



بنك دبي الإسلامي
Dubai Islamic Bank

Pillar III Disclosures

30 September 2022



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1. Overview of Risk Management and RWA
KM1: Key metrics (at consolidated group level)

	AED '000s	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
S. No	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	31,660,335	30,435,830	29,438,196	28,265,092	29,442,660
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	39,924,585	38,700,080	37,702,446	36,529,342	37,706,910
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-	-
3	Total capital	42,498,741	41,334,015	40,318,287	39,138,463	40,315,104
3a	Fully loaded ECL accounting model total capital	-	-	-	-	-
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	228,307,477	230,689,350	230,369,457	228,820,246	230,569,163
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	13.9%	13.2%	12.8%	12.4%	12.8%
5a	Fully loaded ECL accounting model CET1 (%)	-	-	-	-	-
6	Tier 1 ratio (%)	17.5%	16.8%	16.4%	16.0%	16.4%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	-	-	-	-	-
7	Total capital ratio (%)	18.6%	17.9%	17.5%	17.1%	17.5%
7a	Fully loaded ECL accounting model total capital ratio (%)	-	-	-	-	-
	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 (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Bank D-SIB additional requirements (%)	0.5%	0.5%	0.5%	0.5%	0.5%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	3.0%	3.0%	3.0%	3.0%	3.0%
12	CET1 available after meeting the bank's minimum capital requirements (%)	6.9%	6.2%	5.8%	5.4%	5.8%
	Leverage Ratio					
13	Total leverage ratio measure	286,989,028	294,098,198	302,409,283	291,419,143	300,224,727
14	Leverage ratio (%) (row 2/row 13)	13.9%	13.2%	12.5%	12.5%	12.6%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2a/row 13)	-	-	-	-	-
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	-	-	-	-	-
	Liquidity Coverage Ratio¹					
15	Total HQLA	37,080,862	41,008,546	49,005,274	49,002,374	54,122,326
16	Total net cash outflow	30,139,264	35,034,818	39,810,481	35,923,392	33,729,386
17	LCR ratio (%)	123.0%	117.1%	123.1%	136.4%	160.5%
	Net Stable Funding Ratio¹					
18	Total available stable funding	189,202,035	194,378,921	193,821,280	187,935,313	193,226,218
19	Total required stable funding	184,212,254	187,744,057	186,732,730	184,134,134	185,979,995
20	NSFR ratio (%)	102.7%	103.5%	103.8%	102.1%	103.9%
	ELAR²					
21	Total HQLA	-	-	-	-	-
22	Total liabilities	-	-	-	-	-
23	Eligible Liquid Assets Ratio (ELAR) (%)	-	-	-	-	-
	ASRR²					
24	Total available stable funding	-	-	-	-	-
25	Total Advances	-	-	-	-	-
26	Advances to Stable Resources Ratio (%)	-	-	-	-	-

1. LCR and NSFR are calculated as at the end of each period rather than using average values. For average LCR, refer to table LIQ1.

2. ELAR and ASRR are not applicable.

OV1: Overview of RWA

	AED '000s	RWA		Minimum capital requirements*
		Q3 2022	Q2 2022	Q3 2022
1	Credit risk (excluding counterparty credit risk) ¹	202,915,878	207,534,923	21,306,167
2	Of which: standardised approach (SA)	202,915,878	207,534,923	21,306,167
3				
4				
5				
6	Counterparty credit risk (CCR)	1,006,791	1,100,221	105,713
7	Of which: standardised approach for counterparty credit risk	1,006,791	1,100,221	105,713
8				
9				
10				
11				
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	782,214	786,289	82,132
14	Equity investments in funds - fallback approach	1,227,575	1,293,381	128,895
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 ²	4,303,083	2,947,396	451,824
21	Of which: standardised approach (SA)	4,303,083	2,947,396	451,824
22				
23	Operational risk	18,071,936	17,027,141	1,897,553
24				
25				
26	Total (1+6+10+11+12+13+14+15+16+20+23)	228,307,477	230,689,350	23,972,285

*The minimum capital requirement has been applied at 10.5%.

1. Credit risk Weighted Assets has decreased in Q3'2022 from Q2'2022 due to contraction in the Banks Total assets.

2. Market Risk Weight Assets has increased in Q3'2022 from Q2'2022 due to increase in both profit rate risk and FX exposures.

2. Leverage ratio

LR1: Summary comparison of accounting assets vs leverage ratio exposure measure (January 2014 standard)

		<i>AED '000s</i>	Q3 2022
1	Total consolidated assets as per published financial statements		274,855,543
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation		(3,248,908)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference		-
4	Adjustments for temporary exemption of central bank reserves (if applicable)		-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure		-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting		-
7	Adjustments for eligible cash pooling transactions		-
8	Adjustments for derivative financial instruments		(196,519)
9	Adjustment for securities financing transactions (ie repos and similar secured lending)		-
10	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)		12,514,341
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital		-
12	Other adjustments		3,064,572
13	Leverage ratio exposure measure		286,989,028

LR2: Leverage ratio common disclosure template (January 2014 standard)

		AED '000s	Q3 2022	Q2 2022
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral) ¹		265,803,412	276,983,998
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)		(143,270)	(161,948)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)		265,660,142	276,822,050
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)		668,811	651,475
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions		906,158	964,762
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)		1,574,969	1,616,237
Securities financing transactions				
14	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions		7,239,577	3,556,773
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)		7,239,577	3,556,773
Other off-balance sheet exposures				
19	Off-balance sheet exposure at gross notional amount		27,930,824	27,300,727
20	(Adjustments for conversion to credit equivalent amounts)		(15,416,483)	(15,197,588)
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)		12,514,341	12,103,139
Capital and total exposures				
23	Tier 1 capital		39,924,585	38,700,080
24	Total exposures (sum of rows 7, 13, 18 and 22)		286,989,028	294,098,198
Leverage ratio				
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)		13.9%	13.2%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		13.9%	13.2%
26	CBUAE minimum leverage ratio requirement		3.5%	3.5%
27	Applicable leverage buffers		-	-

1. The On-balance sheet exposures has decreased in Q3'2022 due to contraction in the Banks total assets.

3. Liquidity Risk
LIQ1: Liquidity Coverage Ratio (LCR)

		<i>AED '000s</i>	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets				
1	Total HQLA			35,729,478
2	Retail deposits and deposits from small business customers, of which:		50,134,447	4,075,273
3	Stable deposits		18,763,440	938,172
4	Less stable deposits		31,371,007	3,137,101
5	Unsecured wholesale funding, of which:		68,427,601	28,037,257
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		15,753,317	3,938,329
7	Non-operational deposits (all counterparties)		52,674,284	24,098,928
8	Unsecured debt		-	-
9	Secured wholesale funding			-
10	Additional requirements, of which:		31,627,902	3,301,889
11	Outflows related to derivative exposures and other collateral requirements		4,272,561	854,512
12	Outflows related to loss of funding of debt products		-	-
13	Credit and liquidity facilities		27,355,341	2,447,377
14	Other contractual funding obligations		-	-
15	Other contingent funding obligations		-	-
16	Total cash outflows			35,414,419
Cash inflows				
17	Secured lending (e.g. reverse repo)		-	-
18	Inflows from fully performing exposures		3,367,422	1,683,711
19	Other cash inflows		1,743,894	1,743,894
20	Total cash inflows		5,111,316	3,427,605
				Total adjusted value
21	Total HQLA			35,729,478
22	Total net cash outflows			31,986,815
23	Liquidity coverage ratio (%)			112.4%

The LCR is designed to ensure that banks hold a sufficient reserve of high-quality liquid assets (HQLA) to allow them to survive a period of significant liquidity stress lasting 30 calendar days.

LCR ratio as at 30th Sept 2022 was 123% whereas the average LCR ratio for the quarter ended 30th Sept 2022 was 112.4%.

LCR both spot and average are higher than CBUAE current minimum requirement of LCR 100%.