Gulf International Bank B.S.C.
Abu Dhabi Branch

Basel III Pillar 3

Risk Management and Capital Adequacy

For the quarter ended 30th June 2026

Risk management and capital adequacy report

Table of contents

1 Overview of risk management, key prudential metrics and RWA 1
1.1 Key metrics 1
1.2 Overview of RWA 2

2 Composition of capital 3
2.1 Composition of regulatory capital 3
2.3 Main features of regulatory capital instruments 5

2 Leverage ratio 6
2.1 Leverage ratio common disclosure 6

3 Liquidity 7
3.1 Eligible Liquid Assets Ratio 7
3.2 Advances to Stable Resource Ratio 8

5 Credit Risk 9
5.1 Credit quality of assets 9
5.2 Changes in stock of defaulted loans and debt securities 10
5.4 Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects 11
5.5 Standardised approach - exposures by asset classes and risk weights 12

6 Market Risk 13
6.2 Market risk under the standardised approach (SA) 13

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

1.1 Key metrics

AED '000s

		Jun-26	Mar-26	Dec-25	Sep-25	Jun-25
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	586,553	583,409	573,557	563,539	570,839
1a	Fully loaded ECL accounting model	586,553	583,409	573,557	563,539	570,839
2	Tier 1	586,553	583,409	573,557	563,539	570,839
2a	Fully loaded ECL accounting model Tier 1	586,553	583,409	573,557	563,539	570,839
3	Total capital	591,412	591,364	581,423	574,498	581,739
3a	Fully loaded ECL accounting model total capital	591,412	591,364	581,423	574,498	581,739
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	2,070,208	2,250,983	2,236,842	2,268,935	2,375,578
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	28.33%	25.92%	25.64%	24.84%	24.03%
5a	Fully loaded ECL accounting model CET1 (%)	28.33%	25.92%	25.64%	24.84%	24.03%
6	Tier 1 ratio (%)	28.33%	25.92%	25.64%	24.84%	24.03%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	28.33%	25.92%	25.64%	24.84%	24.03%
7	Total capital ratio (%)	28.57%	26.27%	25.99%	25.32%	24.49%
7a	Fully loaded ECL accounting model total capital ratio (%)	28.57%	26.27%	25.99%	25.32%	24.49%
	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 (%)	0.50%	0.50%	0.50%	0.50%	0.50%
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	3.00%	3.00%	3.00%	3.00%	3.00%
12	CET1 available after meeting the bank's minimum capital requirements (%)	18.07%	15.77%	15.49%	14.82%	13.99%
	Leverage Ratio					
13	Total leverage ratio measure	2,825,990	3,285,365	3,010,117	3,135,253	3,643,517
14	Leverage ratio (%) (row 2/row 13)	20.76%	17.76%	19.05%	17.97%	15.67%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	20.76%	17.76%	19.05%	17.97%	15.67%
14b	Leverage ratio (%) (excluding the impact of any	20.76%	17.76%	19.05%	17.97%	15.67%
	ELAR					
21	Total HQLA	661,387	930,176	759,651	791,443	1,048,869
22	Total liabilities	1,725,103	2,179,682	1,908,683	2,102,317	2,633,499
23	Eligible Liquid Assets Ratio (ELAR) (%)	38.34%	42.67%	39.80%	37.65%	39.83%
	ASRR					
24	Total available stable funding	1,941,300	2,214,231	2,155,327	2,361,827	2,781,919
25	Total Advances	1,421,677	1,577,302	1,697,918	1,759,519	1,928,178
26	Advances to Stable Resources Ratio (%)	73.23%	71.23%	78.78%	74.50%	69.31%

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

Overview of RWA

AED '000s

		RWA		Minimum capital requirements
		Jun-26	Mar-26	Jun-26
1	Credit risk (excluding counterparty credit risk)	1,838,973	2,016,714	193,092
2	Of which: standardised approach (SA)	1,838,973	2,016,714	193,092
3	[redacted]			
4				
5				
6	Counterparty credit risk (CCR)	34,489	36,990	3,621
7	Of which: standardised approach for counterparty credit risk	34,489	36,990	3,621
8	[redacted]			
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	[redacted]			
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	8,154	8,687	856
21	Of which: standardised approach (SA)	8,154	8,687	856
22	[redacted]			
23	Operational risk	188,592	188,592	19,802
24	[redacted]			
25				
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**2,070,208**	**2,250,983**	**217,372**

2- Composition of capital

2.1- Composition of regulatory capital

AED '000s

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	550,000	
2	Retained earnings	23,244	
3	Accumulated other comprehensive income (and other reserves)	13,734	
4	*Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)*	-	
5	Common share capital issued by third parties (amount allowed in group CET1)	-	
6	**Common Equity Tier 1 capital before regulatory deductions**	**586,978**	
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Other intangibles including mortgage servicing rights (net of related tax liability)	425	
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	-	
12	Securitisation gain on sale	-	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
14	Defined benefit pension fund net assets	-	
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-	
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
20	Amount exceeding 15% threshold	-	
21	Of which: significant investments in the common stock of financials	-	
22	Of which: deferred tax assets arising from temporary differences	-	
23	CBUAE specific regulatory adjustments	-	
24	**Total regulatory adjustments to Common Equity Tier 1**	-	
25	**Common Equity Tier 1 capital (CET1)**	586,553	
	Additional Tier 1 capital: instruments		
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
27	OF which: classified as equity under applicable accounting standards	-	
28	Of which: classified as liabilities under applicable accounting standards	-	
29	*Directly issued capital instruments subject to phase-out from additional Tier 1*	-	
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	
31	*Of which: instruments issued by subsidiaries subject to phase-out*	-	
32	Additional Tier 1 capital before regulatory adjustments	-	
	Additional Tier 1 capital: regulatory adjustments		
33	Investments in own additional Tier 1 instruments	-	
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
36	CBUAE specific regulatory adjustments	-	
37	Total regulatory adjustments to additional Tier 1 capital	-	
38	**Additional Tier 1 capital (AT1)**	-	
39	**Tier 1 capital (T1= CET1 + AT1)**	**586,553**	

2- Composition of capital

2.1- Composition of regulatory capital

AED '000s

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Tier 2 capital: instruments and provisions		
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
41	*Directly issued capital instruments subject to phase-out from Tier 2*	-	
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
43	*Of which: instruments issued by subsidiaries subject to phase-out*	-	
44	Provisions	4,859	
45	**Tier 2 capital before regulatory adjustments**	4,859	
	Tier 2 capital: regulatory adjustments		
46	Investments in own Tier 2 instruments	-	
47	Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
49	CBUAE specific regulatory adjustments	-	
50	**Total regulatory adjustments to Tier 2 capital**	-	
51	**Tier 2 capital (T2)**	4,859	
52	**Total regulatory capital (TC = T1 + T2)**	591,412	
53	**Total risk-weighted assets**	2,070,208	
	Capital ratios and buffers		
54	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	28.33%	
55	**Tier 1 (as a percentage of risk-weighted assets)**	28.33%	
56	**Total capital (as a percentage of risk-weighted assets)**	28.57%	
57	**Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)**	3.00%	
58	**Of which: capital conservation buffer requirement**	2.50%	
59	**Of which: bank-specific countercyclical buffer requirement**	0.50%	
60	**Of which: higher loss absorbency requirement (e.g. DSIB)**	-	
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	18.07%	
	The CBUAE Minimum Capital Requirement		
62	Common Equity Tier 1 minimum ratio	7.00%	
63	Tier 1 minimum ratio	8.50%	
64	Total capital minimum ratio	10.50%	
	Amounts below the thresholds for deduction (before risk weighting)		
[redacted]			
66	Significant investments in common stock of financial entities	-	
[redacted]			
68	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	23,418	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	4,859	
[redacted]			
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
73	*Current cap on CET1 instruments subject to phase-out arrangements*	-	
74	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-	
75	*Current cap on AT1 instruments subject to phase-out arrangements*	-	
76	*Amount excluded from AT1 due to cap (excess after redemptions and maturities)*	-	
77	*Current cap on T2 instruments subject to phase-out arrangements*	-	
78	*Amount excluded from T2 due to cap (excess after redemptions and maturities)*	-	

2- Composition of capital

2.3- Main features of regulatory capital instruments

AED '000s

		Quantitative / qualitative information
1	Issuer	**Gulf International Bank B.S.C.**
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	United Arab Emirates
	Regulatory treatment	
4	Transitional arrangement rules (i.e. grandfathering)	Tier 1
5	Post-transitional arrangement rules (i.e. grandfathering)	Tier 1
6	Eligible at solo/group/group and solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Common equity
8	Amount recognised in regulatory capital	591,412
9	Nominal amount of instrument	550,000
9a	Issue price	NA
9b	Redemption price	NA
10	Accounting classification	Shareholders' equity
11	Original date of issuance	NA
12	Perpetual or dated	Perpetual
13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	NA
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step-up or other incentive to redeem	NA
22	Non-cumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	Writedown feature	NA
25	If writedown, writedown trigger(s)	NA
26	If writedown, full or partial	NA
27	If writedown, permanent or temporary	NA
28	If temporary write-own, description of writeup mechanism	NA
28a	Type of subordination	NA
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	NA
30	Non-compliant transitioned features	NA
31	If yes, specify non-compliant features	NA

2- Leverage ratio

2.1- Leverage ratio common disclosure

AED '000s

		Jun-26	Mar-26
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	2,329,236	2,778,932
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)	425	425
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	2,328,811	2,778,507
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1,823	4,169
9	Add-on amounts for PFE associated with *all* derivatives transactions	28,445	29,154
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)**	42,375	46,653
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 1**	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	879,553	898,609
20	(Adjustments for conversion to credit equivalent amounts)	424,749	438,404
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)**	454,804	460,205
Capital and total exposures			
23	**Tier 1 capital**	586,553	583,409
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	2,825,990	3,285,365
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	20.76%	17.76%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	20.76%	17.76%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	-	-

3- Liquidity

3.1- Eligible Liquid Assets Ratio

AED '000s

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	561,687	
1.2	UAE Federal Government Bonds and Sukuks	99,700	
	Sub Total (1.1 to 1.2)	661,387	661,387
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
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	0
1.6	**Total**	**661,387**	**661,387**
2	Total liabilities		1,725,103
3	**Eligible Liquid Assets Ratio (ELAR)**		**38.34%**

3- Liquidity

3.2- Advances to Stables Resource Ratio

AED '000s

		Items	Amount
1		**Computation of Advances**	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	912,878
	1.2	Lending to non-banking financial institutions	462,728
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	26,928
	1.4	Interbank Placements	19,143
	1.5	**Total Advances**	1,421,677
2		**Calculation of Net Stable Ressources**	
	2.1	Total capital + general provisions	615,080
		Deduct:	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	2,714
	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**	2,714
	2.2	**Net Free Capital Funds**	612,366
	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	Non-Banking Financial Institution Deposits	128,821
	2.3.5	Customer Deposits	1,032,806
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	167,307
	2.3.7	**Total other stable resources**	1,328,934
	2.4	**Total Stable Resources (2.2+2.3.7)**	1,941,300
3		**Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)**	73.23

5- Credit risk

5.1- Credit quality of assets

AED '000s

		Gross carrying values of		Allowances/ Impairments	Of which ECL accounting provisions for credit losses		Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	-	1,375,606	4,221	-	4,221	1,371,385
2	Debt securities	-	99,700	2	-	2	99,698
3	Off-balance sheet exposures	-	879,553	636	-	636	878,917
4	**Total**	**-**	**2,354,859**	**4,859**	**-**	**4,859**	**2,350,000**

5- Credit risk

5.2- Changes in stock of defaulted loans and debt securities

AED '000s

		Jun-26
1	**Defaulted loans and debt securities at the end of the previous reporting period**	-
2	Loans and debt securities that have defaulted since the last reporting period	-
3	Returned to non-default status	-
4	Amounts written off	-
5	Other changes	-
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	-

5- Credit risk

5.4- Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects

AED '000s

		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	661,386	-	661,386	-	-	0%
2	Public Sector Entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	270,876	188,086	270,876	103,043	111,440	30%
5	Securities firms	-	-	-	-	-	-
6	Corporates	1,375,606	691,467	1,375,606	351,762	1,726,437	100%
7	Regulatory retail portfolios	-	-	-	-	-	-
8	Secured by residential property	-	-	-	-	-	-
9	Secured by commercial real estate	-	-	-	-	-	-
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-
13	Other assets	32,315	-	32,315	-	32,259	100%
14	**Total**	**2,340,183**	**879,553**	**2,340,183**	**454,804**	**1,870,135**	

5- Credit risk

5.5- Standardised approach - exposures by asset classes and risk weights

AED '000s

	Asset classes \ Risk weight	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	661,386	-	-	-	-	-	-	-	661,386
2	Public Sector Entities	-	-	-	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-		-	-	-
4	Banks	-	251,733		122,186		-	-	-	373,919
5	Securities firms	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	1,727,367	-	-	1,727,367
7	Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
8	Secured by residential property	-	-	-	-	-	-	-	-	-
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	-
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-	-	-	-
13	Other assets		-	-	-	-	32,315	-	-	32,315
14	**Total**	661,386	251,733	-	122,186	-	1,759,682	-	-	2,794,988

6- Market risk

6.2- Market risk under the standardised approach (SA)

AED '000s

		Jun-26
		RWA
1	General Interest rate risk (General and Specific)	-
2	Equity risk (General and Specific)	-
3	Foreign exchange risk	8,154
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7		
8	Securitisation	-
9	**Total**	**8,154**