3 - Liquidity

3.1 - Eligible Liquid Assets Ratio

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	666,497	
1.2	UAE Federal Government Bonds and Sukuks	-	
	Sub Total (1.1 to 1.2)	666,497	666,497
1.3	UAE local governments publicly traded debt securities	-	
1.4	UAE Public sector publicly traded debt securities	-	
	Sub total (1.3 to 1.4)	0	0
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	0
1.6	Total	666,497	666,497
2	Total liabilities		2,913,173
3	Eligible Liquid Assets Ratio (ELAR)		22.88%

3 - Liquidity

3.2 - Advances to Stables Resource Ratio

		Items	Amount
1		Computation of Advances	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	1,732,844
	1.2	Lending to non-banking financial institutions	437,490
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	24,390
	1.4	Interbank Placements	
	1.5	Total Advances	2,194,724
2		Calculation of Net Stable Resources	
	2.1	Total capital + general provisions	598,313
		Deduct:	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	1,455
	2.1.3	Funds allocated to branches abroad	-
	2.1.5	Unquoted Investments	-
	2.1.6	Investment in subsidiaries, associates and affiliates	-
	2.1.7	Total deduction	1,455
	2.2	Net Free Capital Funds	596,858
	2.3	Other stable resources:	
	2.3.1	Funds from the head office	-
	2.3.2	Interbank deposits with remaining life of more than 6 months	-
	2.3.3	Refinancing of Housing Loans	-
	2.3.4	Borrowing from non-Banking Financial Institutions	32,270
	2.3.5	Customer Deposits	1,174,195
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	1,319,617
	2.3.7	Total other stable resources	2,526,082
	2.4	Total Stable Resources (2.2+2.3.7)	3,122,940
3		Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	70.28