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

Basel III Pillar 3

RISK MANAGEMENT AND CAPITAL ADEQUACY

For the quarter ended 31st March 2022

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-22	Dec-21	Sep-21	Jun-21	Mar-21
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	565,695	560,742	528,116	532,963	532,228
1a	Fully loaded ECL accounting model	21,196	22,222	18,339	20,108	16,440
2	Tier 1	565,695	560,742	528,116	532,963	532,228
2a	Fully loaded ECL accounting model Tier 1	554,953	550,000	517,698	523,390	527,067
3	Total capital	586,891	582,964	546,455	553,071	548,668
3a	Fully loaded ECL accounting model total capital	576,149	572,222	536,037	543,498	543,507
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	1,751,417	1,833,177	1,506,822	1,722,466	1,354,844
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	32.3%	30.6%	35.0%	30.9%	39.3%
5a	Fully loaded ECL accounting model CET1 (%)	31.7%	30.0%	34.4%	30.4%	38.9%
6	Tier 1 ratio (%)	32.3%	30.6%	35.0%	30.9%	39.3%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	31.7%	30.0%	34.4%	30.4%	38.9%
7	Total capital ratio (%)	33.5%	31.8%	36.3%	32.1%	40.5%
7a	Fully loaded ECL accounting model total capital ratio (%)	32.9%	31.2%	35.6%	31.6%	40.1%
	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 (%)	23.0%	21.3%	25.8%	21.7%	30.0%
	Leverage Ratio					
13	Total leverage ratio measure	2,163,596	2,368,827	2,331,749	2,068,522	1,743,949
14	Leverage ratio (%) (row 2/row 13)	26.1%	23.7%	22.6%	25.8%	30.5%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	25.6%	23.2%	22.2%	25.3%	30.2%
14b	Leverage ratio (%) (excluding the impact of any	26.1%	23.7%	22.6%	25.8%	30.5%
	ELAR					
21	Total HQLA	313,446	278,782	314,789	362,281	221,477
22	Total liabilities	1,375,024	1,511,375	1,496,280	1,217,727	862,282
23	Eligible Liquid Assets Ratio (ELAR) (%)	22.8%	18.4%	21.0%	29.8%	25.7%
	ASRR					
24	Total available stable funding	1,725,060	1,818,949	1,752,122	1,503,236	1,273,815
25	Total Advances	1,478,735	1,502,302	1,430,794	1,353,516	1,076,554
26	Advances to Stable Resources Ratio (%)	85.7%	82.6%	81.7%	90.0%	84.5%

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

Overview of RWA

		RWA		Minimum capital requirements
		Mar-22	Dec-21	Mar-22
1	Credit risk (excluding counterparty credit risk)	1,688,278	1,764,530	177,269
2	Of which: standardised approach (SA)	1,688,278	1,764,530	177,269
3	[redacted]			
4	[redacted]			
5	[redacted]			
6	Counterparty credit risk (CCR)	7,392	13,261	776
7	Of which: standardised approach for counterparty credit risk	7,392	13,261	776
8	[redacted]			
9	[redacted]			
10	[redacted]			
11	[redacted]			
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	[redacted]			
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	635	275	67
21	Of which: standardised approach (SA)	635	275	67
22	[redacted]			
23	Operational risk	55,111	55,111	5,787
24	[redacted]			
25	[redacted]			
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**1,751,417**	**1,833,178**	**183,899**

2- Leverage ratio

2.1- Leverage ratio common disclosure template

		Mar-22	Dec-21
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,902,146	2,055,019
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)	-	-
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	1,902,146	2,055,019
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	304	328
9	Add-on amounts for PFE associated with *all* derivatives transactions	16,488	24,288
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)**	23,509	34,462
Securities financing transactions			
14	Gross SFT *assets* (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	387,417	495,435
20	(Adjustments for conversion to credit equivalent amounts)	149,476	216,089
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)**	237,941	279,346
Capital and total exposures			
23	**Tier 1 capital**	565,695	560,742
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	2,163,596	2,368,827
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	26.1%	23.7%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	26.1%	23.7%
26	CBUAE minimum leverage ratio requirement	3.0%	3.0%
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	313,446	
1.2	UAE Federal Government Bonds and Sukuks	-	
	Sub Total (1.1 to 1.2)	313,446	313,446
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**	**313,446**	**313,446**
2	Total liabilities		1,375,024
3	**Eligible Liquid Assets Ratio (ELAR)**		**22.8%**

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)	1,458,575
	1.2	Lending to non-banking financial institutions	
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	20,160
	1.4	Interbank Placements	
	1.5	**Total Advances**	1,478,735
2		**Calculation of Net Stable Ressources**	
	2.1	Total capital + general provisions	584,104
		Deduct:	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	1,258
	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**	1,258
	2.2	**Net Free Capital Funds**	582,846
	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	269,913
	2.3.3	Refinancing of Housing Loans	
	2.3.4	Borrowing from non-Banking Financial Institutions	32,908
	2.3.5	Customer Deposits	748,068
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	91,325
	2.3.7	**Total other stable resources**	1,142,214
	2.4	**Total Stable Resources (2.2+2.3.7)**	1,725,060
3		**Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)**	85.7%