Gibraltar
INTERNATIONAL BANK

Pillar III Report 2023

Content

Introduction

1. Introduction

1.1 Purpose

The purpose of this document has two principal reasons:

Principle 1

It provides information on the policies and approach taken by Gibraltar International Bank ("GIB") to manage risks and to maintain its capital resources. It also includes details on:

- The governance structure of the Bank; and
- Information on the Bank's exposures and capital resources.

Principle 2

To meet the regulatory disclosure requirements of the Gibraltar Financial Services Commission and of the Capital Requirements Regulation (CRR) including the relevant disclosures.

1.2 Overview

GIB is a Gibraltar registered bank authorised and regulated by the GFSC.

These disclosures are as at 31 December 2023 and are not subject to external audit, however, some of the information within these Pillar 3 disclosures also appear in the audited Financial Statements Y/E 2023.

This Pillar 3 document should be read in conjunction with the Financial Statements Y/E 2023, available from Companies House Gibraltar.

1. Introduction

1.3 Legislative Framework

GIB is subject to the Capital Requirements Directive (“CRD”) and the Capital Requirements Regulation (“CRR”). The CRR and CRD provide consistent prudential standards for financial services companies and an associated supervisory framework and are enforced in Gibraltar by the GFSC.

Pillar 1

Pillar 1 capital is the Bank’s minimum regulatory capital requirement relating to credit, market and operational risk.

Pillar 2

Pillar 2 requires firms to form a view on whether they should hold additional capital against risks not taken into account or not fully covered in Pillar 1.

This has been calculated as the amount of capital that it considers necessary to cover these risks within its Internal Capital Adequacy Assessment Process (“ICAAP”). The Bank’s ICAAP is reviewed and assessed by the GFSC.

Pillar 3

Pillar 3 sets out the disclosures that banks are required to make in order to promote market discipline through the external disclosure of their risk management and risk exposures.

1. Introduction

1.4 Directors

The Gibraltar International Bank's Board of Directors consists of a mix of executive and non-executive directors. A summary of their experience is included in the Bank's website (www.gibintbank.gi).

The Bank's Board Nomination & Governance Committee regularly evaluates and reviews the structure, size, composition, skills, knowledge, experience and diversity of the Board and makes recommendations to the Board on any proposed changes, taking into consideration the combination of skills, experience, knowledge and time commitment required to respond to the challenges and opportunities facing the Bank.

The Bank is committed to promoting equal opportunities in employment. As such, recruitment at all levels is without discrimination on any protected characteristic.

The Bank's Board Members held the following Directorships as of 31st December 2023.

Note: The total number of directorships includes those held within group-related companies.

Name	Appointment Date	Total Number of Directorships
A*	1st September 2014	10
B	1st February 2023	1
C	1st July 2023	1
D	1st May 2023	1
E	1st May 2023	3
F	1st July 2021	35
G	1st July 2021	13
H	2nd March 2023	1
I	1st July 2021	1
J**	1st May 2023	1

* Resigned 31st August 2024 ** Resigned 7th August 2024

Risk Governance and Committees

2. Risk Governance and Committees

The Gibraltar International Bank is led by a Board of Directors comprising of a Non-Executive Chairman, independent Non-Executive Directors and Executive Directors. The role of the Board is to provide strategic leadership of the Bank within a framework of prudent and effective controls which enables risk to be assessed and managed effectively. The Board ensures that its obligations to its shareholder and other stakeholders, internal/external are understood and met. The Board are collectively responsible for the long-term success of the Bank. It achieves this by setting the strategy and overseeing delivery against it, establishing the culture, values and standards of the Bank, setting risk appetite and ensuring that the Bank manages risk effectively, monitoring financial performance and reporting and ensuring that appropriate and effective succession planning arrangements and remuneration policies are in place.

The Board are also responsible for:

Communication

Approval of all circulars to shareholders, prospectuses and listing particulars. Approval of announcements or press releases concerning matters reserved for the Board. Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.

Remuneration

Determination of the remuneration policy for all the directors, other senior executives and staff of the Bank subject to the articles of association and shareholder approval as appropriate. Including any bonus schemes which may be devised from time to time. Ensure that the Bank's remuneration policy meets regulatory requirements.

Corporate Governance

Determination of the Bank's corporate governance arrangements and approval of the process for the performance evaluation of the Board and Board Committees and review of findings.

2. Risk Governance and Committees

Board of Directors

The Board of Directors oversees GIB's operations and serves as the link between its shareholders and management.

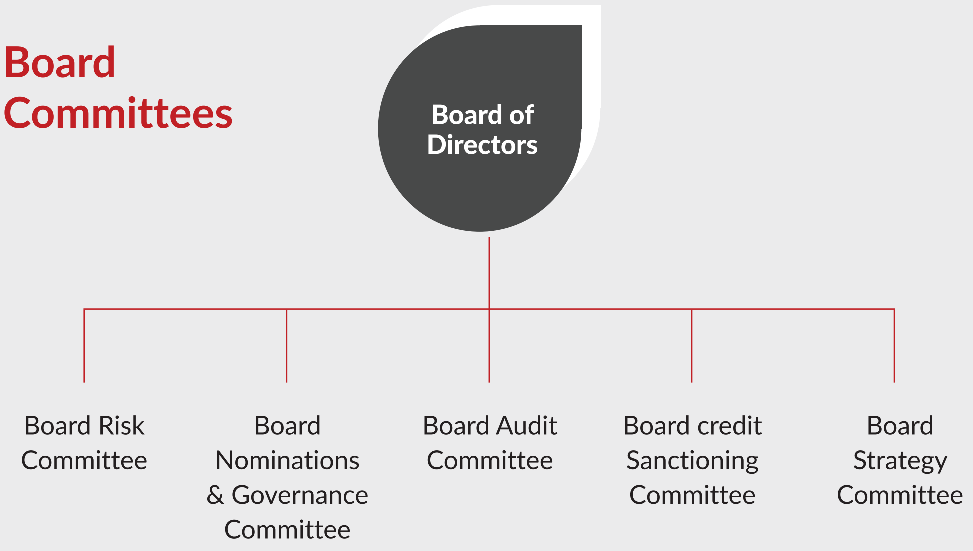
To achieve said responsibilities, the Board of Directors has established several Board Committees, delegating specific responsibilities to them. Each Board Sub-Committee operates under its own Terms of Reference which is periodically reviewed.

Executive Committee

The Executive Committee derives its delegation from the Board of Directors and their main purpose is to implement the decisions made by the Board of Directors. It is responsible for managing daily operations, growth, innovation and the implementation of the agreed strategy business vision.

To assist with the making decisions, sub-committees are created which ultimately report to the Executive Committee.

Board Committees



Management Committees

2. Risk Governance and Committees

2.1 Executive Committee

The Executive Committee (EXCO) provides leadership, guidance and oversight, playing a pivotal role in driving the success of the Bank by ensuring decisions made are aligned with the mission, vision and goal of GIB.

The Board has delegated the following authority to the EXCO. Oversight of these responsibilities remains with the Board who will review and challenge the management actions undertaken by EXCO as appropriate. The Board will also be available as a sounding board for EXCO to be able to consult on various matters as deemed appropriate by the EXCO members.

The purpose of EXCO is:

- Management of the day-to-day activities of Bank;
- The development and implementation of business plans, policies, procedures and budgets;
- The monitoring of operating and financial performance;
- The prioritisation and allocation of investment and resources;
- Responsible for managing and developing talent; and
- Managing the risk profile of the Bank.

2.2 Risk Committee

The Board Risk Committee provides oversight and advice to the Bank in relation to current and potential future risk exposures of the business and future risk strategy, including determination of risk appetite and tolerance. Scope of this Committee's oversight and responsibility consists of (a) Promoting a risk awareness culture within the Bank. (b) Overseeing and challenging the actions of the Executive Risk Committee, in particular the Chief Risk Officer. (c) Assisting on such other matters as may be referred to it by the Board.

Furthermore, the Committee will also review the Money Laundering Reporting Officer's ("MLRO") yearly Anti-Money Laundering ("AML") report per Anti-Money Laundering Guidance Notes ("AMLGNs") in which an assessment of the Bank's systems and controls is undertaken and also act as an independent forum for the MLRO to be able to independently escalate matters of AML & Combating the Financing of Terrorism ("CFT") financing concern.

2.3 Board Audit Committee

The Board Audit Committee monitors the integrity of the financial statements of the Bank and any formal announcements relating to the bank's financial performance, reviewing significant financial reporting judgements contained in them. This committee reviews the Bank's internal financial controls, monitors and reviews the effectiveness of the Bank's internal audit function, makes recommendations to the Board, for it to put to the shareholders for their approval in the Annual General Meeting ("AGM"), in relation to the appointment of the external auditor and approval of the remuneration and terms of engagement of the external auditor.

It reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements. It develops and implements policy on the engagement of the external auditor to supply non audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm. It identifies and reports to the Board, any matters in respect of which it considers that action or improvement is needed and makes recommendations as to the steps to be taken.

2. Risk Governance and Committees

2.4 Credit Risk Committee

The Board Credit Risk Committee considers and recommends to the Senior Management of the Bank the implementation of sound Credit Risk policies and procedures. The Committee also oversees and challenges the Executive Credit Risk Committee's duties and responsibilities. The Committee is responsible for reviewing and approving specific loans above the Management Credit Committee's authority limit and related strategies and policies. This committee is also tasked with reviewing the Executive Credit Committee's authority level as and when deemed necessary and recommending new levels to the Board for consideration and reviewing the asset and liability management of the Bank and ensuring that the Bank complies with regulatory requirements for the issuing and granting of lending facilities.

The Executive Credit Risk Committee has been formed primarily to set recommend and monitor risk appetite and risk profile for the Bank. In recommending the Bank's appetite for Credit Risk, the Committee will ensure that account has been taken of the current and prospective macroeconomic, macro-prudential and financial environment. The Committee will also recommend to the Board for ratification, on an annual basis, a report on the Bank's mandate and scale limits for Credit Risk, including an explanation of how such limits are set.

2.5 Board Remuneration Committee

The Gibraltar International Bank Board Remuneration Committee has been established to consider, agree and recommend to the Board the overall remuneration policy and philosophy for the Bank that is aligned with its long-term business strategy, business objectives, risk appetite, values and the long-term interests of the Bank. The Committee is responsible for reviewing and challenging the Remuneration Policy drafted and agreed by the Senior Management team and they will ensure that regulatory obligations regarding remuneration are met. The Committee will take into consideration the need to incentivise and attract top professionals and retain these on a long-term basis within a going concern. In its considerations, the Committee will refer to current market conditions (i.e., market rate for remuneration and emolument to determine the appropriate level of future remuneration. In this consideration the Committee will have as a benchmark the retention and attraction of quality professionals at all levels of the organisation.

The Bank, being stand-alone, leverages its operations on the back of high calibre professionals. In reviewing remuneration, the Committee will review the general financial performance of the Bank. The CEO will recommend the apportioning of funds for payment of salaries and bonuses on the basis of the Bank's performance. The Committee will review these proposals, challenge and validate these as appropriate.

2.6 Executive Commercial Committee

(renamed to Customer Experience Committee on the 17th May 2023)

The Executive Commercial Committee was established to review and discuss business development strategies in the Front Office/RM teams to include market intelligence, etc. They were also responsible for the review of any new commercial initiatives which the Bank planned to undertake with a view to challenge these where appropriate and provide a basis for discussion in terms of pricing and servicing. They reviewed and ratified any bespoke pricing recommended by either the Relationship and or Front Office teams.

The Committee also discussed as part of its duties, relevant market trends and competitor actions which may impact the Bank and debated and agreed the Bank's response to these.

In May 2023, the Bank decided to rename and repurpose the Executive Commercial Committee to the Executive Customer Experience Committee. The Executive Customer Experience Committee has been established to review the customer's end-to-end journey ensuring they align with the principles of consumer duty and to provide support for vulnerable customers, as well as, to review agreed key performance indicators, undertake annual reviews of each banking product and service to ensure they remain fit for purpose, recommend and review marketing and PR strategy, review and analyse customer complaints and to ensure resolution is based on fairness and outcomes that aligns with the Bank's consumer duty obligations, etc.

2. Risk Governance and Committees

2.7 Assets & Liabilities Committee (ALCO)

The Asset & Liabilities Committee (ALCO) has been established by the Board to oversee the management of the Bank's assets and liabilities. The Committee is responsible for ensuring that the bank's balance sheet shape and structure are robust and long-term viable. It provides oversight and implementation of the Treasury, Counterparty and Liquidity Policies, and considers and authorise changes to these policies. It provides direction relating to the management of the bank's liquid asset buffer and oversees risks relating to liquidity, funding capital, interest rate and FX risks. The Committee also ensures that the bank is compliant with all regulatory requirements on liquidity and funding capital.

2.8 Board Nominations & Governance Committee

The Board Nomination & Governance Committee has been established to provide recommendations to the Board governance issues including the establishment of appropriate policies and practices to enable the Board to operate effectively and efficiently. The Committee reviews and recommends to the Board the appropriate structure, size and composition of the Board, having regard to the balance of skills, experience, independence, knowledge and leadership needs of the Bank and the need for effective succession planning. The Committee is responsible for leading the nomination process for new directors, establishing appropriate criteria and recommending suitable candidates to the Board.

The Committee regularly reviews the membership of Board Committees, agreeing appropriate changes to Committee membership and notifying the Board of changes in the chairmanship or membership of individual Committees for formal ratification at least annually. The Committee oversees the annual evaluation of the performance of the Board, including the performance of individual directors, as required and its committees and reviews with the Board the results of these assessments, recommending actions for addressing any findings and overseeing the implementation of any resulting action plan. The Committee monitors developing trends, initiatives or proposals in relation to board governance issues in order to determine the extent to which such initiatives impact the Bank and make recommendations to the Board on any changes to be implemented.

Risk Management

3. Risk Management

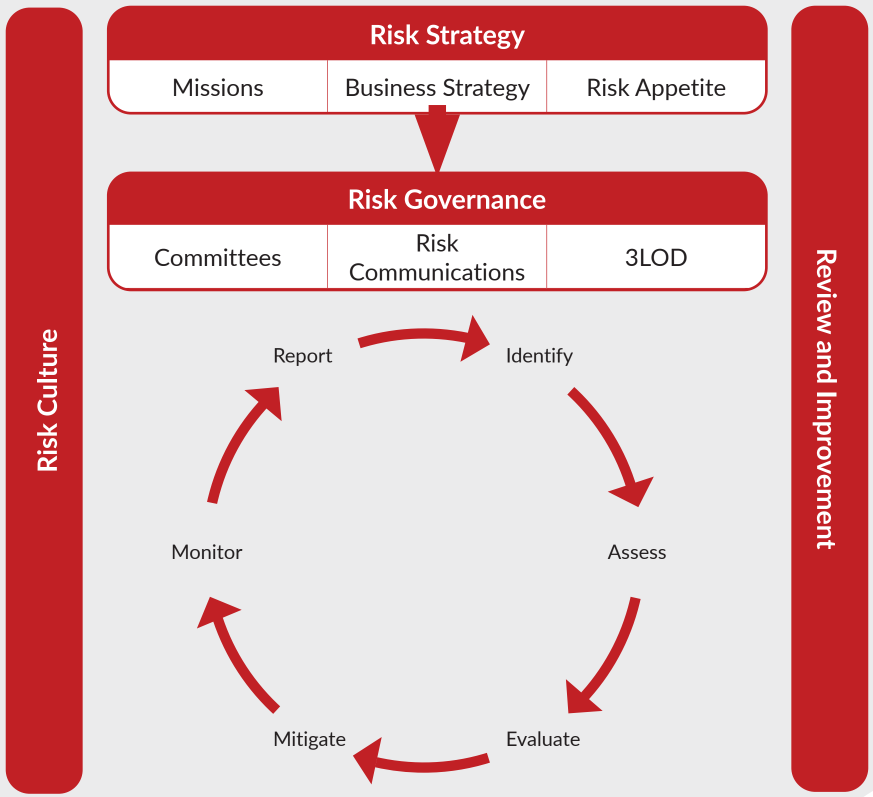
3.2 Risk Management Framework

The Enterprise Risk Management Framework ("ERMF") outlines Gibraltar International Bank's approach to risk management and the risk management processes employed by the Bank.

The underlying premise of ERMF is that every entity exists to provide value for its stakeholders. All entities face uncertainty, and the challenge for management is to determine how much uncertainty to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value. Enterprise Risk Management (ERM) enables management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value.

Value is maximized when management sets strategy and objectives to strike an optimal balance between growth and return goals and related risks, and efficiently and effectively deploys resources in pursuit of the entity's objectives. ERM encompasses:

- Aligning risk appetite and strategy – Management considers the entity's risk appetite in evaluating strategic alternatives, setting related objectives, and developing mechanisms to manage related risks.
- Enhancing risk response decisions – ERM provides the rigor to identify and select among alternative risk responses – risk avoidance, reduction, sharing, and acceptance.
- Reducing operational surprises and losses – Entities gain enhanced capability to identify potential events and establish responses, reducing surprises and associate costs of losses.
- Reducing performance variability – For some, the challenge is less with surprises and losses and more with variability in performance. Performing ahead of schedule or beyond expectations may cause concern as performing short of scheduling and expectations. ERM allows organisations to anticipate the risks that would affect performance and enable them to put in place the actions needed to minimize disruption and maximize opportunity.
- Identifying and managing multiple and cross-enterprise risks – Every enterprise faces a myriad of risks affecting different parts of the organization, and ERM facilitates effective response to the interrelated impacts, and integrated responses to multiple risks.
- Seizing Opportunities – By considering a full range of potential events, management is positioned to identify and proactively realise opportunities.



3. Risk Management

3.2 Risk Strategy

A. Missions & Business Strategy

GIB's approach to risk management is regularly reviewed by the Board to ensure that it remains consistent with the Board's requirements and with the Bank's overarching business strategy and mission.

The Bank seeks to support both its missions and business strategy through effective risk management, as well as providing value through providing challenge and independent oversight through business activities.

- Through effective risk strategy GIB aims to deliver:
- Clear levels of risk the Bank is willing to take to achieve its missions and objectives.
- Risk management duties are proportionate to nature and scale of the Bank as it continues to grow.
- Risk is taken into consideration in every decision.

B. Risk Culture

GIB believe that an appropriate risk management culture is fundamental in supporting the effective operation of the Risk Management Framework, enabling the business to make informed risk-based decision-making in the Bank. GIB encourages risk taking within the appropriate controlled manner.

This is achieved through providing an open and transparent environment where well-trained, well-informed individuals take prudent risk, subject to clear policies, appetite boundaries and mandates, in pursuit of the Bank's business strategy.

A strong risk culture helps reinforce our resilience by encouraging a holistic approach to the management of risk and return throughout the organisation. The management of risk is the responsibility of all employees.

The Bank will look to continuously develop risk culture through reviewing and embedding appropriate risk policies, communication and training.

C. Risk Appetite

GIB defines Risk Appetite as the level of risk the Bank is willing to absorb to meeting its strategic objectives and day-to-day decision-making processes.

GIB's Risk Appetite sets out its overall approach, including policies, processes, systems and controls through which risk appetite is established, communicated, controlled, managed and monitored.

The Board considers and approves the types and levels of risk it is willing to accept, or seeks to avoid or limit, in pursuit of the Bank's business strategy and objectives. This is articulated to the business through a series of risk appetite statements, to which management then seeks to embed these into all business activities through appropriate risk governance.

Both Board & Executive Risk Management committees undertake a full review of the risk appetite statement on an annual basis or more frequent in the event of material changes.

3. Risk Management

3.3 Key Risks

The main tool of risk classification is GIB's Risk Taxonomy which seeks to define at a high level the main types of risk that the Bank is exposed to. The following risks have been identified as the key risks:

Level 1	Definition
Business/Strategic	The risk that GIB fails to execute its business strategy as a result of the poor decision taking, substandard execution of decisions, inadequate resource allocation or from a failure to effectively respond to changes in the business/market environment.
Conduct	Any action of the Bank or individual identified within the Bank that leads to customer detriment, or has an adverse effect on market stability or effective competition,
Credit	The possibility of loss resulting from a borrower's failure to repay a loan or meet contractual obligations.
Financial Crime	The risk of customer harm or operational losses arising from external dishonest behaviour, with the intent to make a gain or cause a loss to others. Failure to identify and appropriately mitigate money laundering, terrorist financing, sanctions and anti-bribery and corruption risks arising from GIB's operations
Operational	The risk of loss, whether direct or indirect, to which GIB Bank is exposed due to inadequate or failed internal processes or systems, human error or external events.
Prudential	Prudential risks are those risks that can reduce the adequacy of the Bank's financial resources and, as a result, adversely affect confident in the financial system or prejudice consumers.
Regularity and Compliance	The risk of financial loss, reputational damage and/or regulatory censure arising from failing to comply with existing/future regulatory or legislative requirements.
Reputational	Reputational Risk is the risks arising from negative stakeholder opinion or negative publicity regarding the Bank, whether true or not. Reputational risk can crystalise as a result of the other risks crystalising or indeed be the reason for other risks to occur - for example: • A direct result of the Bank's actions. • Indirectly, due to the actions of employees. • Indirectly, through third-parties associated with the Bank such as suppliers, partners or clients.

3. Risk Management

3.4 Risk Governance & Operating Model

D. Committees

The Board has overall accountability and responsibility for the management of risk with the Bank and delegates risk management responsibilities to its sub-committees, primarily Risk and Audit, as well delegating responsibility of the day-to-day management of risk to the Executive Committee.

The Board is responsible for **(a)** approving the overall appetite in relation to the types and appetite of risks the Bank can tolerate as part of their day-to-day activities **(b)** maintaining a sufficient control environment to manage its key risks.

GIB openly discusses the Risk Framework and Risk Management with both Board Risk and Executive Committees.

Chairs of Risk Committees at Executive and Board levels specify the information they require to perform their duties. Topics covered may include:

- Risk Profile
- Risk Appetite and its application to Business Strategy
- Risk Management Approaches
- Risk Events/ Incidents
- Political and Economic environments
- Risk Taxonomy

E. Risk Communication

It is the responsibility of the Executive Committee to ensure that the strategy and culture for risk management are cascaded and embedded throughout the Bank. This is to ensure that all employees are aware of the approach to risk management and their individual responsibilities when executing their day-to-day activities.

The Bank embeds its risk management culture through:

- Tone from the top: The Bank's management contribute to the internal communication of core values to all staff members
- Accountability: All employees are expected to understand the core values of the Bank and, to the extent necessary for their role, its risk appetite.
- Effective communication and challenge: Promotion of environment of open communication and effective challenge in which the decision-making process promotes constructive engagement.
- Collaboration: The 1st and 2nd line of defence work together in managing the Bank's risk profile.

3. Risk Management

3.4 Risk Governance & Operating Model (Continued)

To support risk management activities the Bank operates within the Three Lines of Defence Model. Their respective roles are as follows:

Ist Line (The Business)	2nd Line (The Risk Function)	3rd Line (Internal Audit)
• Managing risks within defined appetite of the bank, ensuring proactive identification, measurement, management, monitoring and reporting risks. • Reporting on risk incidents/events. • Design and implement controls to manage their day-to-day risks. • Review the design and effectiveness of controls. • Establish effective risk culture.	• Develop, implement and maintain the ERMF. • Develop an appropriate risk appetite for Board approval. • Provide independent, expert advice and guidance. • Ensure effective risk-based decision-making subject to governance and oversight. • Support and Challenge 1st Line Risk Management. • Provide assurance on regulatory compliance and effectiveness or key controls.	• Independent assurance. • Assess whether risk management is being implemented and operation effectively across both 1st and 2nd lines. • Review the overall risk management framework to ensure alignment to regulatory expectations and industry standards.

Capital and Other Disclosures

4. Capital and Other Disclosures

The Bank meets its obligations under the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD), collectively referred to as CRD IV.

During 2023, the Bank has complied with the minimum requirements of the Gibraltar Financial Services Commission and the Basel III framework.

The Bank's policy is to maintain a strong capital base to maintain investor and market confidence and to be able to support the future development of the business. All of the Bank's capital is Common Equity Tier 1 (CET 1).

The Bank's Pillar 1 risk are calculated for credit risk, operational risk and market risk. The standardised approach is used for credit risk and market risk and the basic indicator approach is used for operational risk.

The Bank must set aside capital equal to 8% of its total risk weighted assets to cover its Pillar 1 capital requirements, with an additional buffer of 2.5%.

In line with Regulations, the Bank assesses it capital adequacy needs in its ICAAP document which is reviewed, challenged and approved by the Board. Pillar 2 risks are assessed to determine whether any additional capital is required over and above the Pillar 1 requirement.

4. Capital and Other Disclosures

4.1 Key Metrics

The key metrics cover the Bank's available capital (including buffer requirements and ratios), risk weighted exposure amounts ("RWA"), leverage ratio, liquidity coverage ratio and net stable funding ratio.

Available own funds (amounts)	£
Common Equity Tier 1 (CET1) capital	65,630,523
Tier 1 capital	65,630,523
Total 1 capital	65,630,523
Available own funds (amounts)	
Total risk-weighted exposure amount	413,140,855
Capital rations (as a percentage of risk)	
Common Equity Tier ratio (%)	15.89%
Tier 1 ratio (%)	15.89%
Total 1 capital (%)	15.89%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)	
Total SREP own funds requirements (%)	8.00%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)	
Capital conservation buffer (%)	2.50%
Combined buffer requirement (%)	2.50%
Overall capital requirement (%)	10.50%
CET1 available after meeting the total SREP	5.39%

Leverage ratio	£
Total exposure measure excluding claims on	1,290,762,408
Leverage ration excluding claims on central	5.09%
Liquidity Coverage Ratio	
Total high-quality liquid assets (HQLA)	49,957,120
Cash outflows	71,308,505
Cash inflows	53,481,379
Total net cash outflows	17,827,126
Liquidity coverage ratio (%)	280.23%
Net Stable Funding Ratio	
Total available stable funding	844,,294,754
Total required stable funding	451,328,805
Net Stable Funding ratio (%)	187.07%

4. Capital and Other Disclosures

4.2 Overview of Risk Weighted Exposure Amounts

The assets of the Bank are analysed by risk category and given weightings according to the level of risk entailed per the CRR. This table presents the Bank's RWA and capital requirements per category of risk, calculated as 8% of RWA.

	Risk weighted exposure amounts	Total own funds requirements
Credit risk	**£**	**£**
Credit risk	366,134,188	29,290,735
Of which the standardised approach	366,134,188	29,290,735
Position, foreign exchange and commodities risks (Market risk)		
Position, foreign exchange and commodities risks (Market risk)	1,141,717	91,337
Conduct	1,141,717	91,337
Operational risk		
Operational risk	45,864,950	3,669,196
Of which the basic indicator approach	45,864,950	3,669,196
Total	**413,140,855**	**33,051,268**

31/12/2023

4 Capital and Other Disclosures

4.3 Composition of regulatory own funds

The regulatory own funds composition is as per the table, which includes Common Equity Tier 1 (CET1) capital and regulatory adjustments.

		References to disclosures in section 4.4
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**£**	
Capital instruments and the related share premium accounts	65,000,000	a
Retained earnings	4,807,829	b
Accumulated other comprehensive income (and other reserves)	500,674	c
Common Equity Tier (CET1) capital before regulatory adjustments	**70,308,503**	
Regulatory adjustments to Common Equity Tier 1 (CET1)		
Intangible assets met of related tax liability (negative amount)	-4,677,980	d
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**-4,677,980**	
Common Equity Tier 1 (CET1) capital		
Common Equity Tier 1 (CET1) capital	**65,630,523**	

31/12/2023

4. Capital and Other Disclosures

4.4 Reconciliation of regulatory own funds to balance sheet in the audited Financial Statements

	Statement of financial position in published financial statements	Regulatory own funds	References to disclosures in Section 4.3
Assets	£	£	
Cash on hand	7,861,159	7,861,159	
Investment securities at FVOCI	679,915	679,915	
Investment securities at amortised	83,994,385	83,994,385	
Derivative financial instruments	914,275	914,275	
Advances to banks	817,674,173	817,674,173	
Advances to customers	363,717,408	363,717,408	
Other assets	8,409,653	8,409,653	
Right-of-use assets	4,143,094	4,143,094	
Property and equipment	823,284	823,284	
Intangible assets	4,677,980	4,677,980	d
Deferred tax asset	232,294	232,294	
Total assets	**1,293,127,620**	**1,293,127,620**	
Liabilities	£	£	
Customer deposits	1,210,356,005	1,210,356,005	
Lease liabilities	5,140,607	5,140,607	
Other liabilities	6,683,399	6,683,399	
Current tax liabilities	639,106	639,106	
Total liabilities	**1,222,819,117**	**1,222,819,117**	
Equity	£	£	
Share capital	65,000,000	65,000,000	a
Retained earnings	4,807,829	4,807,829	b
Fair value reserve	500,674	500,674	c
Total shareholder's equity	**70,308,503**	**70,308,503**	
Total liabilities and equity	£	£	
Total liabilities and equity	**1,293,127,620**	**1,293,127,620**	

Remuneration

5 Remuneration

Gibraltar International Bank ensures that its remuneration policies are clear and support the strategic goals of the Bank whilst remaining compliant with regulations. Remuneration is linked to business performance and is assessed against financial and non-financial criteria including risk management related metrics. The Bank offers its employees a reward structure that supports its culture and long-term strategy. The performance of all our employees is tracked via their Personal Performance Plan. These performance plans take place twice a year in June and December. Employees are set their objectives which identify their key priorities and team's goals over the long- and short-term period.

These objectives focus on moving the individual and team forward over the coming months by undertaking specific work and tasks which will effect change. The overall aim is to improve the quality and efficiency, contributing to the team initiatives and helping to achieve the business goals.

All employees are eligible for an annual performance review and consideration for a salary increase based on achievement and merit.

The Board is committed to adhering to the Financial Services Remuneration Code, thus ensuring that the Bank has risk-focused remuneration policies, which are consistent with and promote effective risk management and do not expose the Bank to excessive risk. This is done in a manner which is appropriate to the Bank's size, internal organisation and the nature, scope and complexity of its activities.

The Remuneration Committee is responsible for designing, implementing and overseeing the Remuneration Policy and the reward structure of the Bank. It ensures that effective risk management is a key component of remuneration and incentive structures. The Remuneration Committee's terms of reference are reviewed on an annual basis and articulate the responsibilities of the Committee.

5 Remuneration

5.1 Remuneration awarded for the Financial Year

The information set out below relates to the remuneration of individuals who served for at least part of the year as a Material Risk Taker ("MRT").

These members of staff have been classified as MRTs as they could have a material impact on the risk profile of the Bank.

The ratio between fixed and variable pay can be seen in the table below:

		MB Supervisory function	MB Management function	Other senior management
Fixed remuneration	Number of identified staff	12	3	5
	Total fixed remuneration	269,820	503,364	519,377
Variable remuneration	Total variable remuneration		110,000	87,000
Total remuneration		269,820	613,364	606,377

N.B.
MB Supervisory Function; note we had a Board change with 5 leavers and 4 appointments.
MB Management Function; note 1 senior manager moved across to the MB Management function.
Figures exclude ex gratia payments.

Gibraltar

INTERNATIONAL BANK