



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

**Basel III Pillar 3**

**Risk Management and  
Capital Adequacy**

For the quarter ended 31<sup>st</sup> March 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

		Mar-24	Dec-23	Sep-23	Jun-23	Mar-23
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1)	568,306	636,514	600,008	582,044	565,019
1a	Fully loaded ECL accounting model	565,874	634,082	596,041	578,077	561,052
2	Tier 1	568,306	636,514	600,008	582,044	565,019
2a	Fully loaded ECL accounting model Tier 1	565,874	634,082	596,041	578,077	561,052
3	Total capital	594,070	663,085	634,549	612,535	596,354
3a	Fully loaded ECL accounting model total capital	591,638	660,653	630,582	608,568	592,387
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	2,193,265	2,252,377	2,837,154	2,513,336	2,580,353
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio (%)	25.91%	28.26%	21.15%	23.16%	21.90%
5a	Fully loaded ECL accounting model CET1 (%)	25.80%	28.15%	21.01%	23.00%	21.74%
6	Tier 1 ratio (%)	25.91%	28.26%	21.15%	23.16%	21.90%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	25.80%	28.15%	21.01%	23.00%	21.74%
7	Total capital ratio (%)	27.09%	29.44%	22.37%	24.37%	23.11%
7a	Fully loaded ECL accounting model total capital ratio (%)	26.98%	29.33%	22.23%	24.21%	22.96%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
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 (%)	16.59%	18.94%	11.87%	13.87%	12.61%
<b>Leverage Ratio</b>						
13	Total leverage ratio measure	3,101,099	3,138,617	3,696,873	3,571,335	3,664,024
14	Leverage ratio (%) (row 2/row 13)	18.33%	20.28%	16.23%	16.30%	15.42%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	18.25%	20.20%	16.12%	16.19%	15.31%
14b	Leverage ratio (%) (excluding the impact of any	18.33%	20.28%	16.23%	16.30%	15.42%
<b>ELAR</b>						
21	Total HQLA	368,867	341,901	742,899	494,952	666,497
22	Total liabilities	2,216,037	2,247,403	2,875,557	2,772,539	2,913,173
23	Eligible Liquid Assets Ratio (ELAR) (%)	16.65%	15.21%	25.83%	17.85%	22.88%
<b>ASRR</b>						
24	Total available stable funding	2,298,953	2,437,442	2,860,410	2,870,968	3,122,940
25	Total Advances	1,799,439	1,858,424	2,040,131	2,111,077	2,194,724
26	Advances to Stable Resources Ratio (%)	78.27%	76.24%	71.32%	73.53%	70.28%

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

### Overview of RWA

		RWA		Minimum capital requirements
		Mar-24	Dec-23	Mar-24
1	Credit risk (excluding counterparty credit risk)	1,983,657	2,083,120	208,284
2	Of which: standardised approach (SA)	1,983,657	2,083,120	208,284
3				
4				
5				
6	Counterparty credit risk (CCR)	77,397	42,559	8,127
7	Of which: standardised approach for counterparty credit risk	77,397	42,559	8,127
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	6,200	687	651
21	Of which: standardised approach (SA)	6,200	687	651
22				
23	Operational risk	126,011	126,011	13,231
24				
25				
26	<b>Total (1+6+10+11+12+13+14+15+16+20+23)</b>	<b>2,193,265</b>	<b>2,252,377</b>	<b>230,293</b>

## 2- Leverage ratio

### 2.1- Leverage ratio common disclosure

		Mar-24	Dec-23
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	2,802,881	2,885,432
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)	45,774	41,301
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>2,757,107</b>	<b>2,844,131</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	14,092	18,614
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	31,457	36,395
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	<b>Total derivative exposures (sum of rows 8 to 12)</b>	<b>63,769</b>	<b>77,013</b>
<b>Securities financing transactions</b>			
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	<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	<b>-</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	679,195	470,768
20	(Adjustments for conversion to credit equivalent amounts)	398,972	253,295
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>280,223</b>	<b>217,473</b>
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	<b>568,306</b>	<b>636,514</b>
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>3,101,099</b>	<b>3,138,617</b>
<b>Leverage ratio</b>			
25	<b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	<b>18.25%</b>	<b>20.20%</b>
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	18.33%	20.28%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	<b>Applicable leverage buffers</b>	<b>-</b>	<b>-</b>

### 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	365,296	
1.2	UAE Federal Government Bonds and Sukuks	3,571	
	Sub Total (1.1 to 1.2)	368,867	368,867
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	<b>Total</b>	<b>368,867</b>	<b>368,867</b>
2	Total liabilities		2,216,037
3	<b>Eligible Liquid Assets Ratio (ELAR)</b>		<b>16.65%</b>

### 3- Liquidity

#### 3.2- Advances to Stables Resource Ratio

		Items	Amount
<b>1</b>		<b>Computation of Advances</b>	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	1,342,257
	1.2	Lending to non-banking financial institutions	368,697
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	88,485
	1.4	Interbank Placements	
	<b>1.5</b>	<b>Total Advances</b>	<b>1,799,439</b>
<b>2</b>		<b>Calculation of Net Stable Resources</b>	
	2.1	Total capital + general provisions	596,510
		<b>Deduct:</b>	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	788
	2.1.3	Funds allocated to branches abroad	-
	2.1.5	Unquoted Investments	-
	2.1.6	Investment in subsidiaries, associates and affiliates	-
	<b>2.1.7</b>	<b>Total deduction</b>	<b>788</b>
	<b>2.2</b>	<b>Net Free Capital Funds</b>	<b>595,722</b>
	<b>2.3</b>	<b>Other stable resources:</b>	
	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	31,932
	2.3.5	Customer Deposits	1,052,658
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	618,641
	<b>2.3.7</b>	<b>Total other stable resources</b>	<b>1,703,231</b>
	<b>2.4</b>	<b>Total Stable Resources (2.2+2.3.7)</b>	<b>2,298,953</b>
<b>3</b>		<b>Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)</b>	<b>78.27</b>