



بنك دبي الإسلامي
Dubai Islamic Bank

Basel III – Pillar III Disclosures

March 2022



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1. Overview of Risk Management and RWA
OV1: Overview of RWA

	AED '000s	RWA		Minimum capital requirements*
		Q1 2022	Q4 2021	Q1 2022
1	Credit risk (excluding counterparty credit risk)	206,553,839	205,547,993	21,688,153
2	Of which: standardised approach (SA)	206,553,839	205,547,993	21,688,153
3				
4				
5				
6	Counterparty credit risk (CCR)	1,343,348	1,862,918	141,052
7	Of which: standardised approach for counterparty credit risk	1,343,348	1,862,918	141,052
8				
9				
10				
11				
12	Equity investments in funds - look-through approach	149,067	94,610	15,652
13	Equity investments in funds - mandate-based approach	804,377	793,979	84,460
14	Equity investments in funds - fallback approach	416,633	430,174	43,746
15	Settlement risk	0	0	0
16	Securitisation exposures in the banking book	0	0	0
17				
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	0	0	0
19	Of which: securitisation standardised approach (SEC-SA)	0	0	0
20	Market risk**	4,024,712	3,099,642	422,595
21	Of which: standardised approach (SA)	4,024,712	3,099,642	422,595
22				
23	Operational risk	17,077,480	16,990,931	1,793,135
24				
25				
26	Total (1+6+10+11+12+13+14+15+16+20+23)	230,369,457	228,820,246	24,188,793

*The minimum capital requirements applied is 10.5%

**The increase in Q1'2022 Market Risk Weight Assets as compared to Q4'2021 is due to the increase in exposures

KM1: Key metrics (at consolidated group level)

	AED '000s	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	29,438,196	28,265,092	29,442,660	28,432,578	27,678,369
1a	Fully loaded ECL accounting model	0	0	0	0	0
2	Tier 1	37,702,446	36,529,342	37,706,910	36,696,828	35,942,619
2a	Fully loaded ECL accounting model Tier 1	0	0	0	0	0
3	Total capital	40,318,287	39,138,463	40,315,104	39,307,806	38,517,968
3a	Fully loaded ECL accounting model total capital	0	0	0	0	0
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	230,369,457	228,820,246	230,569,163	230,640,452	225,389,874
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	12.8%	12.4%	12.8%	12.3%	12.3%
5a	Fully loaded ECL accounting model CET1 (%)	0	0	0	0	0
6	Tier 1 ratio (%)	16.4%	16.0%	16.4%	15.9%	15.9%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	0	0	0	0	0
7	Total capital ratio (%)	17.5%	17.1%	17.5%	17.0%	17.1%
7a	Fully loaded ECL accounting model total capital ratio (%)	0	0	0	0	0
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 (%)	5.8%	5.4%	5.8%	5.3%	5.3%
Leverage Ratio						
13	Total leverage ratio measure	302,409,283	291,419,143	300,224,727	305,841,604	299,634,727
14	Leverage ratio (%) (row 2/row 13)	12.5%	12.5%	12.6%	12.0%	12.0%
14 a	Fully loaded ECL accounting model leverage ratio (%) (row 2a/row 13)	0	0	0	0	0
14 b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	0	0	0	0	0
Liquidity Coverage Ratio						
15	Total HQLA	49,005,274	49,002,374	54,122,326	52,226,132	49,688,136
16	Total net cash outflow	39,810,481	35,923,392	33,729,386	34,350,631	39,198,820
17	LCR ratio (%)	123.1%	136.4%	160.5%	152.0%	126.8%
Net Stable Funding Ratio						
18	Total available stable funding	193,821,820	187,935,313	193,226,218	202,307,845	190,808,477
19	Total required stable funding	186,732,730	184,134,134	185,979,995	188,437,867	178,654,530
20	NSFR ratio (%)	103.8%	102.1%	103.9%	107.4%	106.8%
ELAR						
21	Total HQLA					
22	Total liabilities					
23	Eligible Liquid Assets Ratio (ELAR) (%)					
ASRR						
24	Total available stable funding					
25	Total Advances					
26	Advances to Stable Resources Ratio (%)					

*ELAR and ASRR are not applicable

2. Leverage ratio
LR1: Summary comparison of accounting assets vs leverage ratio exposure measure

		AED '000s	Q1 2022
1	Total consolidated assets as per published financial statements		287,225,758
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation		(3,321,620)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference		0
4	Adjustments for temporary exemption of central bank reserves (if applicable)		0
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure		0
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting		0
7	Adjustments for eligible cash pooling transactions		0
8	Adjustments for derivative financial instruments		1,883,595
9	Adjustment for securities financing transactions (ie repos and similar secured lending)		0
10	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)		15,165,432
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital		0
12	Other adjustments		1,456,118
13	Leverage ratio exposure measure		302,409,283

LR2: Leverage ratio common disclosure template

		AED '000s	Q1 2022	Q4 2021
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)		285,360,256	275,770,081
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework		0	0
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)		0	0
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		0	0
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)		0	0
6	(Asset amounts deducted in determining Tier 1 capital)		0	0
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)		285,360,256	275,770,081
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)		689,911	1,054,724
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions		1,193,684	1,249,192
10	(Exempted CCP leg of client-cleared trade exposures)		0	0
11	Adjusted effective notional amount of written credit derivatives		0	0
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		0	0
13	Total derivative exposures (sum of rows 8 to 12)		1,883,595	2,303,916
Securities financing transactions				
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions		0	1,077,372
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		0	(957,603)
16	CCR exposure for SFT assets		0	0
17	Agent transaction exposures		0	0
18	Total securities financing transaction exposures (sum of rows 14 to 17)		0	119,768
Other off-balance sheet exposures				
19	Off-balance sheet exposure at gross notional amount		36,555,455	31,913,752
20	(Adjustments for conversion to credit equivalent amounts)		(21,390,023)	(18,688,374)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		0	0
22	Off-balance sheet items (sum of rows 19 to 21)		15,165,432	13,225,378
Capital and total exposures				
23	Tier 1 capital		37,702,446	36,529,342
24	Total exposures (sum of rows 7, 13, 18 and 22)		302,409,283	291,419,143
Leverage ratio				
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)		12.5%	12.5%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		12.5%	12.5%
26	CBUAE minimum leverage ratio requirement		3.5%	3.5%
27	Applicable leverage buffers			

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			45,568,357
2	Retail deposits and deposits from small business customers, of which:		52,771,504	4,272,688
3	Stable deposits		20,089,245	1,004,462
4	Less stable deposits		32,682,259	3,268,226
5	Unsecured wholesale funding, of which:		77,345,467	33,678,059
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks		16,707,365	4,176,841
7	Non-operational deposits (all counterparties)		60,638,102	29,501,218
8	Unsecured debt		0	0
9	Secured wholesale funding			0
10	Additional requirements, of which:		32,125,910	3,071,904
11	Outflows related to derivative exposures and other collateral requirements		1,458,944	291,789
12	Outflows related to loss of funding of debt products		0	0
13	Credit and liquidity facilities		30,666,966	2,780,115
14	Other contractual funding obligations			
15	Other contingent funding obligations			
16	TOTAL CASH OUTFLOWS			41,022,651
Cash inflows				
17	Secured lending (eg reverse repo)		0	0
18	Inflows from fully performing exposures		3,386,702	1,693,351
19	Other cash inflows		881,089	881,089
20	TOTAL CASH INFLOWS		4,267,791	2,574,440
				Total adjusted value
21	Total HQLA			45,568,357
22	Total net cash outflows			38,448,211
23	Liquidity coverage ratio (%)			118.5%

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.

The decrease in average LCR in Q1'2022 is mainly due to decrease in Banks' HQLA portfolio when compared to Q4'2022; however, LCR both spot and average are higher than CBUAE current minimum requirement of LCR 70%.