



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

Basel III Pillar 3

**Risk Management and
Capital Adequacy**

For the quarter ended 30th September 2024

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

	Sep-24	Jun-24	Mar-24	Dec-23	Sep-23	
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	582,166	590,989	568,306	636,514	600,008
1a	Fully loaded ECL accounting model	579,734	588,557	565,874	634,082	596,041
2	Tier 1	582,166	590,989	568,306	636,514	600,008
2a	Fully loaded ECL accounting model Tier 1	579,734	588,557	565,874	634,082	596,041
3	Total capital	610,320	617,436	594,070	663,085	634,549
3a	Fully loaded ECL accounting model total capital	607,888	615,004	591,638	660,653	630,582
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	2,401,248	2,248,589	2,193,265	2,252,377	2,837,154
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	24.24%	26.28%	25.91%	28.26%	21.15%
5a	Fully loaded ECL accounting model CET1 (%)	24.14%	26.17%	25.80%	28.15%	21.01%
6	Tier 1 ratio (%)	24.24%	26.28%	25.91%	28.26%	21.15%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	24.14%	26.17%	25.80%	28.15%	21.01%
7	Total capital ratio (%)	25.42%	27.46%	27.09%	29.44%	22.37%
7a	Fully loaded ECL accounting model total capital ratio (%)	25.32%	27.35%	26.98%	29.33%	22.23%
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 (%)	14.92%	16.96%	16.59%	18.94%	11.87%
Leverage Ratio						
13	Total leverage ratio measure	3,832,274	3,591,434	3,101,099	3,138,617	3,696,873
14	Leverage ratio (%) (row 2/row 13)	15.19%	16.46%	18.33%	20.28%	16.23%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	15.13%	16.39%	18.25%	20.20%	16.12%
14b	Leverage ratio (%) (excluding the impact of any	15.19%	16.46%	18.33%	20.28%	16.23%
ELAR						
21	Total HQLA	953,651	647,502	368,867	341,901	742,899
22	Total liabilities	2,935,923	2,709,044	2,216,037	2,247,403	2,875,557
23	Eligible Liquid Assets Ratio (ELAR) (%)	32.48%	23.90%	16.65%	15.21%	25.83%
ASRR						
24	Total available stable funding	2,829,506	2,836,707	2,298,953	2,437,442	2,860,410
25	Total Advances	2,098,529	1,824,443	1,799,439	1,858,424	2,040,131
26	Advances to Stable Resources Ratio (%)	74.17%	64.32%	78.27%	76.24%	71.32%

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

Overview of RWA

		RWA		Minimum capital requirements
		Sep-24	Jun-24	Sep-24
1	Credit risk (excluding counterparty credit risk)	2,189,679	2,045,220	229,916
2	Of which: standardised approach (SA)	2,189,679	2,045,220	229,916
3				
4				
5				
6	Counterparty credit risk (CCR)	62,612	70,532	6,574
7	Of which: standardised approach for counterparty credit risk	62,612	70,532	6,574
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	22,946	6,826	2409
21	Of which: standardised approach (SA)	22,946	6,826	2409
22				
23	Operational risk	126,011	126,011	13,231
24				
25				
26	Total (1+6+10+11+12+13+14+15+16+20+23)	2,401,248	2,248,589	252,131

2- Leverage ratio

2.1- Leverage ratio common disclosure

		Sep-24	Jun-24
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	3,504,544	3,309,169
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)	265	42,686
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	3,504,279	3,266,483
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)	1,918	3,047
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	20,804	15,400
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)	31,811	25,826
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	635,610	635,135
20	(Adjustments for conversion to credit equivalent amounts)	339,426	336,010
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)	296,184	299,125
Capital and total exposures			
23	Tier 1 capital	582,166	590,989
24	Total exposures (sum of rows 7, 13, 18 and 22)	3,832,274	3,591,434
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	15.13%	16.39%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	15.19%	16.46%
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	768,033	
1.2	UAE Federal Government Bonds and Sukuks	185,618	
	Sub Total (1.1 to 1.2)	953,651	953,651
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	953,651	953,651
2	Total liabilities		2,935,923
3	Eligible Liquid Assets Ratio (ELAR)		32.48%

3- Liquidity

3.2- Advances to Stable Resource Ratio

		Items	Amount
1		Computation of Advances	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	1,612,738
	1.2	Lending to non-banking financial institutions	344,756
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	129,797
	1.4	Interbank Placements	11,238
	1.5	Total Advances	2,098,529
2		Calculation of Net Stable Resources	
	2.1	Total capital + general provisions	613,276
		Deduct:	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	636
	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	636
	2.2	Net Free Capital Funds	612,640
	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	109,274
	2.3.5	Customer Deposits	2,012,474
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	95,118
	2.3.7	Total other stable resources	2,216,866
	2.4	Total Stable Resources (2.2+2.3.7)	2,829,506
3		Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	74.17