



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

Basel III Pillar 3

**RISK MANAGEMENT AND
CAPITAL ADEQUACY**

For the quarter ended 30th September 2022



Risk management and capital adequacy report

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

1.1 - Key metrics

		Sep-22	Jun-22	Mar-22	Dec-21	Sep-21
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	580,969	574,991	565,695	560,742	528,116
1a	Fully loaded ECL accounting model	24,102	22,141	21,196	22,222	18,339
2	Tier 1	580,969	574,991	565,695	560,742	528,116
2a	Fully loaded ECL accounting model Tier 1	575,680	569,702	554,953	550,000	517,698
3	Total capital	605,071	597,132	586,891	582,964	546,455
3a	Fully loaded ECL accounting model total capital	599,782	591,843	576,149	572,222	536,037
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	1,984,121	1,827,271	1,751,417	1,833,177	1,506,822
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	29.28%	31.47%	32.30%	30.59%	35.05%
5a	Fully loaded ECL accounting model CET1 (%)	29.01%	31.18%	31.69%	30.00%	34.36%
6	Tier 1 ratio (%)	29.28%	31.47%	32.30%	30.59%	35.05%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	29.01%	31.18%	31.69%	30.00%	34.36%
7	Total capital ratio (%)	30.50%	32.68%	33.51%	31.80%	36.27%
7a	Fully loaded ECL accounting model total capital ratio (%)	30.23%	32.39%	32.90%	31.21%	35.57%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	20.00%	22.18%	23.01%	21.30%	25.77%
	Leverage Ratio					
13	Total leverage ratio measure	2,076,007	2,096,882	2,163,596	2,368,827	2,331,749
14	Leverage ratio (%) (row 2/row 13)	27.98%	27.42%	26.15%	23.67%	22.65%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	27.73%	27.17%	25.65%	23.22%	22.20%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	27.98%	27.42%	26.15%	23.67%	22.65%
	ELAR					
21	Total HQLA	156,984	294,049	313,446	278,782	314,789
22	Total liabilities	1,359,408	1,289,086	1,375,024	1,511,375	1,496,280
23	Eligible Liquid Assets Ratio (ELAR) (%)	11.55%	22.81%	22.80%	18.45%	21.04%
	ASRR					
24	Total available stable funding	1,745,740	1,675,420	1,725,060	1,818,949	1,752,122
25	Total Advances	1,471,370	1,350,684	1,478,735	1,502,302	1,430,794
26	Advances to Stable Resources Ratio (%)	84.28%	80.62%	85.72%	82.59%	81.66%

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

1.2 - Overview of RWA

	RWA		Minimum capital requirements
	Sep-22	Jun-22	Sep-22
1 Credit risk (excluding counterparty credit risk)	1,734,410	1,763,901	182,113
2 Of which: standardised approach (SA)	1,734,410	1,763,901	182,113
3			
4			
5			
6 Counterparty credit risk (CCR)	193,744	7,392	20,343
7 Of which: standardised approach for counterparty credit risk	193,744	7,392	20,343
8			
9			
10			
11			
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			
18 Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	
19 Of which: securitisation standardised approach (SEC-SA)	-	-	
20 Market risk	856	867	90
21 Of which: standardised approach (SA)	856	867	90
22			
23 Operational risk	55,111	55,111	5,787
24			
25			
26 Total (1+6+10+11+12+13+14+15+16+20+23)	1,984,121	1,827,271	208,333

2 - Leverage ratio

2.1- Leverage ratio common disclosure

		Sep-22	Jun-22
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,893,259	1,828,714
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)	1,893,259	1,828,714
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)	2,869	1,945
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	18,299	19,650
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)	29,635	30,233
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	393,450	453,780
20	(Adjustments for conversion to credit equivalent amounts)	240,337	215,845
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)	153,113	237,935
Capital and total exposures			
23	Tier 1 capital	580,969	574,991
24	Total exposures (sum of rows 7, 13, 18 and 22)	2,076,007	2,096,882
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	27.98%	27.42%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	27.98%	27.42%
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	156,984	
1.2	UAE Federal Government Bonds and Sukuks	-	
	Sub Total (1.1 to 1.2)	156,984	156,984
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)	-	-
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	-
1.6	Total	156,984	156,984
2	Total liabilities		1,359,408
3	Eligible Liquid Assets Ratio (ELAR)		11.55%

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)	1,451,210
	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	1,471,370
2		Calculation of Net Stable Ressources	
	2.1	Total capital + general provisions	605,177
		Deduct:	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	1,829
	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	1,829
	2.2	Net Free Capital Funds	603,348
	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	251,250
	2.3.3	Refinancing of Housing Loans	-
	2.3.4	Borrowing from non-Banking Financial Institutions	-
	2.3.5	Customer Deposits	779,618
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	111,524
	2.3.7	Total other stable resources	1,142,392
	2.4	Total Stable Resources (2.2+2.3.7)	1,745,740
3		Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	84.28